



Date:06.09.2023

To,
The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New Trading Wing,
Rotunda Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Scrip Code: 540080
Security Id: DHATRE

Dear Sir/ Madam,

Sub.: Submission of the 28th Annual Report 2022-23 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In compliance with the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we are submitting herewith the Annual Report of the Company for the financial year 2022-23 including Notice containing the businesses to be transacted at the 28th Annual General Meeting scheduled on Friday, September 29, 2023 at 01:00 p.m. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India from time to time.

The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The said 28th Annual Report 2022-23 is also uploaded on the website of the Company at <https://dhatre.com/wp-content/uploads/2023/09/Annual-Report-2022-23.pdf>

The e-voting shall be open for 4 days, commencing at 9.00 a.m. (IST) on 25th September 2023 and ending at 5.00 p.m. (IST) on 28th September 2023 for all the shareholders, whether holding shares in physical form or in dematerialized form.

This is for your kind information and records.

Thanking You,
Yours Faithfully,

For Dhatre Udyog Limited
(Formerly known as Narayani Steels Limited)

ANKITA DUTTA
DUTTA

Digitally signed by
ANKITA DUTTA
Date: 2023.09.06
17:12:26 +05'30'

Ankita Dutta
Company Secretary & Compliance Officer

Encl:A/a

DHATRE UDYOG LIMITED

(FORMERLY NARAYANI STEELS LIMITED)

Phone no: +91 33 4804 0592 | Email: info@dhatre.com | Website: www.dhatre.com

Registered Office: ERGO Tower, Plot No. A1-4, Block - EP & GP. Unit No. 1406 14th Floor, Sector - V, Salt Lake City, Kolkata - 700 091

Factory: D.No: Survey No: 202/31-38 Modavalsa, Village: Denkada Mandal, Vizianagaram : 535006

CIN : L24319WB1996PLC82021



DHATRE UDYOG LIMITED

(Formerly known as Narayani Steels Limited)

28th ANNUAL REPORT

F.Y. 2022-23

ADDRESS:

**ERGO Tower, Plot No. - A1 -4, Block - EP & GP
Unit No. - 1406, 14th Floor, Bidhan Nagar, Sector – V,
Salt Lake, North 24 Parganas, WB 700091 IN**

TABLE OF CONTENTS

| | |
|--|---------|
| Corporate Information..... | 1-2 |
| Notice and Annexure to Notice..... | 3-17 |
| Director's Report..... | 18-33 |
| Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel)Rule, 2014..... | 34-35 |
| Secretarial Audit Report..... | 36-40 |
| Management Discussion and Analysis Report..... | 41-44 |
| Report on Corporate Governance..... | 45-63 |
| CEO & CFO Certification..... | 64 |
| Certificate confirming Non- Disqualification of Directors..... | 65 |
| Certificate on the Compliance of the conditions of Regulation 15(2) of the SEBI (LODR) Regulations, 2015..... | 66 |
| Independent Auditor's Report..... | 67-78 |
| Standalone Balance Sheet | 79 |
| Standalone Statement of Profit & Loss Account | 80 |
| Standalone Cash Flow Statement | 81 |
| Notes to the Standalone Financial Statements..... | 82-109 |
| Independent Auditor's Report..... | 110-118 |
| Consolidated Balance Sheet | 119 |
| Consolidated Statement of Profit & Loss Account | 120 |
| Consolidated Cash Flow Statement | 121 |
| Notes to Consolidated Financial Statements..... | 122-151 |

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------|-----------------------------------|
| Mr. Sumit Kumar Agarwal | : Managing Director |
| Mr. Asit Baran Bhattacharjee | : Independent Director |
| Mr. Ajit Kumar Nath | : Independent Director |
| Mr. Amit Ranjan Sinha | : Executive Director (Resigned) |
| Mrs. Akansha Agarwal | : Independent Director (Resigned) |
| Mrs. Varsha Kedia | : Independent Director |

KEY MANAGERIAL PERSONNEL

| | |
|----------------------|---|
| Mr. Arun Kumar Meher | : Company Secretary & Compliance Officer (Resigned) |
| Mrs. Ankita Dutta | : Company Secretary & Compliance Officer |
| Mr. Ankit Gupta | : Chief Financial Officer |

BOARD COMMITTEES

Audit Committee

| | |
|------------------------------|---------------------|
| Mr. Asit Baran Bhattacharjee | : Chairman |
| Mr. Ajit Kumar Nath | : Member |
| Mrs. Akansha Agarwal | : Member (Resigned) |
| Mrs. Varsha Kedia | : Member |

Nomination & Remuneration Committee

| | |
|------------------------------|---------------------|
| Mr. Asit Baran Bhattacharjee | : Chairman |
| Mr. Ajit Kumar Nath | : Member |
| Mrs. Akansha Agarwal | : Member (Resigned) |
| Mrs. Varsha Kedia | : Member |

Stakeholder Relationship Committee

| | |
|------------------------------|---------------------|
| Mr. Asit Baran Bhattacharjee | : Chairman |
| Mr. Ajit Kumar Nath | : Member |
| Mrs. Akansha Agarwal | : Member (Resigned) |
| Mrs. Varsha Kedia | : Member |

Registered Office

: ERGO Tower, Plot No. - A1 -4, Block-EP & GP Unit No. - 1406, 14th Floor, Sector -V, Bidhan Nagar, Saltlake North 24 Parganas WB 700091 IN
Ph No. 033 48040592,
Email: info@dhatre.com
Website: www.dhatre.com

Corporate Office

: SyNo.202/3034and38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram, Andhra Pradesh-535006 IN

Corporate Identification Number

: L24319WB1996PLC082021

Statutory Auditors

: M/s. P D Rungta & Co.
Chartered Accountants
21 Hemant Basu Sarani, 3rd Floor,
R.N. 317, Kolkata-700001

Secretarial Auditors

: M/s. Ankita Dey & Associates.
Practicing Company Secretaries
Uttar Madarat, Paschim Para,
Baruipur (P), Madarat,
24 Paraganas (S), Kolkata-743610

Bankers

: Bank of Baroda

Registrar & Share Transfer Agent

: Bigshare Services Private Limited
E-3 Ansa Industrial Estatesaki Vihar
Road Sakinaka Mumbai MH
400072
Tel No. +91 22 6263 8200
Email id: info@bigshareonline.com
Website: www.bigshareonline.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting of Dhatre Udyog Limited (Formerly Known as Narayani Steels Limited) will be held on Friday, 29th September, 2023 at 1:00 P.M. IST through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') facility, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2023, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Sumit Kumar Agarwal (DIN: 02184000), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To ratify the remuneration payable to M/s. Sampath Babu & Co., Cost Auditor of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, to M/s Sampath Babu & Co., Cost Accountants, Visakhapatnam to conduct the cost audit of the Company for the financial year 2023-24, at a remuneration as approved by the Board of Directors of the Company, be and is hereby ratified."

4. **To regularize Mr. Ravi Kumar (DIN: 10258713) as an Executive Director (Operation) of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), Mr. Ravi Kumar (DIN: 10258713) who was appointed by the Board of Directors based on the recommendation of Nomination and Remuneration Committee, as an Additional Director of the Company with effect from 04.09.2023 under Section 161(1) of the Act to hold office till the conclusion of this annual general, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT Mr. Ravi Kumar be paid remuneration comprising salary, commission on profits, perquisites / benefits on following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said reappointment and / or remuneration as it may deem fit and as may be mutually agreed between Mr. Ravi Kumar and the Board, subject to the same not exceeding the limits specified

under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT Directors of the Company and the Company Secretary be and are hereby jointly and severally authorised to file necessary forms, to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

5. To approve Related Party Transactions

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Rules made there under (including any Statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded and ratified the Related Party Transactions entered by the Company with the respective Related Parties and for the amounts as mentioned herein below for the Financial Year 2022-23:

| S No. | Name of the Related Party | Name of the Director/KM P who is related, if any | Nature of relationship | Type of Transaction | Rs. in Lakhs |
|-------|--|--|--|-------------------------|------------------------------|
| 1 | Sumit Kumar Agarwal (HUF) Sumit Kumar Agarwal Oipl India Private Limited Rishikunj Vincom Pvt Ltd | Sumit Kumar Agarwal | Enterprises owned or significantly influenced by the Directors | Unsecured Loan received | 110.00 95 105.00 11 |
| 2 | Rishikunj Vincom Pvt Ltd | Sumit Kumar Agarwal | Enterprises owned or significantly influenced by the Directors | On behalf payments by | 4.32 |

RESOLVED FURTHER THAT Directors of the Company or the Company Secretary be and are hereby jointly and severally authorised to comply with the necessary formalities in this regard and to do all such acts, deeds, matters and things as may be necessary for giving effect to the said resolution."

**By Order of the Board of Directors
For Dhatre Udyog Limited
(Formerly Known as Narayani Steels Limited)**

**Place: Kolkata
Date: 4th September, 2023**

**Sd/-
Ankita Dutta
Company Secretary and Compliance Officer
M No. A61913**

Notes:

1. Pursuant to General Circulars No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 05, 2022, No 10/2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as ‘MCA Circulars’ in relation to “Clarification on holding of AGM & EGM through video conferencing (VC) or other audio visual means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the AGM & EGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM & EGM of the Company is being held through VC/OAVM. Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by SEBI (“SEBI Circular”) and pursuant to applicable provisions of the Companies Act and Rules made thereunder.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item No. 3 to 5 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 4th September 2023 considered that the special business under Item No. 3 to 5, being considered unavoidable, be transacted at the 28th AGM of the Company.
3. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed to this Notice.
4. Pursuant to the provisions of 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 in line with the MCA Circulars and the SEBI Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) (“Body Corporates”) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address at csankitadev@gmail.com
6. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of Friday, 22nd September, 2023.
7. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.
8. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement are available on the website of the Company at www.dhatre.com and on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com , For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. Company’s web-link on the above will also be provided in advertisement being published in Business Standard (English Language - All India edition) and Aaj Kal (Bengali Language).

9. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive).
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Bigshare Services Private Limited Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
12. 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 ('DP') and holdings should be verified from time to time.
13. As per the provision of Section 72 of the Act, facility for making nomination(s) is available to Individuals holding shares in the Company. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company or RTA, whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.dhatre.com or can be obtained by writing mail to the compliance@dhatre.com.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
17. Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases: a. Deletion of name of the deceased shareholder(s); b. Transmission of shares to the legal heir(s); and c. Transposition of shares.
18. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") since the shares are held by them in electronic Form.

INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE e-AGM THROUGH VIDEO CONFERENCE /OTHER AUDIO-VISUAL MODE:

- i. Attending the e-AGM: Members will be able to attend the AGM through VC / OAVM by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Facility of joining the AGM through VC / OAVM shall be open 15 minutes before the time scheduled for the AGM.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- vii. **Submission of Questions / queries prior to e-AGM:**

Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email id i.e., Compliance@dhatre.com at least 2 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that, member's questions will be answered only if they continue to hold the shares as of cut-off date.
- viii. Speaker Registration before e-AGM: Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at compliance@dhatre.com from Monday, 25th September, 2023 (10:00 a.m. IST) to Wednesday 27th September, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- ix. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- x. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Monday 9.00 am 25th day of September, 2023 and ends on 05 pm Thursday the 28th day of September, 2023. During this period Shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday the 22nd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) 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.
- (iv) 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.
- (v) 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.

Pursuant to abovesaid 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 | <p>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.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting 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 the e-Voting service provider 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, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> |

| | |
|--|--|
| | <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>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 and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>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</p> <p>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 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.</p> |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p> | <p>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.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 |

(vi) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| For Shareholders holding shares in Demat Form other than individual and Physical Form | |
|--|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

(vii) After entering these details appropriately, click on “SUBMIT” tab.

- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@dhatre.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing,25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East),Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no.1800 22 55 33.

GENERAL INSTRUCTIONS:

- i. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM.
- ii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
- iii. The remote e-voting period commences at Monday 9.00 am 25th day of September, 2023 and ends on 05 pm Thursday the 28th day of September, 2023. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 22nd September 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM.
- iv. The Company has appointed M/s. Ankita Dey & Associates, Company Secretaries represented by Ms. Ankita Dey, Practising Company Secretary (Membership No. A62192 and CP No.23218) as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and

transparent manner.

- v. The Scrutinizer shall, within two working days from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.
- vi. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 28th Annual General Meeting of the Company scheduled to be held on 29th September, 2023. the results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dhatre.com within two working days of conclusion of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3

To ratify the remuneration payable to M/s. Sampath Babu & Co., Cost Auditor of the Company.

Ratification of Remuneration to Cost Auditors for FY 2023-24 The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Sampath Babu & Co., Cost Accountants, Vishakhapatnam, to conduct the Cost Audit of the Company for the financial year 2023-24. In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for your approval.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

Item No. 4

To regularize Mr. Ravi Kumar (DIN: 10258713) as an Executive Director (Operation) of the Company

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Ravi Kumar as an Additional Director with effect from 04.09.2023. In accordance with the provisions of Section 161 of the Companies Act, 2013, Mr. Ravi Kumar shall hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Board of Directors of the Company at its meeting held on 04.09.2023, had subject to necessary approval of shareholders, appointed Mr. Ravi Kumar as an Executive Director of the Company on such terms of remuneration as the Board thinks fit from time to time, but within the ceiling(s) laid down in the Act or any statutory amendment or relaxation thereof. Information about the appointee: Mr. Ravi Kumar, aged 27 years, is a Mechanical Engineer by qualification and handling various projects for the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are related to Mr. Ravi Kumar and accordingly, none of them are concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

Item No. 5

To approve related party transactions

The members are informed that the Companies Act, 2013 provides to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board/resolution professional where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of

Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in Sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered and to be entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business except a few which could be construed as not in the ordinary course of business but are at arm's length basis.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise except mentioned in the Item No.5 in the resolution.

The Board/Resolution Professional recommends passing of the resolution as set out at Item No. 5 of the Notice as an Ordinary Resolution.

**By Order of the Board of Directors
For Dhatre Udyog Limited
(Formerly Known as Narayani Steels Limited)**

**Place: Kolkata
Date: 4th September,2023**

**Sd/-
Ankita Dutta
Company Secretary and Compliance Officer
M No. A61913**

ANNEXURE TO THE NOTICE DATED 4TH SEPTEMBER 2023

Details of Directors seeking appointment/re-appointment at the Annual General Meeting
Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India :

| Particulars | Name of the Director | |
|--|--|---|
| | Sumit Kumar Agarwal | Ravi Kumar |
| DIN | 02184000 | 10258713 |
| Date of birth and Age | 18/10/1975, 48 years | 08/10/1996, 27 years |
| Qualification | Chartered Accountant | Mechanical Engineer |
| Experience | with an experience of over 25 years in iron & steel and other core industries. | With an experience of 4 years in Iron & Steel Company |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | He is the Managing Director of the Company | He is not related with other Directors, Manager and other Key Managerial Personnel of the Company |
| Nature of appointment (appointment / re-appointment) | Retires by rotation and offers himself for re-appointment | Retires by rotation and offers himself for re-appointment |
| Terms and Conditions of appointment / re-appointment | Appointment as an Managing Director subject to retirement by rotation | Appointment as an Executive Director subject to retirement by rotation |
| Remuneration last drawn by such Person, if applicable and remuneration sought to be paid | Rs. 2,00,000/- per month | - |

| | | |
|--|----------------------|------------|
| Date of first appointment on the Board | 16/03/2022 | 04/09/2023 |
| Shareholding in the company | 10,00,000 | - |
| The number of Meetings of the Board attended during the year | 12 | - |
| Directorship Details of the Board | Dhatre Udyog Limited | - |
| Name of listed entities in which person also holds the directorship and membership/ chairmanship of Committees of other Boards | - | - |

**By Order of the Board of Directors
For Dhatre Udyog Limited
(Formerly Known as Narayani Steels Limited)**

**Place: Kolkata
Date: 4th September, 2023**

**Sd/-
Ankita Dutta
Company Secretary and Compliance Officer
M No. A61913**

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report on the business and operations of Dhatre Udyog Limited (Formerly known as Narayani Steels Limited) ("the Company/your Company") together with the Audited Financial Statements (Standalone and Consolidated) for the year ended 31 March 2023.

1. FINANCIAL HIGHLIGHTS

(Amount (₹) in Lakhs)

| Particulars | Consolidated | | Standalone | |
|---------------------------|--------------|-----------|------------|-----------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Total Income | 11,005.51 | 1,187.21 | 11,005.51 | 1,187.21 |
| Total Expenses | 10,079.33 | 1,137.25 | 10,079.33 | 1,137.25 |
| Exceptional Item | - | 10,196.39 | - | 10,196.39 |
| Profit/(Loss) before tax | 926.18 | 10,246.35 | 926.18 | 10,246.35 |
| Tax Expenses | 257.89 | 3568.29 | 257.89 | 3568.29 |
| Profit/(Loss) after tax | 668.29 | 6,678.06 | 668.29 | 6,678.06 |
| Earnings Per Equity Share | | | | |
| Basic (Rs.) | 11.54 | 1,224.32 | 11.54 | 1,224.32 |
| Diluted (Rs.) | 6.13 | 61.22 | 6.13 | 61.22 |

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On consolidated basis, the revenue from operations for FY 2023 was ₹10,709.75 Lakhs, higher by 821.44 % over the previous year's revenue of ₹ 1,187.21 Lakhs. The profit after tax (PAT) attributable to shareholders for FY 2023 and FY 2022 was ₹ 668.29 Lakhs and ₹ 6678.06 Lakhs respectively.

On a standalone basis, the revenue from operations for FY 2023 was ₹ 10,709.75 Lakhs, higher by 821.44 % over the previous year's revenue of ₹1,187.21 Lakhs in FY 2022. The profit after tax (PAT) attributable to shareholders for FY 2023 and FY 2022 was ₹ 668.29 Lakhs and ₹ 6678.06 Lakhs respectively.

3. CHANGE IN THE NATURE OF BUSINESS

There was no change in nature of business of the Company.

4. SIGNIFICANT AND MATERIAL ORDERS

There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operations in future.

5. DEPOSITS

During the year under review, your Company has not accepted any deposits from the public. Further, no amount of deposit remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2023. Subsequently, no default has been made in repayment of deposits or payment of interest thereon during the year.

6. TRANSFER TO RESERVES

Rs.667.75 Lakhs was transferred to reserves for Financial Year 2022-23.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the

company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

8. DIVIDEND

Keeping in view the future expansion plans, your Board of Directors do not recommend any dividend for Financial Year 2022-23.

9. SHARE CAPITAL

During the year under review there was no change in the authorised share capital of the Company. The Authorised share Capital of the Company as on 31 March 2023 is Rs. 14,00,00,000 divided into 1,40,00,000 Equity Shares of Rs. 10 each fully paid up. The Paid-up Share Capital of the Company as on 31 March 2023 is Rs. 10,89,54,500 divided into 1,08,95,450 Equity Shares of Rs. 10 each fully paid up.

In the financial year 2021-22, the Resolution Plan approved by Hon'ble NCLT, Kolkata Bench under provision of Insolvency & Bankruptcy Code 2016, the reduction and consolidation of share capital has been approved. The Company had submitted draft scheme of reduction of share capital from the existing issued and paid- up Share Capital of the Company being 1,09,09,000 equity shares of Rs.10/- aggregating to Rs. 10,90,90,000/- shall be reduced to 1,09,09,000 equity shares of Rs.0.50 aggregating Rs. 54,54,000/- i.e., the Face Value of equity share shall be Reduced from Rs.10 each to Re.0.50 each. After Reduction of Face Value of Existing equity shares of Re.0.50 each shall be consolidated into 5,45,450 equity shares of Rs.10/- each.

During the year 2022-23, 1,03,50,000 equity shares of Rs. 10/- each issued at par to the promoters on a preferential basis pursuant to Resolution Plan approved by NCLT under Insolvency & Bankruptcy Code, 2016.

10. LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed on the main Board of Bombay Stock Exchange Limited. The Annual Listing fees for the year 2023-24 have been paid.

11. CORPORATE OFFICE OF THE COMPANY

During the year under review, to carry commercial operation in the state of Andhra Pradesh, the Company decided to maintain a corporate office at Sy No. 202/30-34 and 38/Part, Modavalasa Village, Denkada Mandal, Vizianagaram-535006 AP with effect from 30th May, 2023.

12. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has an associate Company namely, Hari Equipments Private Limited as on 31 March 2023.

13. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There was no amount liable or due to be transferred to Investor Education and Protection Fund (IEPF) during the financial year ended March 31, 2023.

14. PERFORMANCE AND CONTRIBUTION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

It has suffered substantial losses in the previous financial year as well as the current financial year ending 31 March 2023. The management of the associate company is exploring the options to raise additional finance to revive the operations.

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Associate Company in Form AOC-1 is annexed to this Board's Report as **Annexure – I**.

15. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. Annual Report 2022-23. The Consolidated Financial Statements for the Financial Year ended 31 March 2023 forms part of the Annual Report.

16. KEY MANAGERIAL PERSONNEL & DIRECTORS

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination, Remuneration and Compensation Committee of your Company.

Key Managerial Personnel (KMP)

During the year under review, there was change in the Key Managerial Personnel of the Company.

Following are the KMPs of the Company in terms of Sec 203 of the Act

| | |
|---------------------|---|
| Sumit Kumar Agarwal | : Managing Director appointed w.e.f 30.09.2022 |
| Arun Kumar Meher | : Company Secretary & Compliance Officer resigned w.e.f 07.11.2022 |
| Ankita Dutta | : Company Secretary & Compliance Officer appointed w.e.f 07.11.2022 |
| Ankit Gupta | : Chief Financial Officer appointed w.e.f 01.06.2023 |

Directors

Mr. Sumit Kumar Agarwal, Director is liable to retire by rotation and being eligible for re-appointment.

During the year under review, there was change in Composition of the Board of the Company.

Composition of the Board

| | |
|---------------------------------------|------------------------|
| Sumit Kumar Agarwal ¹ | : Managing Director |
| Amit Ranjan Sinha ² | : Executive Director |
| Asit Baran Bhattacharjee ³ | : Independent Director |
| Ajit Kumar Nath ⁴ | : Independent Director |
| Akansha Agarwal ⁵ | : Independent Director |
| Varsha Kedia ⁶ | : Independent Director |

¹Sumit Kumar Agarwal was appointed as Managing Director on the Board subject to approval by members at the Annual General Meeting of the Company held on 30th September, 2022.

²Amit Ranjan Sinha was appointed as Executive Director on the Board subject to approval by members at the Annual General Meeting of the Company held on 30th September, 2022 and resigned with effect from 30th June, 2023.

³Asit Baran Bhattacharjee was appointed as Independent Director on the Board subject to approval by members at the Annual General Meeting of the Company held on 30th September, 2022.

⁴Ajit Kumar Nath was appointed as Independent Director on the Board subject to approval by members at the Annual General Meeting of the Company held on 30th September, 2022.

⁵ Akansha Agarwal was appointed as Independent Director on the Board subject to approval by members at the Annual General Meeting of the Company held on 30th September, 2022 and resigned on 25th January, 2023.

⁶ Varsha Kedia was appointed as Independent Director on the Board on 7th November, 2022 subject to approval by members at the Extra Ordinary General Meeting of the Company held on 20th February, 2023.

None of the directors of the company are disqualified under the provisions of the Companies Act 2013.

17. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board met 12 (Twelve) times i.e., on 4th April, 2022, 8th April, 2022, 30th May, 2022, 28th June, 2022, 13th July, 2022, 13th August, 2022, 30th August, 2022, 27th September, 2022, 7th November, 2022, 14th November, 2022, 25th January, 2023 and 14th February, 2023.

Details of the attendance of the Directors at the Board meetings held during the year ended 31st March 2023 are as follows:

| Name of the Director | Number of Board Meetings | |
|--------------------------|--------------------------|----------|
| | Held | Attended |
| Sumit Kumar Agarwal | 12 | 12 |
| Asit Baran Bhattacharjee | 12 | 12 |
| Ajit Kumar Nath | 12 | 6 |
| Amit Ranjan Sinha | 12 | 7 |
| Varsha Kedia | 12 | 3 |
| Akansha Agarwal | 12 | 7 |

18. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2023 and Profit and Loss Account of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the Annual Accounts for the Financial Year ended 31 March 2023 on a going concern basis;
- e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19.COMPOSITION OF THE COMMITTEES AND ITS MEETINGS

Audit Committee

The Audit Committee comprises of following Directors:

| Name of the Director | Position | Designation on Board |
|--------------------------------|----------|----------------------|
| Asit Baran Bhattacharjee | Chairman | Independent Director |
| Ajit Kumar Nath | Member | Independent Director |
| * ¹ Akansha Agarwal | Member | Independent Director |
| * ² Varsha Kedia | Member | Independent Director |

*¹ Akansha Agarwal resigned from the Board with effect from 25th January, 2023.

*²Varsha Kedia was appointed with effect from 7th November, 2022.

During the period, the Audit Committee met 4 (Four) times on 30 May 2022, 13 August 2022, 14 November 2022 and 14 February 2023.

Details of the attendance of the Audit Committee held during the year ended 31 March 2023 are as follows:

| Name of the Director | Number of Audit Committee Meetings | |
|--------------------------|------------------------------------|----------|
| | Held | Attended |
| Asit Baran Bhattacharjee | 4 | 4 |
| Ajit Kumar Nath | 4 | 4 |
| Akansha Agarwal | 4 | 3 |
| Varsha Kedia | 4 | 1 |

Nomination, Remuneration and Compensation Committee

The Nomination, Remuneration and Compensation Committee comprises of the following Directors:

| Name of the Director | Position | Designation on Board |
|--------------------------------|----------|----------------------|
| Asit Baran Bhattacharjee | Chairman | Independent Director |
| Ajit Kumar Nath | Member | Independent Director |
| * ¹ Akansha Agarwal | Member | Independent Director |
| * ² Varsha Kedia | Member | Independent Director |

*¹ Akansha Agarwal resigned from the Board with effect from 25th January, 2023.

*²Varsha Kedia was appointed with effect from 7th November, 2022.

During the period the Nomination, Remuneration and Compensation Committee met 4 (Four) times on 04 April 2022 ,28 June 2022, 13 July 2022 and 7 November, 2022.

Details of the attendance of the Nomination and Remuneration Committee held during the year ended 31 March 2023 are as follows:

| Name of the Director | Number of Nomination and Remuneration Committee Meetings | |
|--------------------------|--|----------|
| | Held | Attended |
| Asit Baran Bhattacharjee | 4 | 4 |
| Ajit Kumar Nath | 4 | 4 |
| Akansha Agarwal | 4 | 4 |
| Varsha Kedia | 4 | - |

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following Directors

| Name of the Director | Position | Designation on Board |
|--------------------------|----------|----------------------|
| Asit Baran Bhattacharjee | Chairman | Independent Director |
| Ajit Kumar Nath | Member | Independent Director |

| | | |
|--------------------------------|--------|----------------------|
| * ¹ Akansha Agarwal | Member | Independent Director |
| * ² Varsha Kedia | Member | Independent Director |

*¹Akansha Agarwal resigned from the Board with effect from 25th January, 2023.

*²Varsha Kedia was appointed with effect from 7th November, 2022.

During the period the Stakeholders Relationship Committee met 2 (Two) times on 28 June 2022 and 30 August, 2022.

Details of the attendance of the Stakeholders Relationship Committee held during the year ended 31 March 2023 are as follows:

| Name of the Director | Number of Stakeholders Relationship Committee Meetings | |
|--------------------------|--|----------|
| | Held | Attended |
| Asit Baran Bhattacharjee | 2 | 2 |
| Ajit Kumar Nath | 2 | 2 |
| Akansha Agarwal | 2 | 2 |
| Varsha Kedia | 2 | - |

The Brief description of the terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholder's relationship committee is part of corporate governance report forming part of this report.

20. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

21. MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 09 March 2023, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

22. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

The Company has in place a process for familiarization of newly appointed directors with respect to their respective duties and departments. The highlights of the Familiarization Programme are explained in the Corporate Governance Report forming part of this Annual Report and are also available on the Company's website at : <https://dhatre.com/familization-programme/>

23. FORMAL ANNUAL EVALUATION

The Board of Directors is committed to get carried out an annual evaluation of its own performance, board committees and individual Directors pursuant to applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated. Based on the criteria the exercise of evaluation was carried out through the structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The

performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Director.

24.RISK MANAGEMENT POLICY OF THE COMPANY

In terms of the provisions of Regulation 17 of the Listing Regulations, the Company has in place a proper system for Risk Management, assessment and minimization of risk. Risk Management is the identification and identification and assessment of risk. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The Board members are informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company

25.PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS UNDER SECTION 186

Details of loans, guarantee and investments are given in Note no. 5 to the Financial Statements attached.

26.PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large. All the related party transactions are approved by the Audit Committee and Board of Directors.

The Company has adopted a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 entered by the Company during the Financial Year ended 31 March 2023 in prescribed Form AOC-2 is appended to this Report as **Annexure – II**.

The policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company and the web link is <https://dhatre.com/wp-content/uploads/2023/08/Policy-on-Related-Party-Transactions-2.pdf>

27.STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Board's Report as **Annexure – III**.

28.ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the web-link:<https://dhatre.com/annual-return-under-section-92-of-companies-act-2013/>

29.CORPORATE SOCIAL RESPONSIBILITY

As per the requirement of Section 135 of the Companies Act, 2013, the companies specified therein are required to spend at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities.

Your Company has incurred losses during the immediately preceding three financial years; hence, the said requirement of spending at least two percent of the average net profits made during the three immediately preceding financial years towards CSR activities was not applicable to your Company for the financial year 2022-2023.

30. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

Disclosures regarding activities undertaken by the company in accordance with the provisions of section 134 of the Companies Act, 2013 read with Companies (Accounts) rules, 2014 are provided here under:

A. Conservation of energy:

(i) The Steps taken or impact on Conservation of energy:

The Company has adopted strict control system to monitor day to day power consumption. The Company ensures optimal use of energy with minimum extend of wastage as far as possible. The day-to-day consumption is monitored and efforts are made to save energy.

(ii) Steps taken by company for utilizing alternate source of energy:

The Company is not utilizing any alternate source of energy.

(iii) The Capital Investment on energy conservation equipment:

The Company has not made any Capital Investment on energy conservation equipment.

B. Technology absorption:

The Company does not undertake any activities relating to technology absorption.

C. Foreign Exchange earnings and outgo:

(i) Foreign Exchange Earnings: NIL

(ii) Foreign Exchange Outgo: NIL

(iii) Advance to Supplier: NIL

31. MAINTENANCE OF COST RECORDS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148 OF THE COMPANIES ACT, 2013

Maintenance of cost records as specified by the central government under sub-section (1) of section 148 of the companies act, 2013, is required by the company and accordingly such accounts and records are made and maintain.

32. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with your Companies (Audit and Auditors) Rules, 2014, the members of the Company in 27 Annual General Meeting of the Company ('27 AGM') approved the appointment of M/s. P.D. Rungta & Co., Chartered Accountants (ICAI Firm Registration No. 001150C) as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 27 AGM till the conclusion of 32 AGM.

The Report given by M/s. P.D. Rungta & Co., on the Financial Statements of your Company for the financial year 2023 is part of the Annual Report. The Auditor's Report contains qualified report. The basis for qualification are as follows:

- a. Internal Audit Report is not available since the management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- b. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- c. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

Secretarial Auditors Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. Ankita Dey & Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the FY 2022-23. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure- IV**.

Cost Auditor

M/s. Sampath Babu & Co., Cost Accountants, Visakhapatnam, was appointed as Cost Auditors of the Company to conduct the audit of Cost Accounts maintained by the Company.

33. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

34. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy.

The Company has adopted a Whistle Blower Policy establishing a formal vigil mechanism for the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. The policy of vigil mechanism is available on the Company's website.

The brief detail about this mechanism may be accessed on the Company's website at the weblink: <https://dhatre.com/wp-content/uploads/2023/08/Vigil-Mechanism-Whistle-Blower-Policy-1.pdf>

35. PREVENTION OF SEXUAL HARASSMENT

Your Company has framed a Policy of prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. All women who are associated with the Company—either as permanent employees or temporary employees or contractual persons including service providers at Company sites are covered under the above policy. During the financial year 2022-23, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31st March, 2023. The policy

on prevention of sexual harassment as approved by the Board is uploaded on the website of the Company and the web link is <https://dhatre.com/wp-content/uploads/2023/08/Sexual-Harrasment.pdf>

36. NOMINATION AND REMUNERATION POLICY

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Employees of senior management employees. The details of the same are given on the website of the Company i.e., www.dhatre.com The detailed features of Remuneration Policy are stated in the Report on Corporate Governance forming part of this Annual Report.

37. DIRECTORS' QUALIFICATION CERTIFICATE

In terms of SEBI (LODR) Regulation 2015, a Certificate from M/s. Ankita Dey & Associates, Company Secretary stating that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of the Annual Report as **Annexure VII**.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

39. POLICY OF CODE OF CONDUCT FOR DIRECTOR AND SENIOR MANAGEMENT

Your Company has adopted the policy of code of Conduct to maintain standard of business conduct and ensure compliance with legal requirements. Details of the same are given in the website of the Company i.e. <https://dhatre.com/wp-content/uploads/2023/08/Code-of-Conduct-Board-Senior-Management-2.pdf>

40. PREVENTION OF INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. During the year under review, there has been due compliance with the said code.

41. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Management's Discussion and Analysis as **Annexure – V**.

42. CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Secretarial Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report as **Annexure – VI**.

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

There have been no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations. During the year under review, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

44. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost cutting measures, efficiency of operation and protecting assets from their unauthorized use. The Company also ensures that internal controls are operating effectively. The Company has also in place adequate internal financial controls with reference to financial statement. Such controls are tested from time to time to have an internal control system in place.

Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended 31 March 2023, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

45. INSURANCE

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

46. ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to provide a safe and healthy work environment for the well-being of all our Stakeholders. The operations of the Company are conducted in such a manner that it ensures safety of all concerned and a pleasant working environment. The Company strives to maintain and use efficiently limited natural resources as well as focus on maintaining the health and well-being of every person.

47. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on commitment towards its human capital and recognizing its pivotal role for organization growth. During the year, the Company maintained a record of peaceful employee relations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

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

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 are not applicable to the Company

49. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons are not applicable to the Company.

50. ACKNOWLEDGEMENT

Your Directors wishes to express its gratitude and places on record its sincere appreciation for the commitment and efforts put in by all the employees. And also record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review.

Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

Place: Kolkata
Date: 4th September,2023

On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)

| | |
|----------------------------|---------------------------------|
| SD/- | SD/- |
| Sumit Kumar Agarwal | Asit Baran Bhattacharjee |
| Managing Director | Director |
| DIN:02184000 | DIN: 02559634 |

Annexure-I

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF ASSOCIATE COMPANY

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARIES

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

| | | |
|-----|--|---|
| 1. | Name of the Subsidiary | - |
| 2. | Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period | - |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign Subsidiaries. | - |
| 4. | Share Capital | - |
| 5. | Reserves & Surplus | - |
| 6. | Total assets | - |
| 7. | Total Liabilities | - |
| 8. | Investments | - |
| 9. | Turnover | - |
| 10. | Profit before taxation | - |
| 11. | Provision for taxation | - |
| 12. | Profit/ (Loss) after taxation | - |
| 13. | Proposed Dividend | - |
| 14. | % of Shareholding | - |
| 15. | Type of Subsidiary | - |

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

PART B: ASSOCIATES AND JOINT VENTURE

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| S. No | Name of associates/Joint Ventures | Hari Equipments Private Limited (CIN: U51504WB1971PTC080792) |
|-------|--|---|
| 1. | Latest audited Balance Sheet Date | 31 March 2023 |
| 2. | Shares held by the company on the year end | |
| | No of Shares | 4,59,490 |
| | Amount of Investment in Associates/Joint Venture | Rs. 4, 59,490 |
| | Extend of Holding % | 37.51% |
| 3. | Description of how there is significant influence | - |
| 4. | Reason why the associate/joint venture is not consolidated | It is consolidated |
| 5. | Net worth attributable to Shareholding as per latest audited Balance Sheet | - |
| 6. | Profit/(Loss) for the year | |
| i. | Considered in Consolidation | - |
| ii. | Not Considered in Consolidation | - |

Annexure-II

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2023, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2023, are as follows:

| Name of the Related Party | Nature of Relationship | Salient Terms | Amount in rupees (Lakhs) |
|----------------------------|---|--------------------------|--------------------------|
| OIPL India Private Limited | Associate Company | Unsecured Loans Received | 105.00 |
| Sumit Kumar Agarwal (HUF) | Enterprises owned or significantly influenced by key management personnel or their relatives. | Unsecured Loans Received | 110 |
| Sumit Kumar Agarwal | Managing Director | Unsecured Loans Received | 95 |
| Rishikunj Vincom Pvt Ltd | Associate Company | Unsecured Loans Received | 11 |
| Sumit Kumar Agarwal | Managing Director | Director's Remuneration | 24 |
| Amit Ranjan Sinha | Director | Director's Remuneration | 8.68 |
| Asit Baran Bhattacharjee | Independent Director | Sitting Fees | 0.04 |
| Ajit Kumar Nath | Independent Director | Sitting Fees | 0.03 |
| Akansha Agarwal | Independent Director | Sitting Fees | 0.03 |
| Varsha Kedia | Independent Director | Sitting Fees | 0.01 |
| Amit Ranjan Sinha | Director | Sitting Fees | 0.01 |
| Sumit Kumar Agarwal | Managing Director | Sitting Fees | 0.02 |
| Ankita Dutta | Company Secretary & Compliance Officer | Salary | 2.7 |
| Arun Kumar Meher | Company Secretary & Compliance Officer | Salary | 3.5 |

Note:

All the above transactions were approved by the Members of Audit Committee and by the Board of Directors of the Company wherever required.

Place: Kolkata

Date: 4th September, 2023

**On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)**

| | |
|----------------------------|---------------------------------|
| SD/- | SD/- |
| Sumit Kumar Agarwal | Asit Baran Bhattacharjee |
| Managing Director | Director |
| DIN:02184000 | DIN: 02559634 |

Annexure-III

STATEMENT OF PARTICULARS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and Senior Executives are reviewed and recommended by the Nomination and Remuneration Committee.

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

| S. No. | Name of the Director | Designation | Remuneration of Directors, KMP for the Financial year 2022-23 (amount in Rs.) | Ratio of the remuneration to the median remuneration of the employees |
|--------|--------------------------|----------------------|---|---|
| 1 | Sumit Kumar Agarwal | Managing Director | 24,00,000 | 10.53:1 |
| 2 | Amit Ranjan Sinha | Executive Director | 8,68,000 | 3.81:1 |
| 3 | Asit Baran Bhattacharjee | Independent Director | NIL | NIL |
| 4 | Ajit Kumar Nath | Independent Director | NIL | NIL |
| 5 | Akansha Agarwal | Independent Director | NIL | NIL |
| 6 | Varsha Kedia | Independent Director | NIL | NIL |

Median remuneration of Employees: Rs. 2,28,000

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

| S. No. | Name of the Director, Chief Financial Officer, Company Secretary | Designation | Percentage increase in remuneration |
|--------|--|--|-------------------------------------|
| 1. | Sumit Kumar Agarwal | Managing Director | NIL |
| 2. | Amit Ranjan Sinha | Executive Director | NIL |
| 3. | Asit Baran Bhattacharjee | Independent Director | NIL |
| 4. | Ajit Kumar Nath | Independent Director | NIL |
| 5. | Akansha Agarwal | Independent Director | NIL |
| 6. | Varsha Kedia | Independent Director | NIL |
| 7. | Arun Kumar Meher | Company Secretary and Compliance Officer | NIL |
| 8. | Ankita Dutta | Company Secretary and Compliance Officer | NIL |
| 9. | Ankit Gupta | Chief Financial Officer | NIL |

iii. The percentage increase in the median remuneration of employees in the financial year is NIL

iv. The number of permanent employees on the rolls of Company:

There are 8 permanent employees on the rolls of the Company as on 31 March 2023.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The Average percentile increase in the last financial year in the salaries of employees is: NIL%

There were no exceptional circumstances for increase in the managerial remuneration. The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

Place: Kolkata
Date: 4th September, 2023

On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)

SD/-
Sumit Kumar Agarwal
Managing Director
DIN:02184000

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

Annexure-IV

Form No. MR-3

Secretarial Audit Report for the financial year ended 31.03.2023

[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

DHATRE UDYOG LIMITED

(Formerly Narayani Steels Limited)

ERGO Tower, Plot No. - A1 -4,

Block - EP & GP Unit No. - 1406,

14th Floor, Sector - V Bidhan Nagar

CK Market Saltlake North

24 Parganas WB 700091

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dhatre Udyog Limited** (hereinafter called the company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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 also examined the following:

all the documents and records made available to us and explanation provided by Dhatre Udyog Limited ("the Listed Entity"),

- (a) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- (b) website of the listed entity,
- (c) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Dhatre Udyog Limited ("the Company") for the financial year ended on 31st March, 2023 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings, and Foreign Trade (Development and Regulation) Act 1992;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Share based employee benefit) Regulations, 2014; (not applicable to the Company during the audit period)
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during the audit period)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We hereby report that

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. All decisions at Board Meetings and Committee Meetings are carried out unanimously or as per requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- d. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.

- e The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.

We have also examined the compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by the Institute of Company Secretaries of India.

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, except:

1. This is to mention that the company have not appointed any CFO and Internal Auditor as required under section 138 of Companies Act, 2013 during the Financial Year 2022-23. Further the company have appointed the Internal Auditor on 30th day of May, 2023 and CFO on 01st day of June, 2023.
2. The Company has submitted the pdf of Reg 24A for the F.Y. 2022-23 on 18th May, 2023 however on 31st May, 2023 we have received mail from BSE requesting to submit the report as per new format which the Company has submitted on 7th June, 2023. Consequently, the BSE has imposed a fine of Rs. 16,000, plus GST, totaling Rs. 18,880 for the 8 days delay in submitting the revised report.

As per the advice of the Bombay Stock Exchange vide Notice dated June 26, 2023, the above stated non-compliance of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been identified and indicated by the exchange and the details of the fine levied and paid by the company and subsequent actions taken thereof by the exchange in this regard has been placed before the board meeting held on 14th August, 2023 and board have taken note of that.

We further report that, based on the information provided by the Company, its officers and authorized representatives in our opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws including Human Resources and Labour laws.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

I further report that during the audit period there were following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above are:

1. Company have proposed change in it's name from "Narayani Steels Limited" to "Dhatre Udyog Limited" in financial year 2022-23 and approval received on 8th day of May, 2023, all required compliance have been done in this regard.
2. Company altered it's object during the year and required compliance have been done in this regard

3. Company shifted its registered office from 23A N.S, Road, 7th Floor Room No. 31, Kolkata – 700001 to ERGO Tower, Plot No. - A1 -4, Block - EP & GP Unit No. - 1406, 14th Floor, Sector - V Bidhan Nagar CK Market Saltlake North, 24 Parganas WB – 700091 during the F.Y. 2022-23, required compliance have been done in this regard.
4. Preferential allotment of Shares 1,03,50,000 have been done on 27th September, 2022 which consist of 94.99% of total equity shares of the company. These shares are locked in for a period of one year from the trading approval, i.e. upto the month of December, 2023.

I further report that during the audit period there were no instances of:

- Public/Rights /Debentures/Sweat Equity, etc.
- Redemption/Buy Back of Securities
- Merger/Amalgamation/Reconstruction, etc.
- Foreign Technical Collaboration

Place: Kolkata
Date: 18th August, 2023

For **ANKITA DEY & ASSOCIATES**
(Peer Reviewed Firm)

SD/-
CS Ankita Dey
Proprietor
Practicing Company Secretary
Membership No.: A62192
C.P. No.: 23218
Peer Review No.: 3338/2023
FRN: S2020WB738400
UDIN: A062192E000821929

Annexure - A

To

The Members

Dhatre Udyog Limited

(Formerly Narayani Steels Limited)

ERGO Tower, Plot No. – A1 -4,

Block – EP & GP Unit No. – 1406,

14th Floor, Sector – V Bidhan Nagar

CK Market Saltlake North

24 Parganas WB 700091

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 the random 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 and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations, happening of events and company has represented that Related party transaction are at Arm's Length basis and in Ordinary Course of Business.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on a 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.

Place: Kolkata

Date: 18th August, 2023

For **ANKITA DEY & ASSOCIATES**
(Peer Reviewed Firm)

SD/-

CS Ankita Dey

Proprietor

Practicing Company Secretary

Membership No.: A62192

C.P. No.: 23218

Peer Review No.: 3338/2023

FRN: S2020WB738400

UDIN: A062192E00082

Annexure-V

Management Discussions & Analysis

Management's discussion and analysis of the financial condition and results of operations include forward looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate. Although the Management has considered future risks as part of the discussions, future uncertainties are not limited to Management perceptions.

1. Review of Indian Economy:

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's nominal gross domestic product (GDP) has touched the \$3.75 trillion-mark in 2023. India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the Department of Economic Affairs, as of as of March, 2023, foreign exchange reserves in India reached the US\$ 578.4 billion mark. To cushion rupee depreciation, RBI has been intervening in the forex market via both spot and forward positions.

2. Industry Structure and developments:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow amount for infrastructure industries in India for the period 2016-2023 was not so good. In the financial year 2023, the infrastructure industries in India saw a foreign direct investment equity inflow of approximately 1.7 billion U.S. dollars. This was a decline compared to the previous years.

3. Strength, Opportunities, Threats

Strength:

- Established operations and proven track record
- Smooth flow of operations and Business Model
- Experienced Management Team
- Satisfied customer with quality and service

Opportunities:

- Potential to provide other value-added services
- Expanding new geographical area
- Enhancing functional efficiency
- Opportunities in Indian Market
- Government thrust for growth in Indian Economy will boost the logistics & Infrastructure Industry

Threats:

- Increased Competition from Big Players
- Change in Government Policies
- Rising labour wages
- Margins may be constrained in the future
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

4. Segment Wise - Product wise performance:

During the year under review, the Company operated in only one segment which is production of Iron and Steel Products.

Details of Segment wise Revenue of the Company:

- Iron & Steel Products: The Total Revenue from Iron & Steel Products is Rs. 10,709.75/- Lakhs.

5. Outlook

The Continual growth in the Indian sector is necessary to give necessary support to the industry. The company is making all efforts to accelerate the growth of its business. It expects to improve its position in the market by focusing in the technologically advanced and more profitable and market segment and working aggressively in the area of productivity, efficiency and cost reduction.

6. Risks and Concerns

The Industry is exposed to the following risk and concerns:

- Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

- Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. Factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may

cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

- Any downgrading of India’s sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

7. Internal Control systems and its adequacy

The Company has an effective and reliable internal control system commensurate with the size of its operations. At the same time, it adheres to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by self-audits and internal as well as Statutory Auditors.

8. Discussion on financial performance of the Company with respect to operational performance.

• Share Capital

The Paid-up Share Capital of the Company as on 31st March, 2023 is Rs. 10,89,54,500/- (Rupees Ten Crore Eight-Nine Lakhs Fifty-Four Thousand Five Hundred Only) divided into 1,08,95,450 (One Crore Eight Lakhs Ninety-Five Thousand Four Hundred Fifty) Equity Shares of Rs. 10/- (Rupees Ten only).

• Reserves and Surplus

The reserves and surplus is Rs. 5,014.69 Lakhs as on the end of the current year.

• Total Income

During the year under consideration, the total income was Rs. 11,005.51 Lakhs as against Rs. 1,187.21 Lakhs during the previous year.

9. Material developments in Human resources / industrial Relations front, including number of people employed

Human Resources and an effective and efficient human resource are a key to the success of any organization and our company has been well focused in adopting the best standards in the Industry which not only gives us the benefit of attracting good talent but gives us an edge towards providing best qualitative services to our customers. Our manpower is a mix of experienced and young talent pool of resources which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

10. Key Financial Ratios:

| Ratios | 2022-23 | 2021-22 | Variance (in %) |
|---------------|----------------|----------------|------------------------|
| Current Ratio | 42.10 | 48.34 | -12.90% |

| | | | |
|----------------------------------|--------|-------|----------|
| Debt-Equity Ratio | 0.02 | 0.05 | -64.34% |
| Debt Service Coverage Ratio | - | 59.94 | NA |
| Return on Equity Ratio | 15.17% | 1.01% | 1406.70% |
| Inventory turnover ratio | 20.45 | - | NA |
| Trade Receivables turnover ratio | 3.02 | 0.17 | 1725.36% |
| Trade payables turnover ratio | 252.47 | - | NA |
| Net capital turnover ratio | 2.24 | 0.33 | 579.52% |

Reason for variance: Figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan whereupon operational & financial liabilities were extinguished and advances, Trade & other receivables were written off and are not comparable with the figures for the current financial year and hence the variance.

11. Cautionary Statement

This report contains forward- looking statements based on the perceptions of the Company and the data and information available with the company. The company does not and cannot guarantee the accuracy of various assumptions underlying such statements and they reflect Company's current views of the future events and are subject to risks and uncertainties. Many factors like change in general economic conditions, amongst others, could cause actual results to be materially different.

Place: Kolkata
Date: 4th September,2023

On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)

SD/-
Sumit Kumar Agarwal
Managing Director
DIN:02184000

Annexure-VI

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Dhatre Udyog Limited (“DUL”/ “the Company”) implemented sound corporate governance practices with a view to ensure transparency and efficiency in its day-to-day operations, it's a stakeholder driven organization and ensuring maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Transparent business practices.
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management team and constitution of the Board Committees, as required under applicable laws.

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder (“Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and other applicable laws.

The Company's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term. Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

2. BOARD OF DIRECTORS:

As at 31 March 2023, the Board of Directors (“Board”) comprised of five Directors, of which three are Non-Executive Directors. The Company has three Independent Directors which comprise more than half of the total strength of the Board.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 (“the Act”) and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

a) The composition and category of the Board of Directors is as follows:

The Board of the Company comprises of five Directors as on 31 March 2023. None of the Director is a Director in more than 10 Public Limited Companies (as specified in Section 165 of the Act) and Director in more than 7 Listed Entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 Listed Companies or 3 equity Listed Companies in case he/she serves as a Whole-time Director/ Managing Director in any Listed Company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5

Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited Companies in which he/she is a Director.

| Sl. No | Name of the Director | Designation | Category |
|--------|----------------------------------|----------------------|-------------------------------|
| 1 | Sumit Kumar Agarwal | Managing Director | Executive Director (Promoter) |
| 2 | * ¹ Amit Ranjan Sinha | Director | Executive Director |
| 3 | Asit Baran Bhattacharjee | Independent Director | Non- Executive Director |
| 4 | Ajit Kumar Nath | Independent Director | Non- Executive Director |
| 5 | Varsha Kedia | Independent Director | Non- Executive Director |

*¹Amit Ranjan Sinha resigned from the Board with effect from 30th June, 2023

b) Attendance of each director at the meeting of the board of directors and the last annual general meeting;

The details of the attendance of the Directors at the Board meetings held during the Financial Year ended 31 March 2023 and at the last Annual General Meeting (AGM) are given below:

| Name of the Director | Number of Board Meetings | | Attendance at the last AGM |
|----------------------------------|--------------------------|----------|----------------------------|
| | Held | Attended | |
| Sumit Kumar Agarwal | 12 | 12 | Yes |
| Asit Baran Bhattacharjee | 12 | 12 | Yes |
| Ajit Kumar Nath | 12 | 6 | No |
| * ¹ Amit Ranjan Sinha | 12 | 7 | No |
| * ² Varsha Kedia | 12 | 3 | No |
| * ³ Akansha Agarwal | 12 | 7 | No |

*¹Amit Ranjan Sinha resigned from the Board with effect from 30th June, 2023

*²Varsha Kedia was appointed on the Board on 7th November, 2022

*³Akansha Agarwal resigned from the Board with effect from 25th January, 2023

c) Other Directorships

The number of Directorships and memberships in the Committees of other Companies held by the Directors as on 31 March 2023 are as under:

| Name of the Director | No. of other Directorships* | In the Other Public Companies** | |
|--------------------------|-----------------------------|---------------------------------|--------------|
| | | Membership | Chairmanship |
| Sumit Kumar Agarwal | 2 | - | - |
| Asit Baran Bhattacharjee | 1 | - | - |
| Ajit Kumar Nath | - | - | - |
| Amit Ranjan Sinha | - | - | - |
| Varsha Kedia | - | - | - |
| Akansha Agarwal | - | - | - |

* Includes Directorships in the Companies incorporated under the Companies Act, 1956/2013.

** Includes only Audit Committee and Stakeholders Relationship Committee (Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013/Section 25 of the Companies act, 1956).

d) Number of Board Meetings

Twelve Board Meetings were held during the Financial Year ended 31 March 2023. The maximum time gap between any two consecutive meetings did not exceed One Hundred and Twenty days.

The dates on which the Board meetings were held are 4thApril, 2022, 8th April, 2022, 30th May, 2022, 28th June,2022, 13th July, 2022, 13th August, 2022, 30th August, 2022, 27th September, 2022, 7th

November, 2022, 14th November, 2022, 25th January, 2023 and 14th February, 2023.

e) Disclosure of relationship between Directors inter-se

None of the Directors are related to any other Director.

f) Number of shares and convertible instruments held by non- executive directors

The number of equity shares of the Company held by Non-Executive Directors, as on 31 March 2023 are as follows:

| Name of the Director | No. of Equity Shares (face value Rs. 10 each) held in the Company |
|-----------------------------|--|
| Asit Baran Bhattacharjee | - |
| Ajit Kumar Nath | - |
| Varsha Kedia | - |
| Akansha Agarwal | - |

g) web link where details of familiarisation programmes imparted to independent directors is disclosed

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle blower policy, Risk Management Policy and Policy on Prevention of Sexual Harassment.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

The details of familiarization programme attended by Independent Directors is available on the website: <https://dhatre.com/wp-content/uploads/2023/08/Familiarization-Programme-1.pdf>

h) Given below is the chart setting out the skills/expertise/competence of the Board of Directors:

| Name of the Director | Category | Specialization |
|-----------------------------|----------------------|---|
| Sumit Kumar Agarwal | Managing Director | He has twenty-five (25) years of rich and rewarding experience in managing various core Industries in India |
| Asit Baran Bhattacharjee | Independent Director | He has forty-five (45) years of experience in finance, accounts, costing, taxation and general management |
| Ajit Kumar Nath | Independent Director | He has forty-two (42) years of experience in finance, accounts, costing, taxation and general management. |
| Varsha Kedia | Independent Director | She has Six (6) years of experience across Operations, Projects, Sustainability, CSR, and secretarial functions |

i) Confirmation from the Board

All the Independent Directors of the Company have given their respective declaration/disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

- j)** Mrs. Akansha Agarwal, Independent Director resigned from the Directorship of the Company due to personal reasons and the management has received a confirmation from him that there are no other material reasons other than those provided. Meanwhile Mrs. Varsha Kedia was appointed in the Board as Independent Director.

3. Audit Committee

a) Brief description of terms of reference:

The terms of reference of the Audit Committee are as under:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;

5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a 380[public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving

merger, demerger, amalgamation etc., on the listed entity and its shareholders.

23. Examination of the financial statement and the auditors' report thereon;
24. Monitoring the end use of funds raised through public offers and related matters;
25. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
26. The Audit Committee shall have authority to investigate into any matter or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
27. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
28. Review of Management discussion and analysis of financial condition and results of operations;
29. Review of statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
30. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;
31. Review of internal audit reports relating to internal control weaknesses;
32. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and

b) composition, name of members and chairperson;

The Audit Committee of the Company comprises of 3 Independent Directors with Asit Baran Bhattacharjee, Independent Director as its Chairperson

| Name of the Director | Position on the Committee |
|-------------------------------|----------------------------------|
| Asit Baran Bhattacharjee | Chairman |
| Ajit Kumar Nath | Member |
| ^{*1} Varsha Kedia | Member |
| ^{*2} Akansha Agarwal | Member |

^{*1}Varsha Kedia was appointed on the Committee on 7th November, 2022

^{*2}Akansha Agarwal resigned from the Committee with effect from 25th January, 2023

c) meetings and attendance during the year.

Four Audit Committee Meetings were held during the Financial Year ended 31 March 2023. The maximum time gap between any two meetings was not more than one hundred and twenty days.

The dates on which the Audit Committee Meetings were held are 30th May 2022, 13th August 2022, 14th November 2022 and 14th February 2023.

Attendance at the Audit Committee Meetings

| Name of the Director | Number of Audit Committee Meetings | |
|--------------------------------|------------------------------------|----------|
| | Held | Attended |
| Asit Baran Bhattacharjee | 4 | 4 |
| Ajit Kumar Nath | 4 | 4 |
| * ¹ Varsha Kedia | 4 | 1 |
| * ² Akansha Agarwal | 4 | 3 |

*¹Varsha Kedia was appointed on the Committee on 7th November, 2022

*²Akansha Agarwal resigned from the Committee with effect from 25th January, 2023

4. Nomination and Remuneration Committee

a) Brief description of terms of reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.

b) composition, name of members and chairperson;

The Nomination and Remuneration Committee of the Company comprises of 3 Independent Directors with Asit Baran Bhattacharjee, Independent Director as its Chairperson

| Name of the Director | Position on the Committee |
|--------------------------------|---------------------------|
| Asit Baran Bhattacharjee | Chairman |
| Ajit Kumar Nath | Member |
| * ¹ Varsha Kedia | Member |
| * ² Akansha Agarwal | Member |

*¹Varsha Kedia was appointed on the Committee on 7th November, 2022

*²Akansha Agarwal resigned from the Committee with effect from 25th January, 2023

c) meetings and attendance during the year.

During the period, four Nomination and Remuneration Committee Meetings were held during the Financial Year ended 31 March 2023. The maximum time gap between any two meetings was not more than one hundred and twenty days.

The dates on which the Nomination and Remuneration Committee Meetings were held are 4th April 2022, 28th June 2022, 13th July 2022 and 7th November 2022.

Attendance at the Nomination and Remuneration Committee Meetings

| Name of the Director | Number of Nomination and Remuneration Committee Meetings | |
|--------------------------------|--|----------|
| | Held | Attended |
| Asit Baran Bhattacharjee | 4 | 4 |
| Ajit Kumar Nath | 4 | 4 |
| * ¹ Varsha Kedia | 4 | - |
| * ² Akansha Agarwal | 4 | 4 |

*¹Varsha Kedia was appointed on the Committee on 7th November, 2022

*²Akansha Agarwal resigned from the Committee with effect from 25th January, 2023

d) Nomination and Remuneration policy

The compensation of the Executive Directors comprises of a fixed component. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee.

The Non-Executive Directors are paid Sitting Fees and Commission for attending meetings of the Board/ Committees.

e) The Criteria for Evaluation of Independent Directors is given below:

- a) Qualifications: Professional qualifications;
- b) Experience: Experience relevant to the entity;
- c) Knowledge and Competency:
 - i. How the person fares for effective functioning of the entity and the Board; and
 - ii. Whether the person has sufficient understanding and knowledge of the entity and fulfillment of the independence criteria as specified in these regulations and their independence from the management;
- d) Fulfillment of functions: Whether the person understands and fulfills the functions assigned to him/her by the Board and the law;
- e) Ability to function as a team: Whether the person is able to function as an effective team-member;
- f) Initiative: Whether the person actively takes initiative with respect to various areas;
- g) Availability and attendance: Whether the person is available for meetings of the Board and

attends the meeting regularly and timely, without delay;

- h) Commitment: Whether the person is adequately committed to the Board and the entity;
- i) Contribution: Whether the person contributed effectively to the entity and in the Board meetings;
- j) Integrity: Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.);
- k) Independence: Whether person is independent from the entity and the Management and there is no conflict of interest; and
- l) Independent views and judgment: Whether the person exercises his/ her own judgment and voices opinion freely.

f) Terms of Appointment of Independent Directors:

As per Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act, the terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website: <https://dhatre.com/wp-content/uploads/2023/08/Terms-Appointment-of-Independent-Directors-1.pdf>

5. Stakeholders' relationship Committee

a. Composition

The Committee consists of the following Directors:

| Name of the Director | Position on the Committee |
|--------------------------------|----------------------------------|
| Asit Baran Bhattacharjee | Chairman |
| Ajit Kumar Nath | Member |
| * ¹ Varsha Kedia | Member |
| * ² Akansha Agarwal | Member |

*¹Varsha Kedia was appointed on the Committee on 7th November, 2022

*²Akansha Agarwal resigned from the Committee with effect from 25th January, 2023

During the period the Stakeholders Relationship Committee met 2 (Two) times on 28th June 2022 and 30th August 2022 and all the members were presented.

b. Terms of Reference

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

- c. **Name and designation of compliance officer:** Ankita Dutta, Company Secretary and Compliance officer
- d. **Number of shareholders' complaints received during the financial year;** During the year ended 31 March 2023, the Company has received 1 and resolved 1 complaint.
- e. Number of complaints not solved to the satisfaction of shareholders; Nil
- f. Number of pending complaints: Nil
- g. Email-id for Investor Grievances: Compliance@dhatre.com

6. Meeting of Independent Directors

A separate meeting of the Independent Directors was held on 09 March 2023 under the Chairmanship of Mr. Asit Baran Bhattacharjee, Independent Director, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, Managing Director, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole. Inputs and suggestions received from the Directors were considered at the Board meeting and have been implemented.

7. Succession planning

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within Board of Directors and the organization to introduce new perspectives while maintaining experience and continuity

8. Remuneration of directors:

- i. There were no pecuniary relationship or transactions with any Non-Executive Director of the Company.
- ii. The criteria for making payment to Non-Executive Directors is available on the website of the Company i.e., <https://dhatre.com/wp-content/uploads/2023/08/Criteria-for-making-payment-to-NED-1.pdf>
- iii. Non-Executive Directors are paid Consultancy fees and Sitting Fees:

Following are the details of Sitting Fees and Commission paid to the Non-Executive Directors during the Financial Year ended 31 March 2023:

| Name of the Director | Sitting fees | Consultancy Fees |
|--------------------------|--------------|------------------|
| Asit Baran Bhattacharjee | 4000 | Nil |
| Ajit Kumar Nath | 3000 | Nil |
| *1Varsha Kedia | 3000 | Nil |
| *2Akansha Agarwal | 1000 | Nil |

*1Varsha Kedia was appointed on the Board on 7th November, 2022

*2Akansha Agarwal resigned from the Board with effect from 25th January, 2023

- iv. The Remuneration paid to the Managing Director and Executive Director during the year is as follows

| Name of the Director and Designation | Salary | Bonuses | Performance criteria | Service Contracts | Total |
|---------------------------------------|-----------|---------|----------------------|-----------------------------------|-----------|
| Sumit Kumar Agarwal-Managing Director | 24,00,000 | Nil | Nil | Appointed for a period of 5 years | 24,00,000 |
| Amit Ranjan Sinha-Executive Director | 8,68,000 | Nil | Nil | - | 8,68,000 |

There were no severance fees and stock option plan. The appointment of the Managing Director is for a period of 5 years and Executive Director on the basis of terms and conditions laid down in the respective resolutions passed by the Board/Members in the General Meetings.

9. General Body Meetings:

- a) The details of date, location and time of the last three Annual General Meetings held are as under:

| Financial Year ended on 31 March | Date | Time (IST) | Venue |
|----------------------------------|-------------------|------------|--|
| 2021-22 | 30 September 2022 | 4 P.M | Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars). |
| 2020-21 | 30 September 2021 | 3 P.M | Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars). |
| 2019-20 | 30 December 2020 | 3 P.M | Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with General Circular issued by Ministry of Corporate Affairs (MCA Circulars). |

- b) Special Resolutions passed during the previous three Annual General Meetings:

| Financial Year | Date | Time (IST) | Resolutions Passed |
|----------------|-------------------|------------|--------------------|
| 2021-22 | 30 September 2022 | 4 P.M | NIL |
| 2020-21 | 30 September 2021 | 3 P.M | NIL |

c) Postal Ballot

No special resolutions were passed through postal ballot in the last year and during the period under review. At present there is no special resolution proposed to be conducted through postal ballot.

d) Extra-ordinary General Meeting

No special resolution was passed through Extra-Ordinary General Meeting during the last three years under review. During the Financial Year an Extra-Ordinary General meeting was held on 20th February, 2023 at 01:00 P.M. and the following items were passed as special resolutions:

- To regularize Mrs. Varsha Kedia (DIN: 09774480) as a Non-Executive Independent Director of the company.
- To change in the name of the company and consequent amendment in Memorandum and Articles of Association of the company.
- To alter object clause in the Memorandum of Association.
- To shift registered office outside the local limits.

10. Means of Communication

Website: The Company's website <https://dhatre.com/investor-relations/> contains a separate section for Investors wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, shareholding pattern and other investors information is available in a user-friendly and downloadable form.

Financial Results: The quarterly, half-yearly and annual financial results and the official news releases of the Company of the Company are submitted to the BSE Limited immediately after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper (Business Standard) and one Bengali newspaper (Aaj Kaal) within 48 hours of approval thereof and are also posted on Company's website <https://dhatre.com/financial-results/>

Annual Report: Annual Report containing inter alia Financial Statements, Directors' Report, Auditors' Report, and Corporate Governance Report is circulated to the members and others entitled thereto.

Designated Exclusive Email ID: The Company has designated E-mail Id Compliance@dhatre.com exclusive for shareholder/ investor servicing.

Uploading on BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchange are filed electronically on BSE Listing Centre for BSE.

11. General Shareholder information

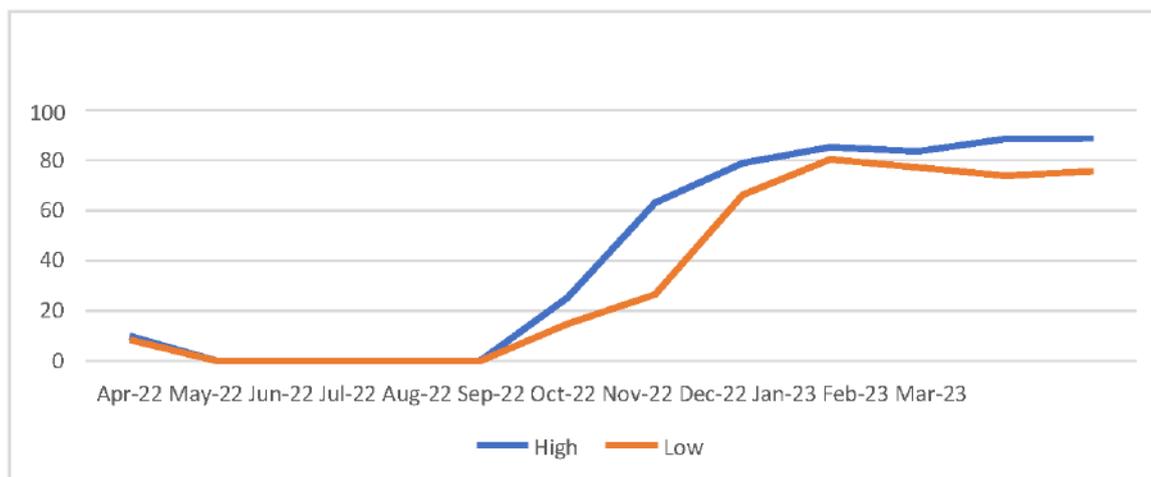
| | |
|---|---|
| Annual General Meeting Day, Date & time: | Friday 29 th , September, 2023, 1.00 p.m. |
| Financial Year | 1 April 2022 to 31 March 2023. |
| Date of book closure | The Register of Members and Share Transfer Book shall remain closed from Saturday 23 rd September, 2023 to Friday 29 th September, 2023 (both days inclusive) |

| | |
|---|---|
| Date of Dividend payment | N.A |
| Listing of equity shares on stock exchange | BSE Limited 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 540080 Listing fees has been paid to the respective Stock Exchanges for the year 2023-24. |
| Depositories | National Securities Depository Limited Trade world, 4th Floor, 'A' Wing Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Central Depository Services (India) Limited 25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 Annual Custodial Fees pertaining to year 2023-24 have been duly paid. |
| ISIN in NSDL and CDSL for paid-up equity shares | INE715T01023 |
| Corporate Identification Number (CIN) CIN | L24319WB1996PLC082021 |

Market Price Data– high/low during each month in the past financial year:

BSE Limited (BSE)

| Month | High (Rs.) | Low (Rs.) | No of equity shares traded |
|----------------|------------|-----------|----------------------------|
| April 2022 | 9.87 | 8.54 | 183 |
| May 2022 | - | - | - |
| June 2022 | - | - | - |
| July 2022 | - | - | - |
| August 2022 | - | - | - |
| September 2022 | 25.25 | 14.80 | 162 |
| October 2022 | 63.05 | 26.50 | 174 |
| November 2022 | 78.85 | 66.20 | 193 |
| December 202 | 85.25 | 80.40 | 84 |
| January 2023 | 83.55 | 77.15 | 241 |
| February 2023 | 88.45 | 73.90 | 781 |
| March 2023 | 88.70 | 75.65 | 436 |



a. **Securities are suspended from trading, the directors report shall explain the reason thereof;**
There was suspension of trading in the Securities of the Company from May 2022 to August 2022 due to IBC Proceedings.

b. Registrars to an Issue & Share Transfer Agents:

Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura centre, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093,
Maharashtra, India
Tel.: 022-62638200, Fax : 022-62638299
E mail- info@bigshareonline.com
Website: www.bigshareonline.com

c. Share Transfer System:

Share Transfer System: The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are approved by Stakeholders' Relationship Committee and are noted at Board Meetings.

The shares of the Company can be transferred / traded only in dematerialised form. During the year, the Company obtained, on yearly basis, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, sub-division, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI(LODR) Regulations, 2015. These certificates were duly filed with the Stock Exchanges.

d. Distribution of Shareholding:

Shareholding pattern as on 31 March 2023.

| SL No | Category | No. of Shares held | Percentage of Shareholding |
|-------|-----------------------------|--------------------|----------------------------|
| 1 | Promoter and Promoter Group | 9807126 | 90.0112 |
| 2 | Resident Individuals | 637875 | 5.8545 |
| 3 | Non-Resident Indians | 733 | 0.0067 |
| 4 | Bodies Corporates | 247444 | 2.2711 |
| 5 | Clearing Members | 2563 | 0.0235 |

| | | | |
|--------------|------------------------|-----------------|------------|
| 6 | Hindu Undivided Family | 199709 | 1.8330 |
| Total | | 10895450 | 100 |

Distribution of shareholding as on 31 March 2023

| Shareholding Of Nominal | | Number of Shareholders | Percentage of Total | Share Amount | Percentage of Total |
|-------------------------|--------|------------------------|---------------------|------------------|---------------------|
| Rs. | Rs. | | | | |
| 1 | 5000 | 3200 | 95.7797 | 1197040 | 1.0987 |
| 5001 | 10000 | 68 | 2.0353 | 482560 | 0.4429 |
| 10001 | 20000 | 20 | 0.5986 | 322650 | 0.2961 |
| 20001 | 30000 | 8 | 0.2394 | 201880 | 0.1853 |
| 30001 | 40000 | 4 | 0.1197 | 136630 | 0.1254 |
| 40001 | 50000 | 4 | 0.1197 | 188240 | 0.1728 |
| 50001 | 100000 | 8 | 0.2394 | 517150 | 0.4746 |
| 100001 | Above | 29 | 0.8680 | 105908350 | 97.2042 |
| Total | | 3341 | 100.00 | 108954500 | 100 |

e. Dematerialization of Shares and liquidity:

The Company's shares are available for dematerialisation with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 1,08,95,450 equity shares were dematerialised representing 100% of the total paid up equity share capital of the Company as on 31 March 2023.

ISIN: INE715T01023

- f. There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on 31 March 2023.
- g. Commodity Price Risk or Foreign Exchange risk and hedging activities: The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

h. Plant Locations:

| | |
|--------------|----------------|
| Plant Name | Location |
| Vizianagaram | Andhra Pradesh |

i. Address for correspondence:

Company Secretary and Compliance Officer
Dhatre Udyog Limited
CIN: L24319WB1996PLC82021
ERGO Tower, Plot No. A1-4,
Block- EP & GP, Unit No. 1406 14th Floor,
Sector- V, Salt Lake City, Kolkata-700 091
Tel: 033-4804 0592
Email: compliance@dhatre.com
Web-site: www.dhatre.com

12. Other Disclosures:-

a) Related Party Transactions:

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements. All transactions with related parties are at arms' length and in compliance with transfer pricing regulations. Consideration is paid/received through cheque/online payment.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors and are entered into on an Arms' length basis.

In terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The Company has not entered into any transaction with any person or entity belonging to the Promoter/ Promoter Group which hold(s) 10% or more shareholding in the Company.

Related Party Transaction policy is placed on the Company's website at: <https://dhatre.com/wp-content/uploads/2023/08/Policy-on-Related-Party-Transactions-2.pdf>

Material Related Party Transactions:

During the year ended 31 March 2023, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Notes to the Annual Accounts.

b) Details of non-compliance etc:

A Statement on Compliance with all Laws and Regulations certificates from all the departments are placed at the meetings of the Board of Directors for their review.

c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board of Directors of the Company had adopted the Whistle Blower Policy.

A mechanism has been established for all stakeholders including Directors, employees, vendors and suppliers to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the audit committee in exceptional cases

The Audit Committee reviews periodically the functioning of whistle blower mechanism.

No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company: <https://dhatre.com/wp-content/uploads/2023/08/Vigil-Mechanism-Whistle-Blower-Policy-1.pdf>

d) The policy for determining 'material' subsidiaries is available on the website of the Company _ <https://dhatre.com/wp-content/uploads/2023/08/Policy-on-Material-Subsidiaries-1.pdf>

e) The policy on dealing with related party transactions is available on the website of the Company. <https://dhatre.com/wp-content/uploads/2023/08/Policy-on-Related-Party-Transactions-2.pdf>

f) Commodity price risks and commodity hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

g) Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The company has raised funds through preferential allotment as per the approved Resolution Plan of 1,03,50,000 (One Crores Three Lakh and Fifty Thousand) equity shares of the Company of face value of Rs. 10/- each (“Equity Shares”) to the Rishikunj Vincom Pvt Ltd and its associates, forming part of the new Promoter Group, during the financial year ended 31 March 2023.

i) A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.

j) There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

k) Total Fees paid to Statutory Auditors Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Details relating to fees paid to the Statutory Auditors are given in Note 25B to the Standalone Financial Statements and Note 25B to the Consolidated Financial Statements.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

| SI No | Particulars | No of Complaints |
|-------|--|------------------|
| 1 | Complaints filed during the financial year | Nil |
| 2 | Complaints disposed of during the financial year | NA |
| 3 | Complaints pending as on end of the financial year | NA |

13. The Company has complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

14. Details of compliance with mandatory requirements and adoption of Discretionary Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

15. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

| SI No | Particulars of Regulations | Compliance status (Yes/No/NA) |
|-----------------|---|-------------------------------|
| 17 | Board of Directors | Yes |
| 17A | Maximum number of Directorships | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stakeholders Relationship Committee | Yes |
| 21 | Risk Management Committee | NA |
| 22 | Vigil mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirements with respect to subsidiary of listed entity | NA |
| 24A | Secretarial Audit and Secretarial Compliance Report | Yes |
| 25 | Obligations with respect to Independent Directors | Yes |
| 26 | Obligation with respect to Directors and senior management | Yes |
| 27 | Other Corporate Governance requirements | Yes |
| 46(2)(b) to (i) | Website | Yes |

16. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

17. CEO and CFO Certification

The CEO and the CFO has issued a Certificate to the Board as contemplated in Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed.

18. Disclosure with respect to Demat suspense account/ unclaimed suspense account

As on 31 March 2023 the company does not have any equity shares lying in the Dhatre Udyog Limited Unclaimed Suspense Account.

19. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended 31 March 2023, there were no proceeds from public issues, rights issues, preferential issues, etc.

20. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company: <https://dhatre.com/all-such-events-or-information-which-has-been-disclosed-to-stock-exchanges-under-regulation-30/>

21. The Company has adopted the policy on preservation of documents in accordance with Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <https://dhatre.com/wp-content/uploads/2023/08/Policy-on-Archival-and-Preservation-Of-Documents.pdf>

Place: Kolkata
Date: 4th September, 2023

On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)

| | |
|----------------------------|---------------------------------|
| SD/- | SD/- |
| Sumit Kumar Agarwal | Asit Baran Bhattacharjee |
| Managing Director | Director |
| DIN:02184000 | DIN: 02559634 |

Code of Conduct Declaration

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31 March 2023.

On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)

SD/-
Sumit Kumar Agarwal
Managing Director
DIN:02184000

Place: Kolkata
Date: 4th September, 2023

CEO and CFO Certificate

We hereby certify that:

- a) We have reviewed Audited Financial Statements and the Cash Flow Statement for the Financial Year ended 31 March 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**On behalf of the Board of Directors
For DHATRE UDYOG LIMITED
(Formerly known as Narayani Steels Limited)**

**SD/-
Ankit Gupta
Chief Financial Officer**

Place: Kolkata

Date: 4th September, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Dhatre Udyog Limited
(Formerly known as Narayani Steels Limited)
ERGO Tower, Plot No. - A1 -4,
Block - EP & GP Unit No. - 1406,
14th Floor, Sector – V Bidhan Nagar
CK Market, Saltlake North 24 Parganas WB 700091

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dhatre Udyog Limited** having CIN L24319WB1996PLC082021 and having registered office at ERGO Tower, Plot No. - A1 -4, Block - EP & GP Unit No. - 1406, 14th Floor, Sector – V Bidhan Nagar CK Market, Saltlake North 24 Parganas WB 700091 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of the Director | DIN | Date of appointment in Company |
|--------|--------------------------|----------|--------------------------------|
| 1. | Sumit Kumar Agarwal | 02184000 | 16/03/2022 |
| 2. | Amit Ranjan Sinha | 09680056 | 28/06/2022 |
| 3. | Asit Baran Bhattacharjee | 02559634 | 16/03/2022 |
| 4. | Ajit Kumar Nath | 08641824 | 16/03/2022 |
| 5. | Varsha Kedia | 09774480 | 07/11/2022 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ANKITA DEY & ASSOCIATES

(Peer Reviewed Firm)

SD/-

Ankita Dey

Proprietor

Practicing Company Secretary

M. No. A62192

COP 23218

Peer Review No. :3338/2023

FRN: S2020WB738400

Place: Kolkata

Date:30th August, 2023

UDIN:A062192E000892318

Certificate on Corporate Governance Compliance

To,
The Members,
Dhatre Udyog Limited
(Formerly known as Narayani Steels Limited)
ERGO Tower, Plot No. - A1 -4,
Block - EP & GP Unit No. - 1406,
14th Floor, Sector – V Bidhan Nagar
CK Market, Saltlake North 24 Parganas WB 700091

We have examined the compliance of conditions of Corporate Governance by Dhatre Udyog Limited ('the Company') for the year ended 31 March 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

ANKITA DEY & ASSOCIATES

(Peer Reviewed Firm)

SD/-

Ankita Dey

Proprietor

Practicing Company Secretary

M. No. A62192

COP 23218

Peer Review No. :3338/2023

FRN: S2020WB738400

UDIN: A06219E000892331

Place: Kolkata

Date: 30th August, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)** ["the Company"], which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone 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, **except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

- d. Internal Audit Report is not available since the management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- e. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- f. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

(i) Non conduct of Internal Audit and Non availability of Internal Financial Controls: We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

Our procedures included the following: The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who has assured necessary compliances in the current fiscal year.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard **except for matters described in the 'Basis for Qualified Opinion' para above.**

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Standards on Auditing (SAs) will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act;
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. Pursuant to the approval of the Resolution Plan by the Order dated 11th January 2022 of the Hon'ble National Company Law Board (Kolkata Bench), all the pre-existing contingent liabilities have been extinguished together with the associated pending litigations and hence, as per management, there is nothing to be disclosed in its financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to these Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or

entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in notes to these financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
- b) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No.: 001150C

SD/-

CA RITESH KUMAR SHAW

Partner

Membership No.: **305929**

UDIN: 23305929BGYZT5358

Place of Signature: Kolkata

Date: The 30th day of May, 2023

ANNEXURE- 1 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of Independent Auditor's Report of even date to the members of Dhatre Udyog Limited (Formerly, Narayani Steels Limited) on the standalone Ind AS financial statements as of and for the year ended 31 March 2023

- i. a)
 - (A) According to the information and explanations given to us, the Company is in the process of updating records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any intangible assets and hence no comments are required.
 - b) Property, Plant and Equipment have not been physically verified during the year by the Management, as the records are under updation and hence we are unable to comment upon the discrepancies, if any.
 - c) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the title deeds of all immovable properties (other than properties where the company is the lessee, and the lease agreements are executed in favour of the lessee) are held in the name of the Company.
 - d) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not revalued any class of its Property, Plant and Equipment during the year. The Company does not have any Intangible Assets and Right of Use assets as at 31st March 2023.
 - e) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, para 3(i)(e) of the order is not applicable.
- ii.ii.
- a) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
 - b) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loan, made any investment or provided any guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not accepted during the year deposits or amounts which are deemed to be deposits and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, barring certain delay in deposit of TDS, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, income tax, duty of customs, cess and other statutory dues applicable to it with the appropriate authority.

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

- viii. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, there are no transactions that are not recorded in the books of account, that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, para 3(viii) of the Order is not applicable.

ix.ix.

- (a) Based on our examination of the records of the Company and according to the information and explanations give to us and, the Company has not availed any loans or other borrowings from any financial institution or a bank during the year. Accordingly, reporting under clause 3(ix)(a) of the order does not arise.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not taken any term loans during the year.

- (d) Based on our examination of records of the Company and according to the information and explanations given to us, barring unsecured loans from related parties, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(c) of the Order does not arise.
 - (e) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x.
- (a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3(x)(a) of the order is not applicable.
 - (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, 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, para 3(x)(b) of the order is not applicable. The Company has, however, made the allotment during the year against the share application money received in the previous financial year from successful resolution applicant and its directors / associates pursuant to Order of the NCLT dated 11th January 2022.
- xi.
- (a) In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, no fraud by the company or on the Company has been noticed or reported during the year. Accordingly, para 3(xi)(a) of the order is not applicable.
 - (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no report under Section 143(12) of the Companies Act, 2013 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. Accordingly, para 3(xi)(b) of the order is not applicable.
 - (c) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no whistle-blower complaint has been received by the Company during the year. Accordingly, para 3(xi)(c) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is not a Nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. xiv.

- (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company does not have an internal audit system commensurate with the size and nature of its business.
- (b) Internal Audit was not conducted by the company during the financial year 2022-23 and thus the reports of the Internal Auditors for the period were not considered by us during the course of the audit.

xv. In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not entered into any non-cash transaction with directors or persons connected with him as specified under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. xvi.

- a. In our opinion and according to the information and explanation given to us and examination of books and records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Finance Company. Accordingly, para 3(xvi)(a) of the Order is not applicable.
- b. In our opinion and according to the information and explanation given to us and examination of books and records, the Company has not conducted any Non-Banking Financial activities or any Housing Finance activities. Accordingly, para 3(xvi)(b) of the Order are not applicable.
- c. In our opinion and according to the information and explanation given to us and examination of books and records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- d. In our opinion and according to the information and explanation given to us and examination of books and records, there is no Core Investment Company (CIC) in the group.

xvii. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company has not incurred any cash losses in the current financial year as well in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

xix. In our opinion and according to the information and explanation given to us and examination of books and records as we considered necessary, 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, and our 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.

xx. In our opinion and according to the information and explanations given to us and based on examination of records as we considered necessary, the Company was not required to transfer any amount to a fund specified in Schedule VII to the Companies Act, 2013 or to a special account in

compliance with Section 135(6) of the Act. Accordingly, paragraph 3(xx) of the Order is not applicable.

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No.: 001150C

SD/-

CA RITESH KUMAR SHAW

Partner

Membership No.: **305929**

UDIN: 23305929BGYZT5358

Place of Signature: Kolkata

Date: The 30th day of May, 2023

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR'S REPORT

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 **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)** ["the Company"] as of 31st March, 2023 in conjunction with our audit of the standalone Ind AS 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2023:

- i. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- ii. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- iii. Physical verification/valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification/valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

In our opinion, because of the possible effects of the material weakness as described above on the achievement of the objectives of internal control criteria, the Company has not maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were not operating effectively with respect to obtaining balance confirmations as on March 31, 2023, and

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statements of the Company for the year ended March 31, 2023 and these material weaknesses don't affect our opinion on the financial statements of the company.

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No.: 001150C

SD/-

CA RITESH KUMAR SHAW

Partner

Membership No.: **305929**

UDIN: 23305929BGYZT5358

Place of Signature: Kolkata

Date: The 30th day of May, 2023

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

(Rs. In Lakhs)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|--|------|----------------------|----------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 4 | 919.39 | 932.07 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 0.67 | 0.39 |
| (ii) Other assets | 9 | 85.21 | 76.74 |
| (c) Deferred tax assets (net) | 17 | 440.95 | 698.62 |
| Total Non- Current Assets | | 1,446.22 | 1,707.82 |
| (2) Current assets | | | |
| (a) Inventories | 6 | 729.94 | 150.86 |
| (b) Trade receivables | 7 | 3,793.32 | 3,023.31 |
| (c) Cash and cash equivalents | 8 | 79.87 | 43.66 |
| (d) Other assets | 9 | - | 0.06 |
| (e) Current tax assets (net) | 10 | 62.14 | 36.91 |
| (f) Other current assets | 11 | 146.30 | 260.07 |
| (g) Assets classified as held for sale | 11.1 | 84.16 | 84.16 |
| Total Current Assets | | 4,895.72 | 3,599.04 |
| | | 6,341.95 | 5,306.86 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 12 | 1,089.55 | 54.55 |
| (b) Other equity | 13 | 5,014.69 | 4,906.28 |
| Total Equity | | 6,104.23 | 4,960.83 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | 119.18 | 271.58 |
| (b) Provisions | 18 | 2.26 | - |
| Total Non- current liabilities | - | 121.43 | 271.58 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | 15 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.96 | 36.69 |
| (ii) Other liabilities | 16 | 79.31 | 37.76 |
| (b) Provisions | 18 | 0.02 | - |
| Total Current liabilities | | 116.28 | 74.46 |
| TOTAL EQUITY AND LIABILITIES | | 6,341.95 | 5,306.86 |
| Significant accounting policies | 3 | | |

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For & on behalf of Dhatre Udyog Limited

SD/-
RITESHKUMARSHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

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

(Rs. In Lakhs)

| SL. No. | Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2023 |
|---------|---|------|------------------------------|------------------------------|
| I | Revenue from operations | 19 | 10,709.75 | 1,162.28 |
| II | Other Income | 20 | 295.75 | 24.93 |
| III | Total Income (I+II) | | 11,005.51 | 1,187.21 |
| IV | Expenses | | | |
| | Cost of Raw Materials Consumed | 21 | 9,297.29 | - |
| | Changes in Inventories of Finished & Traded Goods | 22 | (290.19) | - |
| | Employee benefit expenses | 23 | 386.09 | 308.14 |
| | Finance costs | 24 | 9.91 | 1.76 |
| | Depreciation and amortisation expense | 4 | 63.16 | 53.60 |
| | Other expenses | 25 | 613.07 | 773.76 |
| | Total expenses (IV) | | 10,079.33 | 1,137.25 |
| V | PROFIT BEFORE TAX & EXCEPTIONAL ITEMS (III-IV) | | 926.18 | 49.96 |
| VI | Exceptional Items | 26 | - | 10,196.39 |
| VII | Profit before tax (V-VI) | | 926.18 | 10,196.39 |
| VIII | Tax expense: | | | |
| | Current tax | 27 | - | - |
| | Deferred tax | 17 | 257.89 | 3,568.29 |
| IX | Profit for the year (VII-VIII) | | 668.29 | 6678.06 |
| | Other comprehensive income (net of tax) | | | |
| | (A). Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements of defined benefit liability/(asset) | | (1.03) | - |
| | (b) Equity instruments through other comprehensive income | | 0.28 | 0.05 |
| | (c) Income taxes relating to items that will not be reclassified to profit or loss | | (0.21) | 0.01 |
| | Net other comprehensive income not to be reclassified subsequently to profit or loss | | (0.54) | 0.03 |
| | B. Items that will be reclassified to profit or loss | | | |
| | Net other comprehensive income to be reclassified subsequently to profit or loss | | | - |
| X | Other comprehensive income | | (0.54) | 0.03 |
| XI | Total comprehensive income for the year (IX+X) | | 667.75 | 6,678.10 |
| XII | Earnings per equity share | 28 | | |
| | [Face value of equity share of Rs. 10 each (previous year Rs. 10 each)] | | | |
| | - Basic | | 11.54 | 1,224.32 |
| | - Diluted | | 6.13 | 61.22 |
| | Significant accounting policies | 3 | | |

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

SD/-
RITESHKUMARSHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

For and on behalf of Dhatre Udyog Limited

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In Lakhs)

| Particulars | For the year ended 31.03.2023 | | For the year ended 31.03.2022 | |
|--|----------------------------------|-----------------|----------------------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax for the year | | 926.18 | | 10,246.35 |
| ADJUSTMENTS FOR NON-CASH ITEMS: | | | | |
| Depreciation and amortization | 63.16 | | 53.60 | |
| Provision/(Reversal of Provision) for expected credit loss | (0.31) | | (3,768.36) | |
| Provision/(Reversal of Provision) for Doubtful Debts | - | | (1,191.19) | |
| Extinguishment of Trade Payable, Other Current and Non-Current Liabilities | - | | (168.96) | |
| Extinguishment of Current & Non-Current Borrowings | - | | (19,801.00) | |
| Impairment in Value of Plant, Property & Equipment & intangible assets | - | | 362.94 | |
| Provision for gratuity | 1.24 | | - | |
| Allowances for Loans & Advances | - | | 1,307.01 | |
| Right of use assets written off upon termination of lease (Net of lease liabilities) | - | | 17.51 | |
| Bad debts written off | - | | 12,987.42 | |
| Recovery of Bad debts | (290.50) | | - | |
| Finance Costs | 9.91 | | 1.76 | |
| Sundry Balance written off (net) | 0.34 | | - | |
| Interest income | (2.99) | | (3.69) | |
| Reversal of Amortisation of corporate guarantee obligation | - | | (9.75) | |
| | | (219.14) | | (10,212.71) |
| Operating profit before working capital changes | | 707.04 | | 33.64 |
| (Increase)/Decrease in Trade receivables | (479.20) | | (15.73) | |
| (Increase)/Decrease in loans & advances & Other current assets | 113.49 | | (40.82) | |
| (Increase)/Decrease in Other non-current assets | (8.47) | | 24.73 | |
| (Increase)/Decrease in Inventories | (579.07) | | - | |
| Increase/(Decrease) in Trade payables & current liabilities | 41.81 | | 9.29 | |
| Increase/(Decrease) in Other non-current liabilities | - | | (5.70) | |
| | | (911.43) | | (28.23) |
| Cash generated from operations | | (204.39) | | 5.41 |
| Income tax paid | | (25.22) | | (23.76) |
| Net Cash from / (used in) Operating Activities | | (229.61) | | (18.35) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant & Equipment | (50.49) | | (33.03) | |
| Interest received | 2.99 | | 3.69 | |
| Net cash from / (used in) Investing Activities | | (47.50) | | (29.34) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds of Long term & short-term borrowings | 334.24 | | 1,727.78 | |
| Proceeds of Share application money pursuant to resolution plan | - | | 1,046.00 | |
| Refund of share application money | (11.00) | | - | |
| Repayment of Current & Non-Current Borrowings pursuant to resolution plan | - | | (2,681.00) | |
| Finance Costs | (9.91) | | (1.76) | |
| Net cash from / (used in) financing activities | | 313.33 | | 91.02 |
| Net Increase / (Decrease) in Cash & Cash equivalents | | 36.21 | | 43.34 |
| Cash & Cash equivalents at beginning of the year^ | | 43.66 | | 5.03 |
| Cash & Cash equivalents written off | | - | | (4.71) |
| Cash & Cash equivalents at end of the year^ | | 79.87 | | 43.66 |
| ^ as disclosed in Note 8 | | | | |
| Note: | | | | |
| The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013 | | | | |
| Significant accounting policies | | | | |

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For PDRUNGTA & CO.,

Chartered Accountants

SD/-

Firm Registration Number: 001150C

RITESHKUMARSHAW

Partner

Membership No: 305929

Place of Signature: Kolkata

Dated: The 30th day of May, 2023

SD/-

Ankita Dutta

Company Secretary

M.NO.: ACS61913

For & on behalf of Dhatre Udyog Limited

SD/-

Sumit Kumar Agarwal

Managing Director

DIN: 02184000

SD/-

Asit Baran Bhattacharjee

Director

DIN: 02559634

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)
Statement of Changes in Equity for the year ended 31st March, 2023

Statement of Changes in Equity (SOCE)

A. Equity Share Capital
(1) Current reporting period

(Rs. In Lakhs)

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year * | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 54.55 | - | 54.55 | 1,035 | 1,089.55 |

* Refer Note below

(2) Previous reporting period

(Rs. In Lakhs)

| Balance at the beginning of the Previous reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the Previous reporting period | Changes in equity share capital during the Previous year | Balance at the end of the Previous reporting period |
|---|--|--|--|---|
| 1,090.90 | - | 1,090.90 | (1,036.36) | 54.55 |

B. Other Equity

(1) Current reporting period

(Rs. In Lakhs)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | Total |
|---|---|--|----------------------|--------------------|-------------------|------------|
| | | | Capital Reserve | Securities Premium | Retained Earnings | |
| Balance at the beginning of the current reporting period | 1,046.00 | - | 1,036.36 | 1,673.85 | (306.12) | 3,450.08 |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | 1,046.00 | - | 1,036.36 | 1,673.85 | (306.12) | 3,450.08 |
| Total Comprehensive Income for the current year | - | - | - | - | 667.75 | 667.75 |
| Amount Refunded | (11.00) | - | - | - | - | (11.00) |
| Allotment of shares during the year | (1,035.00) | - | - | - | - | (1,035.00) |
| Balance at the end of the current reporting period | - | - | 1,036.36 | 1,673.85 | 361.63 | 3,071.84 |

* Refer Note below

(2) Previous reporting period

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | Total |
|--|---|--|----------------------|--------------------|-------------------|-----------------|
| | | | Capital Reserve | Securities Premium | Retained Earnings | |
| Balance at the beginning of the Previous reporting period | - | - | - | 1673.85 | (6,984.22) | (5310.37) |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | 6,678.10 | 6,678.10 |
| Transferred from Share Capital * | - | - | 1,036.36 | - | - | 1,036.36 |
| Received during the year | 1,046.00 | - | - | - | - | 1,046.00 |
| Balance at the end of the previous reporting period | 1,046.00 | - | 1,036.36 | 1673.85 | (306.12) | 3,450.08 |

Notes:

a) As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate

Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the number of shares held by the existing shareholders by 1/20th of the existing holding i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. The amount of the reduction in the equity share capital has been transferred to Capital Reserve.

Significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For and on behalf of Dhatre Udyog Limited

SD/-
RITESH KUMAR SHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023

1. Corporate Information

Dhatre Udyog Limited (Formerly, Narayani Steels Limited) ["the Company"] is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc (including conversion on job-work basis) and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Dhatre Udyog Limited (Formerly, Narayani Steels Limited) is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at Ergo Tower, Plot No. A1-4, Block - EP & GP, Unit No. 1406, 14th Floor, Sector - V, Salt Lake City, Kolkata - 700091 (**Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India**).

2. Basis of preparation

a) Statement of Compliance

These standalone financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The statement of cash flows have been prepared under indirect method.

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

e) Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.
- Level 2: Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.
- Level 3: Includes those instruments for which one or more significant input are not based on observable market data."

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

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

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023

Financial assets at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement

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

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition

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

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

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

c) Property, Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to IndAS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

The useful life of computer software is considered to be 5 years.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023

i. Amortisation

Amortisation for the year is recognised in the Statement of Profit and Loss.
Intangible assets are amortised over a period of 5 years.

d) Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income."

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is

derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

j) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

i. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii. Defined contribution plans

The Company, presently, does not have a defined contribution plan.

iii. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

l) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e., April 01, 2018). There is no impact on the adoption of the standard in the standalone financial statements."

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its standalone financial statements.

p) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023

identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(continued)

(Rs. In Lakhs)

| 4 PROPERTY, PLANT & EQUIPMENTS | TANGIBLE ASSETS | | | | | | | | | |
|--|--------------------|---------------------------|-----------|----------------------|-----------|---------------------|--|-------------------------|----------|----------|
| A. Gross carrying amount (at cost or deemed cost) | Land (Freehold) | Leasehold improvements | Buildings | Plant & Equipment | Computers | Office Equipment | Electrical Installation & Fittings | Furniture & Fixtures | Vehicles | Total |
| As at March 31, 2021 | 309.33 | 116.28 | 432.30 | 871.89 | 11.14 | 23.29 | 19.64 | 143.84 | 48.12 | 1,975.82 |
| Additions | - | - | - | 33.03 | - | - | - | - | - | 33.03 |
| Deletions / Discards | - | 116.28 | 220.99 | 172.90 | 3.10 | 22.91 | 14.54 | 127.25 | - | 677.96 |
| As at March 31, 2022 | 309.33 | - | 211.30 | 732.03 | 8.04 | 0.38 | 5.09 | 16.59 | 48.12 | 1,330.89 |
| Additions | - | - | 20.61 | 20.88 | - | - | - | - | 9.00 | 50.49 |
| Deletions / Discards | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2023 | 309.33 | - | 231.91 | 752.91 | 8.04 | 0.38 | 5.09 | 16.59 | 57.12 | 1,381.38 |
| | | | | | | | | | | |
| B. Depreciation | | | | | | | | | | |
| As at March 31, 2021 | - | 21.68 | 89.84 | 339.49 | 8.32 | 16.66 | 7.60 | 65.99 | 27.96 | 577.54 |
| Additions | - | - | 6.44 | 40.97 | - | 0.02 | 0.40 | 0.93 | 4.84 | 53.60 |
| Deletions / Discards | - | 21.68 | 41.42 | 90.95 | 0.68 | 16.51 | 6.67 | 54.39 | - | 232.31 |
| As at March 31, 2022 | - | - | 54.86 | 289.52 | 7.64 | 0.17 | 1.32 | 12.53 | 32.79 | 398.83 |
| Additions | - | - | 6.74 | 45.45 | - | 0.07 | 0.48 | 1.73 | 8.69 | 63.16 |
| Deletions / Discards | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2023 | - | - | 61.59 | 334.97 | 7.64 | 0.24 | 1.80 | 14.26 | 41.49 | 63.16 |
| C. Net Carrying Amount | | | | | | | | | | |
| As at March 31, 2022 | 309.33 | - | 156.45 | 442.51 | 0.40 | 0.21 | 3.77 | 4.06 | 15.33 | 932.07 |
| As at March 31, 2023 | 309.33 | - | 170.32 | 417.94 | 0.40 | 0.14 | 3.29 | 2.33 | 15.64 | 919.39 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| | | As at 31 st March 2023 | As at 31 st March 2022 |
|----------|--|-----------------------------------|-----------------------------------|
| 5 | Investments | | |
| | Non-Current investments | | |
| | Investments in equity instruments fully paid up - Unquoted | | |
| | In an associate (at cost) | | |
| | Hari Equipments Private Limited, 4,59,490 (31st March, 2022: 4,59,490) equity shares of Rs. 10 /- each fully paid up | 56.73 | 56.73 |
| | Less: Provision for impairment in the value of investment in associate | <u>(56.73)</u> | <u>(56.73)</u> |
| | | - | - |
| | Investments in equity instruments fully paid up - Quoted | | |
| | In Others (at fair value through Other Comprehensive Income - FVOCI) | | |
| | Union Bank of India - 1,009 (31st March, 2022: 1,009) Equity Shares Rs. 10 /- each fully paid up | 0.67 | 0.39 |
| | | 0.67 | 0.39 |
| | Aggregate value of unquoted investments | 56.73 | 56.73 |
| | Aggregate amount of impairment in value of investment in associate | (56.73) | (56.73) |
| | Aggregate value of quoted investments | 0.67 | 0.39 |
| | Investments carried at cost (net of provision of diminution of investments) | - | - |
| | Investments carried at fair value through other comprehensive income | 0.67 | 0.39 |
| | Investments carried at fair value through profit and loss | - | - |
| 6 | Inventories | As at 31 st March 2023 | As at 31 st March 2022 |
| | (As taken, valued and certified by the management) | | |
| | Raw Materials : | | |
| | -Billets | 275.67 | - |
| | -Coal | 7.26 | - |
| | Scrap | 26.44 | - |
| | Finished Goods | 414.62 | 150.86 |
| | Stores & Spares | 5.95 | - |
| | | <u>729.94</u> | <u>150.86</u> |
| 7 | Trade receivables | As at 31 st March 2023 | As at 31 st March 2022 |
| | Unsecured, considered good (unless otherwise stated) | 4,719.93 | 3,950.23 |
| | Less: Expected Credit Loss [Refer Note:34(i)] | (926.61) | (926.92) |
| | | <u>3,793.32</u> | <u>3,023.31</u> |

The trade receivables ageing schedule for the years ended as on March 31, 2023 & (March 31, 2022) is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|--|--|------------------|-----------|-----------|-------------------|------------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,013.49 | - | - | - | 3,706.43 | 4,719.93 |
| | (242.56) | - | - | (564.48) | (3,143.19) | (3,950.23) |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |

| | | | | | | |
|---|----------|---|---|----------|------------|------------|
| | | | | | | |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Trade Receivables | 1,013.49 | - | - | - | 3,706.43 | 4,719.93 |
| | (242.56) | - | - | (564.48) | (3,143.19) | (3,950.23) |

| | | |
|--|--|-------------------|
| Less: Allowance for expected credit loss | | 926.61 |
| | | (926.92) |
| Total Trade Receivables | | 3,793.32 |
| | | (3,023.31) |

| | | |
|---|------------------------------|------------------------------|
| 8. Cash and cash equivalents | As at 31st March 2023 | As at 31st March 2022 |
| Cash on hand (as certified) | 4.95 | - |
| Balances with banks in current accounts | 74.92 | 43.66 |
| | 79.87 | 43.66 |

| | | |
|----------------------------------|------------------------------|------------------------------|
| 9. Other financial assets | As at 31st March 2023 | As at 31st March 2022 |
| <u>Non-current</u> | | |
| Security Deposits | 85.21 | 76.74 |
| | 85.21 | 76.74 |
| <u>Current</u> | | |
| Advance against expenses | - | 0.06 |
| | - | 0.06 |

| | | |
|-------------------------------------|------------------------------|------------------------------|
| 10. Current tax assets (Net) | As at 31st March 2023 | As at 31st March 2022 |
| Income Tax Refundable | 12.96 | 12.96 |
| Tax Deducted/Collected at Source | 49.17 | 23.95 |
| | 62.14 | 36.91 |

| | | |
|--|------------------------------|------------------------------|
| 11. Other assets | As at 31st March 2023 | As at 31st March 2022 |
| <u>Current</u> | | |
| Advances other than capital advances | | |
| - Advance to suppliers | 35.16 | 2.10 |
| - Advance for Expenses | 3.42 | - |
| Expenses a/c Jamshedpur Project (Refer Note below) | 22.16 | - |
| Balances with Revenue Authorities | 82.87 | 257.97 |
| Interest Receivable on Security Deposit | 2.69 | - |
| | 146.30 | 260.07 |

The Company has taken steps for development of a project on its land at Jamshedpur. Pending sanction of plan from the appropriate authority, Pre- development Expenses incurred are shown as current assets.

| | | |
|--|--------------|--------------|
| 11.1 Assets Classified as held for sale | 84.16 | 84.16 |
| | 84.16 | 84.16 |

| | | |
|---|------------------------------|------------------------------|
| 12. Equity share capital | As at 31st March 2023 | As at 31st March 2022 |
| <u>Authorised</u> | | |
| 1,40,00,000 (31 st March 2022 - 1,40,00,000) Equity Shares of Rs. 10/- each | 1400.00 | 1400.00 |
| | 1400.00 | 1400.00 |
| <u>Issued, subscribed and fully paid-up</u> | | |
| 1,08,95,450 (31 st March 2022 - 5,45,450) Equity Shares of Rs. 10/- each | 1089.55 | 54.55 |
| | 1089.55 | 54.55 |

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

| | As at 31st March 2023 | | As at 31st March 2022 | |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| | Number | Amount (Rs in lakhs) | Number | Amount (Rs in lakhs) |
| Balance as at the beginning of the year | 5,45,450 | 54.55 | 09,09,000 | 1090.90 |
| Add: Issued during the year | 1,03,50,000 | 1035.00 | - | - |
| Less: Capital Reduction (Refer Note below) | - | - | 1,03,63,550 | 1036.36 |
| Balance as at the end of the year | 1,08,95,450 | 1089.55 | 5,45,450 | 54.55 |

Note: As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the number of shares held by the existing shareholders by 1/20th of the existing holding i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares.

B Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.

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

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

| Name of the shareholders | As at 31st March 2023 | | As at 31st March 2022 | |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
| | Number of equity shares | % of total shares in the class | Number of equity shares | % of total shares in the class |
| Aditya Agarwal | 14,15,905 | 13.36% | - | - |
| Sumit Kumar Agarwal (HUF) | 18,20,000 | 16.70% | - | - |
| Sumit Kumar Agarwal | 10,00,000 | 9.18% | - | - |
| Rachana Agarwal | 10,00,000 | 9.18% | - | - |
| Aspire Capital Private Limited | 10,00,000 | 9.18% | - | - |
| OIPL India Private Limited | 10,00,000 | 9.18% | - | - |
| Rupa Agarwal | 6,00,000 | 5.51% | - | - |
| Kishanlal Choudhary | - | - | 50,175 | 9.20% |
| Sunil Choudhary (HUF) | - | - | 63,050 | 11.56% |
| Sunil Choudhary | - | - | 61,225 | 11.23% |
| Cooltex Merchandise Private Limited | - | - | 1,08,150 | 19.83% |

D. Particulars of Shareholding of Promoters

| Shares held by promoters at the end of the year | | | | |
|---|----------------------------------|---------------|-------------------|--------------------------|
| Sl.No. | Promoter Name | No. of Shares | % of total shares | % change during the year |
| a. | Rishikunj Vincom Private Limited | 2,51,221 | 2.31% | 2.31% |
| b. | Aditya Agarwal | 14,55,905 | 13.36% | 13.36% |
| c. | Anup Poddar | 4,00,000 | 3.67% | 3.67% |
| d. | Priti Poddar | 2,80,000 | 2.57% | 2.57% |
| e. | Prachi Mittal | 1,00,000 | 0.92% | 0.92% |
| f. | Sumit Kumar Agarwal (HUF) | 18,20,000 | 16.70% | 16.70% |
| g. | Sumit Kumar Agarwal | 10,00,000 | 9.18% | 9.18% |
| h. | Rachana Agarwal | 10,00,000 | 9.18% | 9.18% |
| i. | Aspire Capital Private Limited | 10,00,000 | 9.18% | 9.18% |
| j. | PKG Financers Private Limited | 5,00,000 | 4.59% | 4.59% |
| k. | OIPL India Private Limited | 10,00,000 | 9.18% | 9.18% |
| l. | Rupa Agarwal | 6,00,000 | 5.51% | 5.51% |
| m. | Subhash Kumar Agarwala | 4,00,000 | 3.67% | 3.67% |

As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the entire shareholdings of the erstwhile promoters of the Company were re-classified as public shareholding and hence there is nothing to disclose under this sub-heading in the previous year.

13. Other Equity

| | As at 31st March 2023 | As at 31st March 2022 |
|-------------------------|--------------------------|-----------------------------|
| A. Deemed Equity | | |
| Subordinated Debt* | | |
| - From a Director | 205.00 | - |
| - From Bodies Corporate | 1737.85 | 1456.20 |
| | 1942.55 | 1456.20 |

* Represents interest free long-term loans from Resolution Applicant and other promoters including a Director

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| B. Summary of other equity balance | As at | As at |
|--|-----------------|-----------------|
| | 31st March 2023 | 31st March 2022 |
| Securities Premium | 1673.85 | 1673.85 |
| Retained Earnings (including other comprehensive income) | 361.63 | (306.12) |
| Share Application Money pending allotment | - | 1046.00 |
| Capital Reserve | 1036.36 | 1036.36 |
| | 3071.84 | 3450.08 |
| Total Other Equity (A+B) | 5014.69 | 4906.28 |

| | 1st April 2022 | Movement during the year | As at 31st March 2023 | 1st April 2021 | Movement during the year | As at 31 st March 2022 |
|--|-------------------|--------------------------------|--------------------------------|------------------|--------------------------------|--------------------------------------|
| Securities Premium | 1673.85 | - | 1673.85 | 1673.85 | - | 1673.85 |
| Retained Earnings (including other comprehensive income) | (306.12) | 667.75 | 361.63 | (6984.22) | 6678.10 | (306.12) |
| Share Application Money pending allotment | 1046.00 | (1046.00) | - | - | 1046.00 | 1046.00 |
| Capital Reserve | 1036.36 | - | 1036.36 | - | 1036.36 | 1036.36 |
| | 3450.08 | (378.25) | 3071.84 | (5310.37) | 8760.45) | 3450.08 |

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Capital Reserve:** Capital Reserve represents the amount arising on account of reduction in paid-up equity share capital vide the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated 11th Jan'2022.
- (iii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits/ losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

14 Borrowings

| | Current portion | | Non-current portion | |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2023 | As at 31st March 2022 |
| Non-current Borrowings | | | | |
| <u>Unsecured</u> | | | | |
| Loans from Bodies Corporate | - | - | 119.18 | 119.18 |
| | - | - | 119.18 | 119.18 |

15. Trade payables

| | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------------|-----------------------------|
| Dues to Micro And Small Enterprises (as per the intimation received from vendors) | | |
| a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year * | - | - |
| b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | - | - |
| d. The amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| e. Interest due and payable even in the succeeding year, 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. | - | - |
| Dues to others | | |
| - For goods and services | 36.96 | 36.96 |
| | 36.96 | 36.96 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

The trade payables ageing schedule for the years ended as on March 31, 2023 & (March 31, 2022) is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 36.96 | - | - | - | 36.96 |
| (iii) Disputed Dues – MSME | (36.96) | - | - | - | (36.96) |
| (iv) Disputed Dues – Others | - | - | - | - | - |
| Trade Payables | 36.96 | - | - | - | 36.96 |
| | (36.96) | - | - | - | (36.96) |

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and thus relied upon by the auditors.

16. Other liabilities

| | As at 31st March 2023 | As at 31st March 2022 |
|------------------------|--------------------------|--------------------------|
| Current | | |
| Staff liability | 29.92 | 27.78 |
| Liability for expenses | 40.29 | - |
| Statutory liabilities | 9.11 | 9.98 |
| | 79.31 | 37.76 |

17. Deferred Tax (Assets) / Liabilities (net)

| | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Total deferred tax liabilities (A) | - | - |
| Deferred tax Assets | | |
| Property, Plant & Equipment | 36.21 | 45.06 |
| Fair Valuation of Investments | 0.12 | 0.20 |
| Provision for Gratuity | 0.63 | - |
| Provision for expected credit losses on trade receivables | 257.78 | 257.78 |
| Business Losses & Unabsorbed Depreciation | 146.20 | 395.49 |
| Total deferred tax assets (B) | 440.95 | 698.62 |
| Net Deferred Tax (Assets)/Liabilities (A-B) | (440.95) | (698.62) |

Movement in deferred tax liabilities/ assets balances

| | Deferred tax liabilities/assets in relation to | | | |
|---|--|---------------------------------|----------------------|-----------------------------|
| | As at 31st March 2022 | Recognised in Profit or Loss | Recognised in OCI | As at 31st March 2023 |
| Total deferred tax liabilities (A) | - | - | - | - |
| Deferred tax Assets | | | | |
| Property, Plant & Equipment | 45.06 | (8.85) | - | 36.21 |
| Fair Valuation of Investments | 0.20 | - | (0.08) | 0.12 |
| Provision for Gratuity | - | 0.35 | 0.29 | 0.63 |
| Provision for expected credit losses on trade receivables | 257.87 | (0.09) | - | 257.78 |
| Business Losses & Unabsorbed Depreciation | 395.49 | (249.30) | - | 257.78 |
| Total deferred tax assets (B) | 698.62 | (257.89) | 0.21 | 440.95 |
| Net Deferred Tax (Assets)/Liabilities (A-B) | (698.62) | 257.89 | 0.21 | 440.95 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELSLIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| | Deferred tax liabilities/assets in relation to | | | |
|--|--|---------------------------------|----------------------|-----------------------------|
| | As at 31st March 2021 | Recognised in Profit or Loss | Recognised in OCI | As at 31st March 2022 |
| Deferred tax liabilities | | | | |
| Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties | 113.40 | (68.34) | - | 45.06 |
| Fair Valuation of Investments | (12.23) | 12.42 | 0.01 | 0.20 |
| Total deferred tax liabilities (A) | 101.17 | (55.92) | 0.01 | 45.26 |
| Deferred tax Assets | | | | |
| Provision for Gratuity | 2.82 | (2.82) | - | - |
| Provision for expected credit losses & bad and doubtful debts on trade receivables | 1965.14 | (1707.27) | - | 257.87 |
| Business Losses & Unabsorbed Depreciation [^] | 1453.58 | (1058.09) | - | 395.49 |
| Lease Liabilities & Others | 946.55 | (946.55) | - | - |
| Total deferred tax assets (B) | 4368.09 | (3714.73) | - | 653.36 |
| Net deferred tax (assets)/liabilities (A-B) | (4266.92) | 3658.21 | 0.01 | (698.62) |

[^]The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability

18. Provisions

| | As at 31st March 2023 | As at 31st March 2022 |
|---------------------------------|--------------------------|--------------------------|
| <u>Non-current</u> | | |
| Provision for employee benefits | | |
| - Gratuity | 2.26 | - |
| | 2.26 | - |
| <u>Current</u> | | |
| Provision for employee benefits | | |
| - Gratuity | 0.02 | - |
| | 0.02 | - |

19. Revenue from operations

| | 2022-23 | 2021-22 |
|--|-----------------|----------------|
| <u>Sale of Products</u> | | |
| -Manufactured goods | 9154.81 | - |
| -Raw Materials | 3.91 | - |
| -Traded/Finished goods | 11.57 | - |
| -Scrap | 546.24 | - |
| | 9716.53 | - |
| Revenue from Job Work (Conversion Charges) | 958.86 | 1162.28 |
| Delivery Charges | 34.36 | - |
| Total revenue from operations | 10709.75 | 1162.28 |
| <u>Details of sale of products (net of GST):</u> | | |
| TMT Bars, Rounds, Squares, Angles, Flats and related items | 9166.38 | - |
| Scrap and related items | 546.24 | - |
| Others | 3.91 | - |
| | 9716.53 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| 20. Other income | 2022-23 | 2021-22 |
|--|----------------|----------------|
| A. <u>Interest income comprises interest:</u> | | |
| - On fixed deposits | - | 3.69 |
| - On other deposits | 2.99 | - |
| Other non-operating income | | |
| Miscellaneous receipts | 0.41 | 0.17 |
| Prior Period Items (Net) [Refer Note (a) below] | 1.55 | - |
| Bad Debts recovery | 290.50 | 10.52 |
| Sundry Balances written off (Net) | - | 0.81 |
| Provision for expected credit loss written back [Refer Note:34(i) for details] | 0.31 | - |
| Reversal of Amortisation of corporate guarantee obligation | - | 9.75 |
| | 295.75 | 24.93 |
| 21. Cost of Raw Materials Consumed | 2022-23 | 2021-22 |
| Opening Stock of Raw Materials | - | - |
| Purchases during the year | 9381.74 | - |
| Freight charges | 198.48 | - |
| | 9580.22 | - |
| Less: Closing Stock of Raw Materials | 282.93 | - |
| Cost of Raw Materials Consumed | 9297.29 | - |
| Details of raw materials consumed | | |
| Billets | 8917.04 | - |
| Coal & Coke | 380.24 | - |
| Cost of Materials Consumed | 9297.29 | - |
| 22. Changes in Inventories | 2022-23 | 2021-22 |
| Opening Stock | | |
| Finished Goods | 150.86 | 150.86 |
| Scrap and Mis Roll | - | - |
| | 150.86 | 150.86 |
| Closing Stock | | |
| Scrap and Mis Roll | 26.44 | - |
| Finished Goods | 414.62 | 150.86 |
| | 441.06 | 150.86 |
| | 290.19 | - |
| 23. Employee benefits expense | 2022-23 | 2021-22 |
| Salaries, wages and allowances | 351.61 | 307.96 |
| Director's Remuneration | 32.68 | - |
| Gratuity (Refer Note 30 for details) | 1.24 | - |
| Staff welfare expenses | 0.56 | 0.18 |
| | 386.09 | 308.14 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| 24. Finance costs | 2022-23 | 2021-22 |
|--|----------------|------------------|
| Interest expense | | |
| To Others (on Unsecured Loans) | 9.91 | 1.76 |
| | 9.91 | 1.76 |
| 25. Other expenses | 2022-23 | 2021-22 |
| A. Manufacturing Expenses | | |
| Processing, Moulding & Labour Charges | 7.24 | 2.48 |
| Power and Fuel | 408.89 | 649.71 |
| Stores and Spares Consumed | 77.07 | 48.10 |
| | 493.20 | 700.29 |
| B. Administrative and Other Expenses | | |
| Rent & Service Charges | - | 6.00 |
| Machinery Hire Charges | 4.33 | - |
| Rates & Taxes | 2.43 | 5.24 |
| Insurance | 0.09 | 1.12 |
| Freight & Loading/unloading Charges | 1.35 | 0.14 |
| Postage and Communication | 0.18 | - |
| Travelling & Conveyance | 1.51 | 0.24 |
| Repairs & Maintenance | | |
| - Building | 2.01 | 0.06 |
| - Plant & Machinery | 43.84 | 21.49 |
| - Others | 6.08 | 1.34 |
| Safety & Security Charges | 8.11 | 11.88 |
| Vehicle Running and Maintenance | 2.15 | - |
| Legal & Professional Fees | 32.08 | 19.31 |
| Advertisement & Business Promotion Expenses | 0.96 | - |
| Auditor's Remuneration [Refer Note (b) below] | 5.58 | 2.50 |
| Directors' Sitting Fees | 0.15 | - |
| Printing & Stationery | 0.22 | - |
| Miscellaneous Expenses | 2.92 | 3.21 |
| Bank Charges | 0.37 | 0.52 |
| Brokerage & Commission | 4.65 | - |
| Interest on delay payments | 0.11 | 0.41 |
| Fines & Penalties | 0.15 | - |
| Sundry Balances written off (Net) | 0.34 | - |
| | 119.87 | 73.46 |
| Other expenses (A+B) | 613.07 | 773.76 |
| (a) Prior Period Items | 2022-23 | 2021-22 |
| Interest on Security deposit | (2.06) | - |
| Rent & Electricity | 0.52 | - |
| | 1.55 | - |
| (b) Payment to auditors | | |
| Statutory audit | 3.00 | 2.00 |
| Tax audit | - | 0.50 |
| Other Services | 2.85 | - |
| | 5.85 | 2.50 |
| 26. Exceptional Items * | 2022-23 | 2021-22 |
| Exceptional items for the year ended 31st March 2022 comprises of: | | |
| Right of Use Asset Written off | - | (17.51) |
| Property, Plant & Equipment written off | - | (361.49) |
| Intangible Assets Written off | - | (1.45) |
| Irrecoverable advances/Deposits/Receivables written off | - | (1307.01) |
| Bad Debts Written off | - | (12,987.42) |
| CIRP Expenses | - | (58.23) |
| Provision for expected credit Loss written back | - | 3768.36 |
| Provision for Bad & Doubtful debts written back | - | 1191.19 |
| Extinguishment of Trade Payables, current Financial Liabilities, and Non current/Short Term Borrowings | - | 19,969.96 |
| | - | 10,196.39 |

* These adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as 'Exceptional Items' in the Financial Statements.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELSLIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| 27. Income taxes | 2022-23 | 2021-22 |
|--|----------------|-----------------|
| A. <u>Amount recognised in profit or loss</u> | | |
| Current tax | A | |
| Current period | - | - |
| Deferred tax | B | |
| Deferred Tax for the year | 257.89 | 3568.29 |
| Tax expense reported in the statement of profit and loss [(A)+(B)] | 257.89 | 3568.29 |
| B. <u>Income tax recognised in other comprehensive income</u> | | |
| Deferred tax | 2022-23 | 2021-22 |
| On items that will not be reclassified to profit or loss | | |
| Re-measurements of defined benefit plans | 0.29 | - |
| Equity instruments through other comprehensive income | (0.08) | 0.01 |
| Income tax expense reported in the statement of profit and loss | 0.21 | 0.01 |
| C. <u>Reconciliation of effective tax rate for the year ended 31st March 2023</u> | | |
| | 2022-23 | 2021-22 |
| Profit / (Loss) before tax | 926.18 | 10246.35 |
| Tax using the Indian tax rate @ 31st March 2023: 27.82% (31st March 2022: 27.82%) | 257.66 | 2850.53 |
| Change in tax rate and other tax differences | 0.02 | 717.75 |
| Effective tax | 257.68 | 3,568.28 |

28. Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

| | 2022-23 | 2021-22 |
|---|--------------------|--------------------|
| a. Profit attributable to equity shareholders | 668.29 | 6,678.06 |
| b. Adjusted profit for dilutive earnings | 668.29 | 6,678.06 |
| c. Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share | 1,08,95,450 | 5,45,450 |
| d. Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)] | 1,08,95,450 | 5,45,450 |
| e. Shares Pending Allotment | - | 1,03,63,550 |
| f. Potential shares after allotment | 1,08,95,450 | 1,09,09,000 |
| g. Earnings per share on profit for the year (Face Value Rs. 10/- per share) | | |
| Basic [(a)/(c)] | 11.54 | 1,224.32 |
| Diluted [(b)/(d)] | 6.13 | 61.22 |

29. Contingent Liabilities

(to the extent not provided for)

As per the resolution plan approved and taken effect in the previous financial year, the contingent liabilities and commitments, claims and obligations, Corporate guarantees and Legal Proceedings initiated against Corporate Debtor stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELSLIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

| 30. Employee Benefits | 2022-23 | 2021-22 |
|---|-------------|----------|
| (a) Defined contribution plans: | | |
| Contribution to defined contribution plans, recognised as an expense for the year are as under: | | |
| Particulars | | |
| Employer's contribution to provident fund & other funds | - | - |
| Total | - | - |
| (b) Defined benefit plans: | | |
| Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under: | | |
| Particulars | | |
| Gratuity - Net defined benefit obligation | 1.24 | - |
| Total | 1.24 | - |

Defined benefit plan

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| (i). <u>Movement of defined benefit obligation</u> | 2022-23 | 2021-22 |
|---|----------------|----------------|
| The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows: | | |
| Defined benefit obligation at beginning of the year | - | - |
| Current service cost | 1.24 | - |
| Past service cost | - | - |
| Interest cost | - | - |
| Benefits paid | - | - |
| Actuarial (gain)/loss | 1.03 | - |
| Defined benefit obligation at end of the year | 2.27 | - |
| (ii) <u>Liability recognised in the balance sheet</u> | 2022-23 | 2021-22 |
| Present value of defined benefit obligation | 2.27 | - |
| Amount recognised as liability in balance sheet | 2.27 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

(iii) **Expenses recognised during the year (Under the head “Employee Benefit expenses” – refer note no. 24)**

| Expense recognised in profit and loss statement | 2022-23 | 2021-22 |
|---|-------------|----------|
| Current service cost | 1.24 | - |
| Past service cost | - | - |
| Net Interest cost | - | - |
| Total amount | 1.24 | - |
| Total amount recognised in profit and loss (Note no. 24) | 1.24 | - |

Remeasurements recognised in other comprehensive income

| | 2022-23 | 2021-22 |
|--|-------------|----------|
| Actuarial (Gain)/Loss on obligations due to change in demographic assumption | - | - |
| Actuarial (Gain)/Loss on obligations due to change in financial assumption | - | - |
| Actuarial (Gain)/Loss on obligations due to unexpected experience | 1.03 | - |
| Total amount recognised in other comprehensive income | 1.03 | - |
| Net Cost | 2.27 | - |

(iv) **Actuarial assumptions**

| | 2022-23 | 2021-22 |
|--|---------|---------|
| Discount rate (per annum) | 7.29% | - |
| Rate of escalation in salary (per annum) | 6.00% | - |
| Retirement age | 65 | |

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

| | Increase by | | Decrease by | |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| | As at | As at | As at | As at |
| | 31st March 2023 | 31st March 2022 | 31st March 2023 | 31st March 2022 |
| Sensitivity analysis | | | | |
| Discount Rate (-/+ 0.5%) | 2.04 | - | 2.54 | - |
| Salary Growth (-/+ 0.5%) | 2.54 | - | 2.04 | - |
| Attrition Rate (-/+ 0.5%) | 2.27 | - | 2.28 | - |
| Mortality Rate (-/+ 10%) | 2.27 | - | 2.27 | - |

(vi) **Maturity profile**

| | As at 31st March 2023 | As at 31st March 2022 |
|--------------------|--------------------------|--------------------------|
| Year | | |
| 1 | 0.02 | - |
| 2 | 0.02 | - |
| 3 | 0.07 | - |
| 4 | 0.02 | - |
| 5 | 0.02 | - |
| 6 to 10 | 0.16 | - |
| More than 10 years | 14.07 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

31 Segment information

The Company is currently engaged in a single business segment of Iron & Steel products and thus there is no separate reportable segment as per Ind AS 108 -'Operating Segment'.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from Three (31st March 2022: One) external customers contributed to 100% (31st March 2022: 100%) of Company's total revenue amounting approximately to Rs. 10,675.39 lakhs & Rs. 1,162.28 lakhs for the year ended 31st March 2023 & 31st March 2022 respectively.

32 Related Party Disclosures

| | |
|--------------------------|---|
| Sumit Kumar Agarwal | Managing Director |
| Asit Baran Bhattacharjee | Independent Director |
| Ajit Kumar Nath | Independent Director |
| Akansha Agarwal | Independent Director |
| Amit Ranjan Sinha | Director (w.e.f 28.06.2022) |
| Arun Kumar Meher | Company Secretary & Compliance Officer (upto 06/11/2022) |
| Ankita Dutta | Company Secretary & Compliance Officer (w.e.f 07/11/2022) |

Relatives of Director

Rachana Agarwal

Associates

Hari Equipments Private Limited
Rishikunj Vincom Pvt Ltd
Aspire Capital Private Limited
Oipl India Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

Sumit Kumar Agarwal (HUF)

The following transactions were carried out with related parties in the ordinary course of business:

| Nature of Transactions | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------|-----------------------|
| Share Application Money Received | | |
| Aspire Capital Private Limited | - | 100.00 |
| Oipl India Private Limited | - | 100.00 |
| Rachana Agarwal | - | 100.00 |
| Rishikunj Vincom Pvt Ltd | - | 36.00 |
| Sumit Kumar Agarwal (HUF) | - | 182.00 |
| Sumit Kumar Agarwal | - | 100.00 |
| Unsecured Loans Received | | |
| Oipl India Private Limited | 105.00 | 160.00 |
| Rishikunj Vincom Pvt Ltd | - | 1,456.00 |
| Sumit Kumar Agarwal (HUF) | 110.00 | - |
| Sumit Kumar Agarwal | 95.00 | - |
| Rishikunj Vincom Pvt Ltd | 11.00 | - |
| Payment upon invocation of Corporate Guarantee (as per approved Resolution Plan) | | |
| Hari Equipments Private Limited | - | 40.50 |

| | | |
|-----------------------------------|-------|------|
| Interest on Unsecured Loan | | |
| Oipl India Private Limited | - | 1.33 |
| On behalf payments by | | |
| Rishikunj Vincom Pvt Ltd | 4.32 | - |
| Director's Remuneration | | |
| Sumit Kumar Agarwal | 24.00 | - |
| Amit Ranjan Sinha | 8.68 | - |
| Sitting Fees | | |
| Asit Baran Bhattacharjee | 0.04 | - |
| Ajit Kumar Nath | 0.03 | - |
| Akansha Agarwal | 0.03 | - |
| Varsha Kedia | 0.01 | - |
| Amit Ranjan Sinha | 0.01 | - |
| Sumit Kumar Agarwal | 0.02 | - |
| Salary | | |
| Ankita Dutta | 2.70 | - |
| Arun Kumar Meher | 3.50 | 6.00 |

| Outstanding Balances | | |
|---|--------------------------------------|--------------------------------------|
| Nature of Transactions | As at 31st March 2023 | As at 31st March 2022 |
| Share Application Money Received | | |
| Aspire Capital Private Limited | - | 100.00 |
| Oipl India Private Limited | - | 100.00 |
| Rachana Agarwal | - | 100.00 |
| Rishikunj Vincom Pvt Ltd | - | 36.00 |
| Sumit Kumar Agarwal (HUF) | - | 182.00 |
| Sumit Kumar Agarwal | - | 100.00 |
| Unsecured Loans Received | | |
| Sumit Kumar Agarwal (HUF) | 110.00 | - |
| Sumit Kumar Agarwal | 95.00 | - |
| Oipl India Private Limited | 266.33 | - |
| Rishikunj Vincom Pvt Ltd | 1,471.52 | - |
| Director's Remuneration Payable | | |
| Sumit Kumar Agarwal | 0.07 | - |
| Amit Ranjan Sinha | 0.90 | - |
| Sitting Fees Payable | | |
| Asit Baran Bhattacharjee | 0.04 | - |
| Ajit Kumar Nath | 0.03 | - |
| Akansha Agarwal | 0.03 | - |
| Varsha Kedia | 0.01 | - |
| Amit Ranjan Sinha | 0.01 | - |
| Sumit Kumar Agarwal | 0.02 | - |
| Salary Payable | | |
| Ankita Dutta | 0.45 | - |

33.

Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows

| Particulars of Ratio | Numerator | Denominator | 2022-23 | 2021-22 | Variance (in %) |
|---------------------------------|--------------------------------------|----------------------|----------------|----------------|------------------------|
| (a) Current Ratio | Current Assets | Current Liabilities | 42.10 | 48.34 | -12.90% |
| (b) Debt-Equity Ratio | Total debt | Shareholder's equity | 0.02 | 0.05 | -64.34% |
| (c) Debt Service Coverage Ratio | Earnings available for debt service | Debt service | - | 59.94 | NA |
| (d) Return on Equity Ratio | Net profits before exceptional items | Shareholder's equity | 15.17% | 1.01% | 1409.70% |
| (e) Inventory turnover ratio | Revenue | Inventories | 20.45 | - | NA |

| | | | | | |
|---|--|--------------------------|--------|---------|----------|
| (f) Trade Receivables turnover ratio | Revenue | Average receivable trade | 3.02 | 0.17 | 1725.36% |
| (g) Trade payables turnover ratio | Purchases of services and other expenses | Average trade payable | 252.47 | - | NA |
| (h) Net capital turnover ratio | Revenue | Working capital | 2.24 | 0.33 | 579.52% |
| (i) Net profit ratio (before exceptional items) | Net profits before exceptional items | Revenue | 8.65% | 4.30% | 101.20% |
| (j) Return on Capital employed | Earning before interest and taxes | Capital employed | 15.04% | 195.86% | -92.32% |

Reason for variance: Figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan whereupon operational & financial Liabilities were extinguished and advances, Trade & other receivables were written off and are not comparable with the figures for the current financial year and hence the variance.

34 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

Movement in the expected credit loss allowance of trade receivables are as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Balance at the beginning of the year | 926.92 | 4,695.27 |
| Add: Provision during the year (net of reversals) | - | - |
| Less: Provision written back during the year | 0.31 | 3,768.36 |
| Balance at the end of the year | 926.61 | 926.92 |
| % of Expected Credit Loss: | | |
| More than 1 year | 10.00% | 10.00% |
| 2-4 Years | 25.00% | 25.00% |
| More than 4 years | 75.00% | 75.00% |

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer for the current year and top five customers are stated below. The figures of the current year are of only one customer as the Company, currently, is providing conversion services to only one customer.

| Particulars | Year ended 31.03.2023 | | Year ended 31.03.2022 | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | % | Amount (Rs. In lakhs) | % | Amount (Rs. In lakhs) |
| Revenue from a top customer | 58.37% | 6,251.58 | 100.00% | 1,162.28 |
| Revenue from top five customers | 100.00% | 10,709.75 | 100.00% | 1,162.28 |

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

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars

| As at 31 March 2023 | Less than 1 year | 1-5 years | > 5 years | Total |
|-----------------------------|------------------|-----------|---------------|---------------|
| Borrowings | - | - | 119.18 | 119.18 |
| Trade payables | 36.96 | - | - | 36.96 |
| Other financial liabilities | 79.31 | - | - | 79.31 |
| | 116.27 | - | 119.18 | 235.44 |
| As at 31 March 2022 | Less than 1 year | 1-5 years | > 5 years | Total |
| Borrowings | - | - | 271.58 | 271.58 |
| Trade payables | 36.69 | - | - | 36.69 |
| Other financial liabilities | 37.76 | - | - | 37.76 |
| | 74.46 | - | 271.58 | 346.04 |

(iii) Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------------------------|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | (119.18) | - |
| Variable rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | - | (271.58) |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars | Profit/ (loss) | | Equity, net of tax | |
|------------------------------------|----------------|-------------|--------------------|-------------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 31 March 2023 | | | | |
| Variable rate instruments | | | | |
| Cash flow sensitivity (net) | - | - | - | |
| 31 March 2022 | | | | |
| Variable rate instruments | (1.36) | 1.36 | (0.98) | 0.98 |
| Cash flow sensitivity (net) | (1.36) | 1.36 | (0.98) | 0.98 |

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

35 Capital management (Ind AS 1)

The Company's management objective are:

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

| Particulars | | 31 March 2023 | 31 March 2022 |
|--|---|---------------|---------------|
| Total debt (Bank and other borrowings) | A | 119.18 | 271.58 |
| Equity | B | 6,104.23 | 4,960.83 |
| Liquid investments including bank deposits | C | 79.87 | 43.66 |
| Debt to Equity (A / B) | | 0.02 | 0.05 |
| Debt to Equity (net) [(A-C) / B] | | 0.01 | 0.05 |

36 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020

37

(Rs. In Lakhs)

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Foreign Exchange Earnings | - | - |
| Expenditure in Foreign Currency | - | - |

38 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

39 Balances under Trade Receivables & Other advances / receivables are subject to confirmations and adjustments, if any. The Company considers the said amounts as good for recovery and hence are carried in the accounts at their book values, after provision for expected credit loss.

40 Financial instruments and related disclosures

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Standalone financial statements for the year ended 31st March, 2023(Continued)

40.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2: Basis of Preparation

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

40.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

| Particulars | Note No | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---------|--------------------------|-------------------------|--------------------------|-------------------------|
| | | carrying amount | Fair value Level 1/2 | carrying amount | Fair value Level 1/2 |
| A FINANCIAL ASSETS: | | | | | |
| a) Measured at Amortised Cost | | | | | |
| Trade receivables | 8 | 3,793.32 | | 3,023.31 | |
| Cash and Cash equivalents | 9 | 79.87 | | 43.66 | |
| Other financial assets | 10 | 85.21 | | 76.81 | |
| b) Measured at fair value through profit and loss | | | | | |
| Investments | 6 | - | | - | |
| c) Measured at fair value through other comprehensive income | | | | | |
| Investments | 6 | 0.67 | 0.67 | 0.39 | 0.39 |
| B FINANCIAL LIABILITIES: | | | | | |
| a) Measured at Amortised Cost | | | | | |
| Borrowings | 15 | 119.18 | | 271.58 | 271.58 |
| Trade payables | 16 | 36.96 | | 36.69 | - |
| Other financial liabilities | 17 | 79.31 | | 37.76 | - |

INDEPENDENT AUDITORS' REPORT

To the Members of **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)** ["the Company"], and its Associate ("the group") which comprise the consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated 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, and based on the consideration of report of other auditors on separate financial statements of the associate as was audited by the other auditors **and except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 Group as at March 31, 2023, its consolidated profit, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year that ended.

Basis for Qualified Opinion:

- a. Internal Audit Report is not available since the management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- b. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- c. Physical verification / valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification / valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the 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 Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the 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 audit opinion on the Consolidated financial statements.

Emphasis of Matter

(As reported by the auditor of Hari Equipments Private Limited, the associate company)

1. The Company has sent letters to customers in respect of trade receivables for confirming balances outstanding as at March 31, 2023, but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at March 31, 2023. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not quantified.
2. Pending confirmations/reconciliation of balances of unsecured loans & borrowings, financial/non-financial assets and liabilities, the auditors are unable to comment upon any provision to be made for adverse variation in the carrying amounts of such balances.
3. The fair value of the Investment property as stated in the financials is based on the valuation report as on 31/03/2020. The management of the associate is of the view that there has not been any significant change in the fair value of the Investment property since that report, therefore they have not obtained a valuation report from the independent valuers for 31/03/2023.
4. The Auditors have drawn attention to the Associate Company's dependency upon raising additional finance in order to continue operations indicating the existence of a material uncertainty that may cast significant doubt about the Associate Company's ability to continue as a going concern.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

(i) Non conduct of Internal Audit and Non availability of Internal Financial Controls: We were not provided with copy of Internal Audit Report and Risk Control Matrix including Standard Operating Procedures of the company which we consider to be significant key matter, keeping in view the nature and size of the operations of the Company.

Our procedures included the following: The issues relating to Internal Audit Report and Internal Financial Controls have been discussed with the management, who have assured necessary compliances in the current fiscal year.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the financial statements of the associate audited by the other auditors, to the extent it relates to the entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate, is traced from their financial statements audited by the other auditors. 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. **except for matters described in the ‘Basis for Qualified Opinion’ para above.**

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS 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 Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company including its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Company including its associate is responsible for assessing the Company’s ability including its associate 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.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company, including its associate.

Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Company including its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

Other Matter

We did not audit the financial statements of the Associate Company, namely, Hari Equipments Private Limited included in the Consolidated Financial Statements of the Company whose financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the audit report of the other auditors. The investment in the Associate in the Consolidated Financial Statement was impaired due to share of

accumulated losses incurred by the Associate company exceeding the cost of investment in the Associate. As per Equity Method, further share of Net Loss of the Associate Company is not included in the financial statements as per IND-AS 28 (Investment in Associates) and investment is reported at NIL value. Our opinion is modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consolidation of reports of other auditors on separate financial statements of such associate as were audited by other auditors, as noted in the 'Other Matters' paragraph we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. (A) As required by Section 143(3) of the Act, we report that:
 - (h) 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;
 - (i) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the report of the other auditors **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (j) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 **except for matters described in the 'Basis for Qualified Opinion' para above.**
 - (k) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors of the Company and the report of other statutory auditors of its associate company, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (l) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" which is based on the audited report of the Company audited by us and the associate audited by other auditors. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control with reference to financial statements of the Company and its associate incorporated in India;
 - (m) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act;
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - e. Pursuant to the approval of the Resolution Plan by the Order dated 11th January 2022 of the Hon'ble National Company Law Board (Kolkata Bench), all the pre-existing contingent liabilities have been extinguished together with the associated pending litigations and hence, as per management, there is nothing to be disclosed in its financial statements.

The Associate Company does not have any pending litigations having impact on its

financial position in its financial statements.

- f. The Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- g. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate.
- h. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to these Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its associate to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or its associate or
 - c) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in notes to these financial statements, no funds have been received by the Company or its associate from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or its associate shall:
 - a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
 - c) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

SD/-
CA RITESH KUMAR SHAW
Partner
Membership No.: **305929**
UDIN: 23305929BGYZS9764
Place of Signature: Kolkata
Date: The 30th day of May, 2023

ANNEXURE- 1 TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT OF DHATRE UDYOG LIMITED (FORMERLY, NARAYANI STEELS LIMITED) FOR THE YEAR ENDED 31 MARCH 2023

In our opinion and according to the information and explanations given to us, the associate company included in the consolidated financial statements, have unfavourable remarks or adverse remarks given by their auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO) as detailed hereunder:

Clause numbers of the CARO report which are unfavourable or adverse – ii(b), iii(a), vii(a), ix(a), xvii, and xix.

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No.: 001150C

SD/-
CA RITESH KUMAR SHAW
Partner
UDIN: 23305929BGYZS9764
Place of Signature: Kolkata
Date: The 30th day of May, 2023

ANNEXURE- 2 TO THE INDEPENDENT AUDITOR’S REPORT

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 **Dhatre Udyog Limited (Formerly, Narayani Steels Limited)** [“the Company”] as of 31st March, 2023 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company which is incorporated in India are 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgment, 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 and the audit evidence obtained by the other auditors of the associate company, which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2023:

- i. Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.
- ii. Balances under sundry debtors and loans and advances given by the company are subject to confirmations and adjustments, if any. In the absence of such confirmations and reconciliations, consequential impact of the same on financial statements of the company could not be ascertained.
- iii. Physical verification/valuation report for Property, Plant & Equipment including assets held for sale of Rs.84.16 Lakhs is not available and in absence of verification/valuation report, we are unable to ascertain the fair / realizable values of such items and its impact on the financials of the company for the year under report.

In our opinion, because of the possible effects of the material weakness as described above on the achievement of the objectives of internal control criteria, the Company has not maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were not operating effectively with respect to obtaining balance confirmations as on March 31, 2023, and

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statements of the Company for the year ended March 31, 2023 and these material weaknesses don't affect our opinion on the financial statements of the company.

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No.: 001150C

SD/-

CA RITESH KUMAR SHAW

Partner

Membership No.: **305929**

UDIN: 23305929BGYZS9764

Place of Signature: Kolkata

Date: The 30th day of May, 2023

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

(Rs. In Lakhs)

| Particulars | Note | As at March 31, 2023 | As at March 31, 2022 |
|--|------|----------------------|----------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 4 | 919.39 | 932.07 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 0.67 | 0.39 |
| (ii) Other assets | 9 | 85.21 | 76.74 |
| (c) Deferred tax assets (net) | 17 | 440.95 | 698.62 |
| Total Non- Current Assets | | 1,446.22 | 1,707.82 |
| (2) Current assets | | | |
| (a) Inventories | 6 | 729.94 | 150.86 |
| (b) Trade receivables | 7 | 3,793.32 | 3,023.31 |
| (c) Cash and cash equivalents | 8 | 79.87 | 43.66 |
| (d) Other assets | 9 | - | 0.06 |
| (e) Current tax assets (net) | 10 | 62.14 | 36.91 |
| (f) Other current assets | 11 | 146.30 | 260.07 |
| (g) Assets classified as held for sale | 11.1 | 84.16 | 84.16 |
| Total Current Assets | | 4,895.72 | 3,599.04 |
| | | 6,341.95 | 5,306.86 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 12 | 1,089.55 | 54.55 |
| (b) Other equity | 13 | 5,014.69 | 4,906.28 |
| Total Equity | | 6,104.23 | 4,960.83 |
| LIABILITIES | | | |
| (1) Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 14 | 119.18 | 271.58 |
| (b) Provisions | 18 | 2.26 | - |
| Total Non- current liabilities | | 121.43 | 271.58 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Trade payables | 15 | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 36.96 | 36.69 |
| (ii) Other liabilities | 16 | 79.31 | 37.76 |
| (b) Provisions | 18 | 0.02 | - |
| Total Current liabilities | | 116.28 | 74.46 |
| TOTAL EQUITY AND LIABILITIES | | 6,341.95 | 5,306.86 |
| Significant accounting policies | 3 | | |

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For & on behalf of Dhatre Udyog Limited

SD/-
RITESHKUMARSHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In Lakhs)

| SL. No. | Particulars | Note | Year ended March 31, 2023 | Year ended March 31, 2023 |
|---------|---|------|------------------------------|------------------------------|
| I | Revenue from operations | 19 | 10,709.75 | 1,162.28 |
| II | Other Income | 20 | 295.75 | 24.93 |
| III | Total Income (I+II) | | 11,005.51 | 1,187.21 |
| IV | Expenses | | | |
| | Cost of Raw Materials Consumed | 21 | 9,297.29 | - |
| | Changes in Inventories of Finished & Traded Goods | 22 | (290.19) | - |
| | Employee benefit expenses | 23 | 386.09 | 308.14 |
| | Finance costs | 24 | 9.91 | 1.76 |
| | Depreciation and amortisation expense | 4 | 63.16 | 53.60 |
| | Other expenses | 25 | 613.07 | 773.76 |
| | Total expenses (IV) | | 10,079.33 | 1,137.25 |
| | PROFIT BEFORE TAX & EXCEPTIONAL ITEMS (III-IV) | | 926.18 | 49.96 |
| VI | Exceptional Items | 26 | - | 10,196.39 |
| VII | Profit before tax (V-VI) | | 926.18 | 10,196.39 |
| VIII | Tax expense: | | | |
| | Current tax | 27 | - | - |
| | Deferred tax | 17 | 257.89 | 3,568.29 |
| IX | Profit for the year (VII-VIII) | | 668.29 | 6678.06 |
| | Other comprehensive income (net of tax) | | | |
| | (A). Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements of defined benefit liability/(asset) | | (1.03) | - |
| | (b) Equity instruments through other comprehensive income | | 0.28 | 0.05 |
| | (c) Income taxes relating to items that will not be reclassified to profit or loss | | (0.21) | 0.01 |
| | Net other comprehensive income not to be reclassified subsequently to profit or loss | | (0.54) | 0.03 |
| | B. Items that will be reclassified to profit or loss | | | |
| | Net other comprehensive income to be reclassified subsequently to profit or loss | | | |
| X | Other comprehensive income | | (0.54) | 0.03 |
| XI | Total comprehensive income for the year (IX+X) | | 667.75 | 6,678.10 |
| XII | Earnings per equity share | 28 | | |
| | [Face value of equity share of Rs. 10 each (previous year Rs. 10 each)] | | | |
| | - Basic | | 11.54 | 1,224.32 |
| | - Diluted | | 6.13 | 61.22 |
| | Significant accounting policies | 3 | | |

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For and on behalf of Dhatre Udyog Limited

SD/-
RITESH KUMAR SHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In Lakhs)

| Particulars | For the year ended 31.03.2023 | | For the year ended 31.03.2022 | |
|--|----------------------------------|-----------------|----------------------------------|--------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before Tax for the year | | 926.18 | | 10,246.35 |
| ADJUSTMENTS FOR NON-CASH ITEMS: | | | | |
| Depreciation and amortization | 63.16 | | 53.60 | |
| Provision/(Reversal of Provision) for expected credit loss | (0.31) | | (3,768.36) | |
| Provision/(Reversal of Provision) for Doubtful Debts | - | | (1,191.19) | |
| Extinguishment of Trade Payable, Other Current and Non-Current Liabilities | - | | (168.96) | |
| Extinguishment of Current & Non-Current Borrowings | - | | (19,801.00) | |
| Impairment in Value of Plant, Property & Equipment & intangible assets | - | | 362.94 | |
| Provision for gratuity | 1.24 | | - | |
| Allowances for Loans & Advances | - | | 1,307.01 | |
| Right of use assets written off upon termination of lease (Net of lease liabilities) | - | | 17.51 | |
| Bad debts written off | - | | 12,987.42 | |
| Recovery of Bad debts | (290.50) | | - | |
| Finance Costs | 9.91 | | 1.76 | |
| Sundry Balance written off (net) | 0.34 | | - | |
| Interest income | (2.99) | | (3.69) | |
| Reversal of Amortisation of corporate guarantee obligation | - | | (9.75) | |
| | | (219.14) | | (10,212.71) |
| Operating profit before working capital changes | | 707.04 | | 33.64 |
| (Increase)/Decrease in Trade receivables | (479.20) | | (15.73) | |
| (Increase)/Decrease in loans & advances & Other current assets | 113.49 | | (40.82) | |
| (Increase)/Decrease in Other non-current assets | (8.47) | | 24.73 | |
| (Increase)/Decrease in Inventories | (579.07) | | - | |
| Increase/(Decrease) in Trade payables & current liabilities | 41.81 | | 9.29 | |
| Increase/(Decrease) in Other non-current liabilities | - | | (5.70) | |
| | | (911.43) | | (28.23) |
| Cash generated from operations | | (204.39) | | 5.41 |
| Income tax paid | | (25.22) | | (23.76) |
| Net Cash from / (used in) Operating Activities | | (229.61) | | (18.35) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Property, Plant & Equipment | (50.49) | | (33.03) | |
| Interest received | 2.99 | | 3.69 | |
| Net cash from / (used in) Investing Activities | | (47.50) | | (29.34) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds of Long term & short-term borrowings | 334.24 | | 1,727.78 | |
| Proceeds of Share application money pursuant to resolution plan | - | | 1,046.00 | |
| Refund of share application money | (11.00) | | - | |
| Repayment of Current & Non-Current Borrowings pursuant to resolution plan | - | | (2,681.00) | |
| Finance Costs | (9.91) | | (1.76) | |
| Net cash from / (used in) financing activities | | 313.33 | | 91.02 |
| Net Increase / (Decrease) in Cash & Cash equivalents | | 36.21 | | 43.34 |
| Cash & Cash equivalents at beginning of the year[^] | | 43.66 | | 5.03 |
| Cash & Cash equivalents written off | | - | | (4.71) |
| Cash & Cash equivalents at end of the year[^] | | 79.87 | | 43.66 |
| [^] as disclosed in Note 8 | | | | |
| Note: | | | | |
| The Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013 | | | | 3 |
| Significant accounting policies | | | | |

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For PDRUNGTA & CO.,

Chartered Accountants

SD/-

Firm Registration Number: 001150C

RITESHKUMARSHAW

Partner

Membership No: 305929

Place of Signature: Kolkata

Dated: The 30th day of May, 2023

SD/-

Ankita Dutta

Company Secretary

M.NO.: ACS61913

For & on behalf of Dhatre Udyog Limited

SD/-

Sumit Kumar Agarwal

Managing Director

DIN: 02184000

SD/-

Asit Baran Bhattacharjee

Director

DIN: 02559634

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Statement of Changes in Equity (SOCE)

A. Equity Share Capital

(1) Current reporting period

(Rs. In Lakhs)

| Balance at the beginning of the current reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year * | Balance at the end of the current reporting period |
|--|--|---|---|--|
| 54.55 | - | 54.55 | 1,035 | 1,089.55 |

* Refer Note below

(2) Previous reporting period

(Rs. In Lakhs)

| Balance at the beginning of the Previous reporting period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the Previous reporting period | Changes in equity share capital during the Previous year | Balance at the end of the Previous reporting period |
|---|--|--|--|---|
| 1,090.90 | - | 1,090.90 | (1,036.36) | 54.55 |

B. Other Equity

(1) Current reporting period

(Rs. In Lakhs)

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | Total |
|---|---|--|----------------------|--------------------|-------------------|------------|
| | | | Capital Reserve | Securities Premium | Retained Earnings | |
| Balance at the beginning of the current reporting period | 1,046.00 | - | 1,036.36 | 1,673.85 | (306.12) | 3,450.08 |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the current reporting period | 1,046.00 | - | 1,036.36 | 1,673.85 | (306.12) | 3,450.08 |
| Total Comprehensive Income for the current year | - | - | - | - | 667.75 | 667.75 |
| Amount Refunded | (11.00) | - | - | - | - | (11.00) |
| Allotment of shares during the year | (1,035.00) | - | - | - | - | (1,035.00) |
| Balance at the end of the current reporting period | - | - | 1,036.36 | 1,673.85 | 361.63 | 3,071.84 |

* Refer Note below

(2) Previous reporting period

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | Total |
|--|---|--|----------------------|--------------------|-------------------|-----------------|
| | | | Capital Reserve | Securities Premium | Retained Earnings | |
| Balance at the beginning of the Previous reporting period | - | - | - | 1673.85 | (6,984.22) | (5310.37) |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - |
| Total Comprehensive Income for the current year | - | - | - | - | 6,678.10 | 6,678.10 |
| Transferred from Share Capital * | - | - | 1,036.36 | - | - | 1,036.36 |
| Received during the year | 1,046.00 | - | - | - | - | 1,046.00 |
| Balance at the end of the previous reporting period | 1,046.00 | - | 1,036.36 | 1673.85 | (306.12) | 3,450.08 |

Notes:

a) As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate

Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the number of shares held by the existing shareholders by 1/20th of the existing holding i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares. The amount of the reduction in the equity share capital has been transferred to Capital Reserve.

Significant accounting policies

3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For P D RUNGTA & CO.,
Chartered Accountants
Firm Registration Number: 001150C

For and on behalf of Dhatre Udyog Limited

SD/-
RITESHKUMARSHAW
Partner
Membership No. 305929
Place of Signature: Kolkata
Dated: The 30th day of May, 2023

SD/-
Sumit Kumar Agarwal
Managing Director
DIN: 02184000

SD/-
Asit Baran Bhattacharjee
Director
DIN: 02559634

SD/-
Ankita Dutta
Company Secretary
M.NO.: ACS61913

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023

1. Corporate Information

The consolidated financial statements comprise financial statements of Dhatre Udyog Limited (Formerly, Narayani Steels Limited) and its associate, Hari Equipments Private Limited for the year ended 31st March, 2023.

Dhatre Udyog Limited (Formerly, Narayani Steels Limited) ["the Company"] is principally engaged in the business of manufacture and sale of TMT bars, Rounds, Squares, Angles, etc (including conversion on job-work basis) and trading of Billets, Blooms, Ingots, Iron ores, etc.

The Company is an integrated manufacturer of diverse range of Iron & steel products with its manufacturing facilities located at Vizianagaram, Andhra Pradesh, India.

Dhatre Udyog Limited (Formerly, Narayani Steels Limited) is a public limited company incorporated in India on 13th November, 1996 under the Companies Act, 1956 (as amended Companies Act, 2013) and listed on the Bombay Stock Exchange. The registered office is situated at Ergo Tower, Plot No. A1-4, Block - EP & GP, Unit No. 1406, 14th Floor, Sector - V, Salt Lake City, Kolkata - 700091 (**Corporate Office at Survey No. 202/31-38, Modavalsa Village, Denkada Mandalam, Vizianagaram, Andhra Pradesh-535006, India**).

2. Basis of preparation

a) Statement of Compliance

These consolidated financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh with two decimals as per the requirement of Schedule III, unless otherwise stated.

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Certain financial assets and financial liabilities measured at fair value;

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

The statement of cash flows have been prepared under indirect method.

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

e) Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures".

The Company's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. If the Company's share of the net fair value of the investee's identifiable assets and liabilities exceeds the cost of the investment, any excess is recognised directly in Equity as capital reserve in the period in which the investment is acquired. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Company's share of the results of operations of the associate. Any change in Other Comprehensive Income of investee is presented as part of the Company's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associates, the Company recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the interest in the associate.

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

The aggregate of the Company's share of profit/loss of associate is shown on the face of the Consolidated Statement of Profit and Loss

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date, i.e., year ended on 31st March.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

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

f) Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment and intangible assets:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

(v) Expected credit losses on financial assets: The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: includes financial Instrument measured using quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.
- Level 2: Includes financial Instruments which are not traded in active market but for which all significant inputs required to fair value the instrument are observable. The fair value is calculated using the valuation technique which maximises the use of observable market data.
- Level 3: Includes those instruments for which one or more significant input are not based on observable marketdata."

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of business and the time between the acquisition of assets for development and their realisation in cash and cash equivalents.

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

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

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

Financial assets at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent measurement

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

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition

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

Derivative financial instruments

The Company uses forward contracts to hedge its currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are recognised initially and subsequently at fair value through mark to market valuation. Gain or loss arising from the changes in fair value of derivatives are credited or debited to the Exchange differences in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Offsetting of financial instruments

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

c) Property, Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

ii. Transition to IndAS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iv. Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation is provided based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, on straight line method on property, plant and equipment in Unit II at Bhogapuram, on written down value method on other property, plant and equipment and on written down basis on Right-to-use Assets.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter.

The estimated useful lives of the assets of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

vi. Capital Work-in-progress

Costs of the Property, plant and equipment not ready for their intended use at the Balance Sheet date together with all related expenses are shown as Capital Work-in-progress.

d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, investment properties are measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company depreciates investment properties on a written down value method over the useful life of the asset.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment properties are disclosed in the notes accompanying these financial statements.

Fair values are determined by an independent property valuer who holds recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

The useful life of computer software is considered to be 5 years.

i. Amortisation

Amortisation for the year is recognised in the Statement of Profit and Loss.

Intangible assets are amortised over a period of 5 years.

f) Lease

The Company as a Lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date.

The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

h) Investments and other financial assets

i. Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income."

ii. Measurement

At initial recognition, the company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit and loss, at transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

i) Investment in associates

Investment in associates are carried at cost less impairment loss, if any. The cost comprises price paid to acquire investment and directly attributable cost.

j) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

k) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

i. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii. Defined contribution plans

The Company, presently, does not have a defined contribution plan.

iii. Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

l) Provisions (other than for employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company has adopted Ind AS 115 using cumulative effect method of initially applying this standard recognised at the date of initial application (i.e., April 01, 2018). There is no impact on the adoption of the standard in the standalone financial statements."

n) Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method after taking into account the amount outstanding and the rate applicable.

o) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have evaluated any impact of on its standalone financial statements.

p) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

q) Foreign currency transaction

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

ii) Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

iii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

iv) Exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

s) Segment reporting (Ind AS 108)

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been

identified as the Managing Director of the Company. The Company operates only in one Business segment i.e. Trading of Iron & Steel and related products, hence does not have segment as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made in domestic market and hence, no separate reportable geographical segment is identified.

t) Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable

A Contingent Asset is not recognized in the Accounts.

u) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other deposits with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023(continued)

(Rs. In Lakhs)

| 4 PROPERTY, PLANT & EQUIPMENTS | TANGIBLE ASSETS | | | | | | | | | |
|--|--------------------|---------------------------|-----------|----------------------|-----------|---------------------|--|-------------------------|----------|----------|
| A. Gross carrying amount (at cost or deemed cost) | Land (Freehold) | Leasehold improvements | Buildings | Plant & Equipment | Computers | Office Equipment | Electrical Installation & Fittings | Furniture & Fixtures | Vehicles | Total |
| As at March 31, 2021 | 309.33 | 116.28 | 432.30 | 871.89 | 11.14 | 23.29 | 19.64 | 143.84 | 48.12 | 1,975.82 |
| Additions | - | - | - | 33.03 | - | - | - | - | - | 33.03 |
| Deletions / Discards | - | 116.28 | 220.99 | 172.90 | 3.10 | 22.91 | 14.54 | 127.25 | - | 677.96 |
| As at March 31, 2022 | 309.33 | - | 211.30 | 732.03 | 8.04 | 0.38 | 5.09 | 16.59 | 48.12 | 1,330.89 |
| Additions | - | - | 20.61 | 20.88 | - | - | - | - | 9.00 | 50.49 |
| Deletions / Discards | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2023 | 309.33 | - | 231.91 | 752.91 | 8.04 | 0.38 | 5.09 | 16.59 | 57.12 | 1,381.38 |
| | | | | | | | | | | |
| B. Depreciation | | | | | | | | | | |
| As at March 31, 2021 | - | 21.68 | 89.84 | 339.49 | 8.32 | 16.66 | 7.60 | 65.99 | 27.96 | 577.54 |
| Additions | - | - | 6.44 | 40.97 | - | 0.02 | 0.40 | 0.93 | 4.84 | 53.60 |
| Deletions / Discards | - | 21.68 | 41.42 | 90.95 | 0.68 | 16.51 | 6.67 | 54.39 | - | 232.31 |
| As at March 31, 2022 | - | - | 54.86 | 289.52 | 7.64 | 0.17 | 1.32 | 12.53 | 32.79 | 398.83 |
| Additions | - | - | 6.74 | 45.45 | - | 0.07 | 0.48 | 1.73 | 8.69 | 63.16 |
| Deletions / Discards | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2023 | - | - | 61.59 | 334.97 | 7.64 | 0.24 | 1.80 | 14.26 | 41.49 | 63.16 |
| C. Net Carrying Amount | | | | | | | | | | |
| As at March 31, 2022 | 309.33 | - | 156.45 | 442.51 | 0.40 | 0.21 | 3.77 | 4.06 | 15.33 | 932.07 |
| As at March 31, 2023 | 309.33 | - | 170.32 | 417.94 | 0.40 | 0.14 | 3.29 | 2.33 | 15.64 | 919.39 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023

| 5 Investments | As at 31 st March 2023 | As at 31 st March 2022 |
|---|-----------------------------------|-----------------------------------|
| Non-Current investments | | |
| Investments in equity instruments fully paid up - Unquoted | | |
| In an associate (at cost) | | |
| Hari Equipments Private Limited, 4,59,490 (31st March, 2022: 4,59,490) equity shares of Rs. 10/- each fully paid up | 56.73 | 56.73 |
| Less: Provision for impairment in the value of investment in associate | (56.73) | (56.73) |
| | - | - |
| Investments in equity instruments fully paid up - Quoted | | |
| In Others (at fair value through Other Comprehensive Income - FVOCI) | | |
| Union Bank of India - 1,009 (31st March, 2022: 1,009) Equity Shares Rs. 10 /- each fully paid up | 0.67 | 0.39 |
| | 0.67 | 0.39 |
| Aggregate value of unquoted investments | 56.73 | 56.73 |
| Aggregate amount of impairment in value of investment in associate | (56.73) | (56.73) |
| Aggregate value of quoted investments | 0.67 | 0.39 |
| Investments carried at cost (net of provision of diminution of investments) | - | - |
| Investments carried at fair value through other comprehensive income | 0.67 | 0.39 |
| Investments carried at fair value through profit and loss | - | - |

5A(i) Details of Associate

The Company's interest in associate is accounted for using the equity method in the consolidated financial statements.

| Name of Associate | Principal Activity | Place of Incorporation | Proportion of ownership interest / voting rights held by Company | |
|---------------------------------|---|-----------------------------|--|------------|
| | | | 31-03-2023 | 31-03-2022 |
| Hari Equipments Private Limited | "Trading of Iron & Steel Products and Coal" | Kolkata, West Bengal, India | 37.51% | 37.51% |

The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in Ind AS 110 "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures". notified by Ministry of Corporate Affairs and combined as per Equity Method under Ind AS. The consolidated financial statements are prepared applying uniform accounting policies on all material items.

The following table summarizes the financial information of the Balance Sheet of the associate prepared in accordance with Ind AS:

| | (Rs. In Lakhs) | |
|---------------------------|--|--------------------------|
| | Hari Equipments Private Limited | |
| | As at 31st March 2023 | As at 31st March 2022 |
| Non - current assets | 1078.62 | 1082.05 |
| Current assets | 1255.00 | 1287.32 |
| Non - current liabilities | 306.02 | 225.87 |
| Current liabilities | 5128.23 | 4501.79 |
| Equity | (3100.63) | (2358.29) |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023

| The following table summarizes the financial | | |
|--|--|-----------------------------|
| Particulars | Hari Equipments Private Limited | |
| | As at 2022- 2023 | As at 2021- 2022 |
| Revenue from operations | - | - |
| Other Income | - | 66.68 |
| (a) Total Income | - | 66.68 |
| Purchase of Traded Goods | - | - |
| Changes in Inventories | - | - |
| Employee benefits expense | - | - |
| Finance costs | 647.41 | 569.88 |
| Depreciation and amortisation expense | 3.43 | 3.43 |
| Other expenses | 31.44 | 1,177.66 |
| (b) Total Expenses | 682.28 | 1,750.97 |
| (c) Profit / (Loss) before tax (a - b) | (682.28) | (1,684.29) |
| (d) Tax expense | - | (0.34) |
| (e) Deferred Tax | (60.07) | 69.02 |
| (f) Other comprehensive income (net of tax) | - | - |
| (g) Total comprehensive income for the year (c + d + e + f) | (742.34) | (1,615.61) |
| Group's share of net profit / (loss) (net of tax) restricted to the value of company's investment in the associate. | (124.82) | (124.82) |

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

| Particulars | Hari Equipments Private Limited | |
|--|--|-----------------------------|
| | As at 2022- 2023 | As at 2021- 2022 |
| Net assets of associate | (3,100.63) | (2,358.29) |
| Proportion of the Group's ownership interest | 37.51% | 37.51% |
| Group's share of net assets | (1,163.05) | (884.59) |

| 6 Inventories | As at 31st March 2023 | As at 31st March 2022 |
|--|--|---|
| | (As taken, valued and certified by the management) | |
| Raw Materials : | | |
| -Billets | 275.67 | - |
| -Coal | 7.26 | - |
| Scrap | 26.44 | - |
| Finished Goods | 414.62 | 150.86 |
| Stores & Spares | 5.95 | - |
| | 729.94 | 150.86 |
| 7 Trade receivables | As at 31st March 2023 | As at 31st March 2022 |
| Unsecured, considered good (unless otherwise stated) | 4,719.93 | 3,950.23 |
| Less: Expected Credit Loss [Refer Note:34(i)] | (926.61) | (926.92) |
| | 3,793.32 | 3,023.31 |

The trade receivables ageing schedule for the years ended as on March 31, 2023 & (March 31, 2022) is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|-------------------------|------------------|------------------|--------------------------|--------------|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,013.49 | - | - | - | 3,706.43 | 4,719.93 |
| | (242.56) | - | - | (564.48) | (3,143.19) | (3,950.23) |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| | - | - | - | - | - | - |

| | | | | | | |
|---|----------|---|---|----------|------------|------------|
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Trade Receivables | 1,013.49 | - | - | - | 3,706.43 | 4,719.93 |
| | (242.56) | - | - | (564.48) | (3,143.19) | (3,950.23) |

Less: Allowance for expected credit loss

926.61

(926.92)

Total Trade Receivables

3,793.32

(3,023.31)

8. Cash and cash equivalents

| | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------------|-----------------------------|
| Cash on hand (as certified) | 4.95 | - |
| Balances with banks in current accounts | 74.92 | 43.66 |
| | 79.87 | 43.66 |

9. Other financial assets

| | As at 31st March 2023 | As at 31st March 2022 |
|---------------------------|-----------------------------|-----------------------------|
| <u>Non-current</u> | | |
| Security Deposits | 85.21 | 76.74 |
| | 85.21 | 76.74 |
| <u>Current</u> | | |
| Advance against expenses | - | 0.06 |
| | - | 0.06 |

10. Current tax assets (Net)

| | As at 31st March 2023 | As at 31st March 2022 |
|----------------------------------|-----------------------------|-----------------------------|
| Income Tax Refundable | 12.96 | 12.96 |
| Tax Deducted/Collected at Source | 49.17 | 23.95 |
| | 62.14 | 36.91 |

11. Other assets

Current

Advances other than capital advances

- Advance to suppliers

35.16 2.10

- Advance for Expenses

3.42 -

Expenses a/c Jamshedpur Project (Refer Note below)

22.16 -

Balances with Revenue Authorities

82.87 257.97

Interest Receivable on Security Deposit

2.69 -

146.30 260.07

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023

| 12. Equity share capital | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------------|-----------------------------|
| Authorised | | |
| 1,40,00,000 (31st March 2022 - 1,40,00,000) Equity Shares of Rs. 10/- each | 1400.00 | 1400.00 |
| | 1400.00 | 1400.00 |
| Issued, subscribed and fully paid-up | | |
| 1,08,95,450 (31st March 2022 - 5,45,450) Equity Shares of Rs. 10/- each | 1089.55 | 54.55 |
| | 1089.55 | 54.55 |

A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

| | As at 31st March 2023 | | As at 31st March 2022 | |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| | Number | Amount (Rs in lakhs) | Number | Amount (Rs in lakhs) |
| Balance as at the beginning of the year | 5,45,450 | 54.55 | 09,09,000 | 1090.90 |
| Add: Issued during the year | 1,03,50,000 | 1035.00 | - | - |
| Less: Capital Reduction (Refer Note below) | - | - | 1,03,63,550 | 1036.36 |
| Balance as at the end of the year | 1,08,95,450 | 1089.55 | 5,45,450 | 54.55 |

Note: As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the Face value of existing Equity shares was reduced from Rs. 10 per share to Re. 0.50 per share, and after such reduction, the Face value of shares was consolidated to Rs. 10/- per share resulting in reduction in the number of shares held by the existing shareholders by 1/20th of the existing holding i.e. the shares of existing shareholders holding 1,09,09,000 equity shares were reduced to 5,45,450 equity shares.

B Rights, preferences and restrictions attaching to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and the equity shares will rank pari-passu with each other in all respects.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

| Name of the shareholders | As at 31st March 2023 | | As at 31st March 2022 | |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
| | Number of equity shares | % of total shares in the class | Number of equity shares | % of total shares in the class |
| Aditya Agarwal | 14,15,905 | 13.36% | - | - |
| Sumit Kumar Agarwal (HUF) | 18,20,000 | 16.70% | - | - |
| Sumit Kumar Agarwal | 10,00,000 | 9.18% | - | - |
| Rachana Agarwal | 10,00,000 | 9.18% | - | - |
| Aspire Capital Private Limited | 10,00,000 | 9.18% | - | - |
| OIPL India Private Limited | 10,00,000 | 9.18% | - | - |
| Rupa Agarwal | 6,00,000 | 5.51% | - | - |
| Kishanlal Choudhary | - | - | 50,175 | 9.20% |
| Sunil Choudhary (HUF) | - | - | 63,050 | 11.56% |
| Sunil Choudhary | - | - | 61,225 | 11.23% |
| Cooltex Merchandise Private Limited | - | - | 1,08,150 | 19.83% |

D. Particulars of Shareholding of Promoters

| Shares held by promoters at the end of the year | | | | |
|---|----------------------------------|---------------|-------------------|--------------------------|
| Sl.No. | Promoter Name | No. of Shares | % of total shares | % change during the year |
| a. | Rishikunj Vincom Private Limited | 2,51,221 | 2.31% | 2.31% |
| b. | Aditya Agarwal | 14,55,905 | 13.36% | 13.36% |
| c. | Anup Poddar | 4,00,000 | 3.67% | 3.67% |
| d. | Priti Poddar | 2,80,000 | 2.57% | 2.57% |
| e. | Prachi Mittal | 1,00,000 | 0.92% | 0.92% |
| f. | Sumit Kumar Agarwal (HUF) | 18,20,000 | 16.70% | 16.70% |
| g. | Sumit Kumar Agarwal | 10,00,000 | 9.18% | 9.18% |
| h. | Rachana Agarwal | 10,00,000 | 9.18% | 9.18% |
| i. | Aspire Capital Private Limited | 10,00,000 | 9.18% | 9.18% |
| j. | PKG Financers Private Limited | 5,00,000 | 4.59% | 4.59% |
| k. | OIPL India Private Limited | 10,00,000 | 9.18% | 9.18% |
| l. | Rupa Agarwal | 6,00,000 | 5.51% | 5.51% |
| m. | Subhash Kumar Agarwala | 4,00,000 | 3.67% | 3.67% |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023(Continued)

As per the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated January 11, 2022 for the Corporate Insolvency of the Company, the entire shareholdings of the erstwhile promoters of the Company were re-classified as public shareholding and hence there is nothing to disclose under this sub-heading in the previous year.

| 13. Other Equity | As at 31st March 2023 | As at 31st March 2022 |
|-------------------------|--------------------------|-----------------------------|
| A. Deemed Equity | | |
| Subordinated Debt* | | |
| - From a Director | 205.00 | - |
| - From Bodies Corporate | 1737.85 | 1456.20 |
| | 1942.55 | 1456.20 |

* Represents interest free long-term loans from Resolution Applicant and other promoters including a Director

| B. Summary of other equity balance | | | | As at 31st March 2023 | As at 31st March 2022 | |
|--|---------------------------|---|--|--------------------------|---|---|
| Securities Premium | | | | 1673.85 | 1673.85 | |
| Retained Earnings (including other comprehensive income) | | | | 361.63 | (306.12) | |
| Share Application Money pending allotment | | | | - | 1046.00 | |
| Capital Reserve | | | | 1036.36 | 1036.36 | |
| | | | | 3071.84 | 3450.08 | |
| Total Other Equity (A+B) | | | | 5014.69 | 4906.28 | |
| | 1st April 2022 | Movement during the year | As at 31st March 2023 | 1st April 2021 | Movement during the year | As at 31st March 2022 |
| Securities Premium | 1673.85 | - | 1673.85 | 1673.85 | - | 1673.85 |
| Retained Earnings (including other comprehensive income) | (306.12) | 667.75 | 361.63 | (6984.22) | 6678.10 | (306.12) |
| Share Application Money pending allotment | 1046.00 | (1046.00) | - | - | 1046.00 | 1046.00 |
| Capital Reserve | 1036.36 | - | 1036.36 | - | 1036.36 | 1036.36 |
| | 3450.08 | (378.25) | 3071.84 | (5310.37) | 8760.45) | 3450.08 |

B. Nature and purpose of reserves:

- (i) **Securities Premium:** Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The account is available for utilisation in accordance with the provisions of the Companies Act, 2013.
- (ii) **Capital Reserve:** Capital Reserve represents the amount arising on account of reduction in paid-up equity share capital vide the Resolution Plan approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated 11th Jan'2022.
- (iii) **Retained earnings (including other comprehensive income):** This Reserve represents the cumulative profits / losses of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

| 14 Borrowings | Current portion | | Non-current portion | |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2023 | As at 31st March 2022 |
| Non-current Borrowings | | | | |
| <u>Unsecured</u> | | | | |
| Loans from Bodies Corporate | - | - | 119.18 | 119.18 |
| | - | - | 119.18 | 119.18 |

| 15. Trade payables | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------------|-----------------------------|
| Dues to Micro And Small Enterprises (as per the intimation received from vendors) | | |
| a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year* | - | - |
| b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | - | - |
| d. The amount of interest accrued and remaining unpaid at the end of accounting year | - | - |
| e. Interest due and payable even in the succeeding year, 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. | - | - |

Dues to others

- For goods and services

36.96 36.96

36.96 36.96

The trade payables ageing schedule for the years ended as on March 31, 2023 & (March 31, 2022) is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | |
|-----------------------------|--|-----------|-----------|-------------------|----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - |
| | - | - | - | - | - |
| (ii) Others | 36.96 | - | - | - | 36.96 |
| | (36.96) | - | - | - | (36.96) |
| (iii) Disputed Dues – MSME | - | - | - | - | - |
| | - | - | - | - | - |
| (iv) Disputed Dues – Others | - | - | - | - | - |
| | - | - | - | - | - |
| Trade Payables | 36.96 | - | - | - | 36.96 |
| | (36.96) | - | - | - | (36.96) |

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and thus relied upon by the auditors.

16. Other liabilities

As at 31st March 2023 **As at 31st March 2022**

Current

Staff liability

29.92 27.78

Liability for expenses

40.29 -

Statutory liabilities

9.11 9.98

79.31 37.76

17. Deferred Tax (Assets)/ Liabilities (net)

As at 31st March 2023 **As at 31st March 2022**

Total deferred tax liabilities (A)

- -

Deferred tax Assets

Property, Plant & Equipment

36.21 45.06

Fair Valuation of Investments

0.12 0.20

Provision for Gratuity

0.63 -

Provision for expected credit losses on trade receivables

257.78 257.78

Business Losses & Unabsorbed Depreciation

146.20 395.49

Total deferred tax assets (B)

440.95 698.62

Net Deferred Tax (Assets)/Liabilities (A-B)

(440.95) (698.62)

Movement in deferred tax liabilities/ assets balances

Deferred tax liabilities/assets in relation to

| | As at 31st March 2022 | Recognised in Profit or Loss | Recognised in OCI | As at 31st March 2023 |
|---|-----------------------|------------------------------|-------------------|-----------------------|
| Total deferred tax liabilities (A) | - | - | - | - |
| Deferred tax Assets | | | | |
| Property, Plant & Equipment | 45.06 | (8.85) | - | 36.21 |
| Fair Valuation of Investments | 0.20 | - | (0.08) | 0.12 |
| Provision for Gratuity | - | 0.35 | 0.29 | 0.63 |
| Provision for expected credit losses on trade receivables | 257.87 | (0.09) | - | 257.78 |
| Business Losses & Unabsorbed Depreciation | 395.49 | (249.30) | - | 257.78 |
| Total deferred tax assets (B) | 698.62 | (257.89) | 0.21 | 440.95 |
| Net Deferred Tax (Assets)/Liabilities (A-B) | (698.62) | 257.89 | 0.21 | 440.95 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANISTEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

Deferred tax liabilities/assets in relation to

| | As at 31st March 2021 | Recognised in Profit or Loss | Recognised in OCI | As at 31st March 2022 |
|--|--------------------------|---------------------------------|----------------------|-----------------------------|
| Deferred tax liabilities | | | | |
| Property, Plant & Equipment, Right-of-use of asset, Intangible Assets and Investment Properties | 113.40 | (68.34) | - | 45.06 |
| Fair Valuation of Investments | (12.23) | 12.42 | 0.01 | 0.20 |
| Total deferred tax liabilities (A) | 101.17 | (55.92) | 0.01 | 45.26 |
| Deferred tax Assets | | | | |
| Provision for Gratuity | 2.82 | (2.82) | - | - |
| Provision for expected credit losses & bad and doubtful debts on trade receivables | 1965.14 | (1707.27) | - | 257.87 |
| Business Losses & Unabsorbed Depreciation [^] | 1453.58 | (1058.09) | - | 395.49 |
| Lease Liabilities & Others | 946.55 | (946.55) | - | - |
| Total deferred tax assets (B) | 4368.09 | (3714.73) | - | 653.36 |
| Net deferred tax (assets)/liabilities (A-B) | (4266.92) | 3658.21 | 0.01 | (698.62) |

[^]The Company has recognized Deferred Tax Assets on unabsorbed depreciation and business losses as the management is confident on its realisability

18. Provisions

Non-current

Provision for employee benefits

- Gratuity

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| | 2.26 | - |
| | 2.26 | - |

Current

Provision for employee benefits

- Gratuity

| | | |
|--|-------------|----------|
| | 0.02 | - |
| | 0.02 | - |

19. Revenue from operations

Sale of Products

-Manufactured goods

-Raw Materials

-Traded/Finished goods

-Scrap

| | 2022-23 | 2021-22 |
|--|-----------------|----------------|
| | 9154.81 | - |
| | 3.91 | - |
| | 11.57 | - |
| | 546.24 | - |
| | 9716.53 | - |
| Revenue from Job Work (Conversion Charges) | 958.86 | 1162.28 |
| Delivery Charges | 34.36 | - |
| Total revenue from operations | 10709.75 | 1162.28 |

Details of sale of products (net of GST):

TMT Bars, Rounds, Squares, Angles, Flats and related items

Scrap and related items

Others

| | 2022-23 | 2021-22 |
|--|----------------|----------|
| | 9166.38 | - |
| | 546.24 | - |
| | 3.91 | - |
| | 9716.53 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYAN STEELS LIMITED)
(CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

| 20. Other income | 2022-23 | 2021-22 |
|--|----------------|----------------|
| A. <u>Interest income comprises interest:</u> | | |
| - On fixed deposits | - | 3.69 |
| - On other deposits | 2.99 | - |
| Other non-operating income | | |
| Miscellaneous receipts | 0.41 | 0.17 |
| Prior Period Items (Net) [Refer Note (a) below] | 1.55 | - |
| Bad Debts recovery | 290.50 | 10.52 |
| Sundry Balances written off (Net) | - | 0.81 |
| Provision for expected credit loss written back [Refer Note:34(i) for details] | 0.31 | - |
| Reversal of Amortisation of corporate guarantee obligation | - | 9.75 |
| | 295.75 | 24.93 |
| 21. Cost of Raw Materials Consumed | 2022-23 | 2021-22 |
| Opening Stock of Raw Materials | - | - |
| Purchases during the year | 9381.74 | - |
| Freight charges | 198.48 | - |
| | 9580.22 | - |
| Less: Closing Stock of Raw Materials | 282.93 | - |
| Cost of Raw Materials Consumed | 9297.29 | - |
| Details of raw materials consumed | | |
| Billets | 8917.04 | - |
| Coal & Coke | 380.24 | - |
| Cost of Materials Consumed | 9297.29 | - |
| 22. Changes in Inventories | 2022-23 | 2021-22 |
| Opening Stock | | |
| Finished Goods | 150.86 | 150.86 |
| Scrap and Mis Roll | - | - |
| | 150.86 | 150.86 |
| Closing Stock | | |
| Scrap and Mis Roll | 26.44 | - |
| Finished Goods | 414.62 | 150.86 |
| | 441.06 | 150.86 |
| | 290.19 | - |
| 23. Employee benefits expense | 2022-23 | 2021-22 |
| Salaries, wages and allowances | 351.61 | 307.96 |
| Director's Remuneration | 32.68 | - |
| Gratuity (Refer Note 30 for details) | 1.24 | - |
| Staff welfare expenses | 0.56 | 0.18 |
| | 386.09 | 308.14 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN-L24319WB1996PLC082021]

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

| 24. | 2022-23 | 2021-22 |
|--|----------------|------------------|
| Finance costs | | |
| Interest expense | | |
| To Others (on Unsecured Loans) | 9.91 | 1.76 |
| | 9.91 | 1.76 |
| 25. Other expenses | 2022-23 | 2021-22 |
| A. Manufacturing Expenses | | |
| Processing, Moulding & Labour Charges | 7.24 | 2.48 |
| Power and Fuel | 408.89 | 649.71 |
| Stores and Spares Consumed | 77.07 | 48.10 |
| | 493.20 | 700.29 |
| B. Administrative and Other Expenses | | |
| Rent & Service Charges | - | 6.00 |
| Machinery Hire Charges | 4.33 | - |
| Rates & Taxes | 2.43 | 5.24 |
| Insurance | 0.09 | 1.12 |
| Freight & Loading/unloading Charges | 1.35 | 0.14 |
| Postage and Communication | 0.18 | - |
| Travelling & Conveyance | 1.51 | 0.24 |
| Repairs & Maintenance | | |
| - Building | 2.01 | 0.06 |
| - Plant & Machinery | 43.84 | 21.49 |
| - Others | 6.08 | 1.34 |
| Safety & Security Charges | 8.11 | 11.88 |
| Vehicle Running and Maintenance | 2.15 | - |
| Legal & Professional Fees | 32.08 | 19.31 |
| Advertisement & Business Promotion Expenses | 0.96 | - |
| Auditor's Remuneration [Refer Note (b) below] | 5.58 | 2.50 |
| Directors' Sitting Fees | 0.15 | - |
| Printing & Stationery | 0.22 | - |
| Miscellaneous Expenses | 2.92 | 3.21 |
| Bank Charges | 0.37 | 0.52 |
| Brokerage & Commission | 4.65 | - |
| Interest on delay payments | 0.11 | 0.41 |
| Fines & Penalties | 0.15 | - |
| Sundry Balances written off (Net) | 0.34 | - |
| | 119.87 | 73.46 |
| Other expenses (A+B) | 613.07 | 773.76 |
| (a) Prior Period Items | 2022-23 | 2021-22 |
| Interest on Security deposit | (2.06) | - |
| Rent & Electricity | 0.52 | - |
| | 1.55 | - |
| (b) Payment to auditors | | |
| Statutory audit | 3.00 | 2.00 |
| Tax audit | - | 0.50 |
| Other Services | 2.85 | - |
| | 5.85 | 2.50 |
| 26. Exceptional Items * | 2022-23 | 2021-22 |
| Exceptional items for the year ended 31st March 2022 comprises of: | | |
| Right of Use Asset Written off | - | (17.51) |
| Property, Plant & Equipment written off | - | (361.49) |
| Intangible Assets Written off | - | (1.45) |
| Irrecoverable advances/Deposits/Receivables written off | - | (1307.01) |
| Bad Debts Written off | - | (12,987.42) |
| CIRP Expenses | - | (58.23) |
| Provision for expected credit Loss written back | - | 3768.36 |
| Provision for Bad & Doubtful debts written back | - | 1191.19 |
| Extinguishment of Trade Payables, current Financial Liabilities, and Non current/Short Term Borrowings | - | 19,969.96 |
| | - | 10,196.39 |

* These adjustments, having one-time, non-routine material impact on the financial statements hence, the same has been disclosed as 'Exceptional Items' in the Financial Statements.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN-L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

| 27. Income taxes | 2022-23 | 2021-22 |
|---|----------------|-----------------|
| A. Amount recognised in profit or loss | | |
| Current tax | A | |
| Current period | - | - |
| Deferred tax | B | |
| Deferred Tax for the year | 257.89 | 3568.29 |
| Tax expense reported in the statement of profit and loss [(A)+(B)] | 257.89 | 3568.29 |
| B. Income tax recognised in other comprehensive income | | |
| Deferred tax | 2022-23 | 2021-22 |
| On items that will not be reclassified to profit or loss | | |
| Re-measurements of defined benefit plans | 0.29 | - |
| Equity instruments through other comprehensive income | (0.08) | 0.01 |
| Income tax expense reported in the statement of profit and loss | 0.21 | 0.01 |
| C. Reconciliation of effective tax rate for the year ended 31st March 2023 | | |
| | 2022-23 | 2021-22 |
| Profit / (Loss) before tax | 926.18 | 10246.35 |
| Tax using the Indian tax rate @ 31st March 2023: 27.82% (31st March 2022: 27.82%) | 257.66 | 2850.53 |
| Change in tax rate and other tax differences | 0.02 | 717.75 |
| Effective tax | 257.68 | 3,568.28 |

28. Basic and diluted earnings per share (Ind AS 33)

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

| | 2022-23 | 2021-22 |
|---|--------------------|--------------------|
| a. Profit attributable to equity shareholders | 668.29 | 6,678.06 |
| b. Adjusted profit for dilutive earnings | 668.29 | 6,678.06 |
| c. Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share | 1,08,95,450 | 5,45,450 |
| d. Weighted average number of ordinary shares in computing diluted earnings per share [(d) + (e)] | 1,08,95,450 | 5,45,450 |
| e. Shares Pending Allotment | - | 1,03,63,550 |
| f. Potential shares after allotment | 1,08,95,450 | 1,09,09,000 |
| g. Earnings per share on profit for the year (Face Value Rs. 10/- per share) | | |
| Basic [(a)/(c)] | 11.54 | 1,224.32 |
| Diluted [(b)/(d)] | 6.13 | 61.22 |

29. Contingent Liabilities

(to the extent not provided for)

As per the resolution plan approved and taken effect in the previous financial year, the contingent liabilities and commitments, claims and obligations, Corporate guarantees and Legal Proceedings initiated against Corporate Debtor stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. The Resolution plan further provides that implementation of resolution plan will not affect the rights of the Company to recover any amount due to the Company and there shall be no set off of any such amount recoverable by the Company against any liability discharged or extinguished.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st.March, 2023(Continued)

| 30. Employee Benefits | 2022-23 | 2021-22 |
|---|-------------|----------|
| (a) Defined contribution plans: | | |
| Contribution to defined contribution plans, recognised as an expense for the year are as under: | | |
| Particulars | | |
| Employer's contribution to provident fund & other funds | - | - |
| Total | - | - |
| (b) Defined benefit plans: | | |
| Contribution to defined benefit plans, recognised as an expense in profit and loss statement for the year are as under: | | |
| Particulars | | |
| Gratuity - Net defined benefit obligation | 1.24 | - |
| Total | 1.24 | - |

Defined benefit plan

The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| (i) <u>Movement of defined benefit obligation</u> | 2022-23 | 2021-22 |
|---|----------------|----------------|
| The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows: | | |
| Defined benefit obligation at beginning of the year | - | - |
| Current service cost | 1.24 | - |
| Past service cost | - | - |
| Interest cost | - | - |
| Benefits paid | - | - |
| Actuarial (gain)/loss | 1.03 | - |
| Defined benefit obligation at end of the year | 2.27 | - |
| (ii) <u>Liability recognised in the balance sheet</u> | 2022-23 | 2021-22 |
| Present value of defined benefit obligation | 2.27 | - |
| Amount recognised as liability in balance sheet | 2.27 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

(iii) **Expenses recognised during the year (Under the head "Employee Benefit expenses" – refer note no. 24)**

| Expense recognised in profit and loss statement | 2022-23 | 2021-22 |
|---|-------------|----------|
| Current service cost | 1.24 | - |
| Past service cost | - | - |
| Net Interest cost | - | - |
| Total amount | 1.24 | - |
| Total amount recognised in profit and loss (Note no. 24) | 1.24 | - |

Remeasurements recognised in other comprehensive income

| | 2022-23 | 2021-22 |
|--|-------------|----------|
| Actuarial (Gain)/Loss on obligations due to change in demographic assumption | - | - |
| Actuarial (Gain)/Loss on obligations due to change in financial assumption | - | - |
| Actuarial (Gain)/Loss on obligations due to unexpected experience | 1.03 | - |
| Total amount recognised in other comprehensive income | 1.03 | - |
| Net Cost | 2.27 | - |

(iv) **Actuarial assumptions**

| | 2022-23 | 2021-22 |
|--|---------|---------|
| Discount rate (per annum) | 7.29% | - |
| Rate of escalation in salary (per annum) | 6.00% | - |
| Retirement age | 65 | - |

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

| Sensitivity analysis | Increase by | | Decrease by | |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2023 | As at 31st March 2022 |
| Discount Rate (+/- 0.5%) | 2.04 | - | 2.54 | - |
| Salary Growth (+/- 0.5%) | 2.54 | - | 2.04 | - |
| Attrition Rate (+/- 0.5%) | 2.27 | - | 2.28 | - |
| Mortality Rate (+/- 10%) | 2.27 | - | 2.27 | - |

(vi) **Maturity profile**

| | As at 31st March 2023 | As at 31st March 2022 |
|--------------------|--------------------------|--------------------------|
| Year | | |
| 1 | 0.02 | - |
| 2 | 0.02 | - |
| 3 | 0.07 | - |
| 4 | 0.02 | - |
| 5 | 0.02 | - |
| 6 to 10 | 0.16 | - |
| More than 10 years | 14.07 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

31 Segment information

The Company is currently engaged in a single business segment of Iron & Steel products and thus there is no separate reportable segment as per Ind AS 108 'Operating Segment'.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations

All revenue from operations of the company are generated within India.

(b) Non-current assets

All Non-current assets of the company are located in India.

(c) Customer contributing more than 5% of Revenue

Revenue from Three (31st March 2022: One) external customers contributed to 100% (31st March 2022: 100%) of Company's total revenue amounting approximately to Rs. 10,675.39 lakhs & Rs. 1,162.28 lakhs for the year ended 31st March 2023 & 31st March 2022 respectively.

32 Related Party Disclosures

| | |
|--------------------------|--|
| Sumit Kumar Agarwal | Managing Director |
| Asit Baran Bhattacharjee | Independent Director |
| Ajit Kumar Nath | Independent Director |
| Akansha Agarwal | Independent Director |
| Amit Ranjan Sinha | Director (w.e.f 28.06.2022) |
| Arun Kumar Meher | Company Secretary & Compliance Officer (upto 06/11/2022) |
| Ankita Dutta | Company Secretary & Compliance Officer (w.e.f. 07/11/2022) |

Relatives of Director

Rachana Agarwal

Associates

Hari Equipments Private Limited
Rishikunj Vincom Pvt Ltd
Aspire Capital Private Limited
Oipl India Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

Sumit Kumar Agarwal (HUF)

The following transactions were carried out with related parties in the ordinary course of business:

| Nature of Transactions | As at 31st March 2023 | As at 31st March 2022 |
|--|-----------------------------|-----------------------------|
| Share Application Money Received | | |
| Aspire Capital Private Limited | - | 100.00 |
| Oipl India Private Limited | - | 100.00 |
| Rachana Agarwal | - | 100.00 |
| Rishikunj Vincom Pvt Ltd | - | 36.00 |
| Sumit Kumar Agarwal (HUF) | - | 182.00 |
| Sumit Kumar Agarwal | - | 100.00 |
| Unsecured Loans Received | | |
| Oipl India Private Limited | 105.00 | 160.00 |
| Rishikunj Vincom Pvt Ltd | - | 1,456.00 |
| Sumit Kumar Agarwal (HUF) | 110.00 | - |
| Sumit Kumar Agarwal | 95.00 | - |
| Rishikunj Vincom Pvt Ltd | 11.00 | - |
| Payment upon invocation of Corporate Guarantee (as per approved Resolution Plan) | | |
| Hari Equipments Private Limited | - | 40.50 |

| | | |
|-----------------------------------|-------|------|
| Interest on Unsecured Loan | | |
| Oipl India Private Limited | - | 1.33 |
| On behalf payments by | | |
| Rishikunj Vincom Pvt Ltd | 4.32 | - |
| Director's Remuneration | | |
| Sumit Kumar Agarwal | 24.00 | - |
| Amit Ranjan Sinha | 8.68 | - |
| Sitting Fees | | |
| Asit Baran Bhattacharjee | 0.04 | - |
| Ajit Kumar Nath | 0.03 | - |
| Akansha Agarwal | 0.03 | - |
| Varsha Kedia | 0.01 | - |
| Amit Ranjan Sinha | 0.01 | - |
| Sumit Kumar Agarwal | 0.02 | - |
| Salary | | |
| Ankita Dutta | 2.70 | - |
| Arun Kumar Meher | 3.50 | 6.00 |

| Outstanding Balances | | |
|---|--------------------------------------|--------------------------------------|
| Nature of Transactions | As at 31st March 2023 | As at 31st March 2022 |
| Share Application Money Received | | |
| Aspire Capital Private Limited | - | 100.00 |
| Oipl India Private Limited | - | 100.00 |
| Rachana Agarwal | - | 100.00 |
| Rishikunj Vincom Pvt Ltd | - | 36.00 |
| Sumit Kumar Agarwal (HUF) | - | 182.00 |
| Sumit Kumar Agarwal | - | 100.00 |
| Unsecured Loans Received | | |
| Sumit Kumar Agarwal (HUF) | 110.00 | - |
| Sumit Kumar Agarwal | 95.00 | - |
| Oipl India Private Limited | 266.33 | - |
| Rishikunj Vincom Pvt Ltd | 1,471.52 | - |
| Director's Remuneration Payable | | |
| Sumit Kumar Agarwal | 0.07 | - |
| Amit Ranjan Sinha | 0.90 | - |
| Sitting Fees Payable | | |
| Asit Baran Bhattacharjee | 0.04 | - |
| Ajit Kumar Nath | 0.03 | - |
| Akansha Agarwal | 0.03 | - |
| Varsha Kedia | 0.01 | - |
| Amit Ranjan Sinha | 0.01 | - |
| Sumit Kumar Agarwal | 0.02 | - |
| Salary Payable | | |
| Ankita Dutta | 0.45 | - |

DHATRE UDYOG LIMITED
(FORMERLY NARAYAN STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023(Continued)

33. **Ratios**

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows

| Particulars of Ratio | Numerator | Denominator | 2022-23 | 2021-22 | Variance (in %) |
|---|--|--------------------------|----------------|----------------|------------------------|
| (a) Current Ratio | Current Assets | Current Liabilities | 42.10 | 48.34 | -12.90% |
| (b) Debt-Equity Ratio | Total debt | Shareholder's equity | 0.02 | 0.05 | -64.34% |
| (c) Debt Service Coverage Ratio | Earnings available for debt service | Debt service | - | 59.94 | NA |
| (d) Return on Equity Ratio | Net profits before exceptional items | Shareholder's equity | 15.17% | 1.01% | 1409.70% |
| (e) Inventory turnover ratio | Revenue | Inventories | 20.45 | - | NA |
| (f) Trade Receivables turnover ratio | Revenue | Average trade receivable | 3.02 | 0.17 | 1725.36% |
| (g) Trade payables turnover ratio | Purchases of services and other expenses | Average trade payable | 252.47 | - | NA |
| (h) Net capital turnover ratio | Revenue | Working capital | 2.24 | 0.33 | 579.52% |
| (i) Net profit ratio (before exceptional items) | Net profits before exceptional items | Revenue | 8.65% | 4.30% | 101.20% |
| (j) Return on Capital employed | Earning before interest and taxes | Capital employed | 15.04% | 195.86% | -92.32% |

Reason for variance: Figures for the Financial Year 2021-22 are after implementation of the approved Resolution Plan whereupon operational & financial Liabilities were extinguished and advances, Trade & other receivables were written off and are not comparable with the figures for the current financial year and hence the variance.

34. **Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) **Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

Movement in the expected credit loss allowance of trade receivables are as follows:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Balance at the beginning of the year | 926.92 | 4,695.27 |
| Add: Provision during the year (net of reversals) | - | - |
| Less: Provision written back during the year | 0.31 | 3,768.36 |
| Balance at the end of the year | 926.61 | 926.92 |
| % of Expected Credit Loss: | | |
| More than 1 year | 10.00% | 10.00% |
| 2-4 Years | 25.00% | 25.00% |
| More than 4 years | 75.00% | 75.00% |

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer for the current year and top five customers are stated below. The figures of the current year are of only one customer as the Company, currently, is providing conversion services to only one customer.

| Particulars | Year ended 31.03.2023 | | Year ended 31.03.2022 | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | % | Amount (Rs. In lakhs) | % | Amount (Rs. In lakhs) |
| Revenue from a top customer | 58.37% | 6,251.58 | 100.00% | 1,162.28 |
| Revenue from top five customers | 100.00% | 10,709.75 | 100.00% | 1,162.28 |

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

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars

| As at 31 March 2023 | Less than 1 year | 1-5 years | > 5 years | Total |
|-----------------------------|------------------|-----------|---------------|---------------|
| Borrowings | - | - | 119.18 | 119.18 |
| Trade payables | 36.96 | - | - | 36.96 |
| Other financial liabilities | 79.31 | - | - | 79.31 |
| | 116.27 | - | 119.18 | 235.44 |
| As at 31 March 2022 | Less than 1 year | 1-5 years | > 5 years | Total |
| Borrowings | - | - | 271.58 | 271.58 |
| Trade payables | 36.69 | - | - | 36.69 |
| Other financial liabilities | 37.76 | - | - | 37.76 |
| | 74.46 | - | 271.58 | 346.04 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023 (Continued)

(iii) Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's short term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------------------------|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | (119.18) | - |
| Variable rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | - | (271.58) |

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars | Profit/ (loss) | | Equity, net of tax | |
|------------------------------------|----------------|-----------|--------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 31 March 2023 | | | | |
| Variable rate instruments | | | | |
| Cash flow sensitivity (net) | - | - | - | |
| 31 March 2022 | | | | |
| Variable rate instruments | (1.36) | 1.36 | (0.98) | 0.98 |
| Cash flow sensitivity (net) | (1.36) | 1.36 | (0.98) | 0.98 |

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

(c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

35 Capital management (Ind AS 1)

The Company's management objective are:

The Company monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

| Particulars | | 31 March 2023 | 31 March 2022 |
|--|---|---------------|---------------|
| Total debt (Bank and other borrowings) | A | 119.18 | 271.58 |
| Equity | B | 6,104.23 | 4,960.83 |
| Liquid investments including bank deposits | C | 79.87 | 43.66 |
| Debt to Equity (A / B) | | 0.02 | 0.05 |
| Debt to Equity (net) [(A-C) / B] | | 0.01 | 0.05 |

DHATRE UDYOG LIMITED
(FORMERLY NARAYANI STEELS LIMITED)
CIN- L24319WB1996PLC082021)

Notes to the Consolidated financial statements for the year ended 31st March, 2023(Continued)

36 The Company has recognized an impairment loss of Rs. 56.73 lakhs on its investment in Hari Equipments Private Limited, an associate of the Company, as the associate company has suspended its trading activities incurring significant losses with complete erosion of its net worth as of the end of financial year 31.03.2020

| (Rs. In Lakhs) | | |
|--|--------------------------|--------------------------|
| | As at 31st March 2023 | As at 31st March 2022 |
| Foreign Exchange Earnings | - | - |
| Expenditure in Foreign Currency | - | - |

38 Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever considered necessary to conform to this year's classification. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to amounts and other disclosures relating to the current year.

39 Balances under Trade Receivables & Other advances / receivables are subject to confirmations and adjustments, if any. The Company considers the said amounts as good for recovery and hence are carried in the accounts at their book values, after provision for expected credit loss.

40 Financial instruments and related disclosures

40.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are as stated in Note 2: Basis of Preparation

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

40.2 Financial Instrument by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

| Particulars | Note No | As at 31st March 2023 | | As at 31st March 2022 | |
|---|---------|--------------------------|-------------------------|--------------------------|-------------------------|
| | | carrying amount | Fair value Level 1/2 | carrying amount | Fair value Level 1/2 |
| A FINANCIAL ASSETS: | | | | | |
| a) Measured at Amortised Cost | | | | | |
| Trade receivables | 8 | 3,793.32 | | 3,023.31 | |
| Cash and Cash equivalents | 9 | 79.87 | | 43.66 | |
| Other financial assets | 10 | 85.21 | | 76.81 | |
| b) Measured at fair value through profit and loss | | | | | |
| Investments | 6 | - | | - | |
| c) Measured at fair value through other comprehensive income | | | | | |
| Investments | 6 | 0.67 | 0.67 | 0.39 | 0.39 |
| B FINANCIAL LIABILITIES: | | | | | |
| a) Measured at Amortised Cost | | | | | |
| Borrowings | 15 | 119.18 | | 271.58 | 271.58 |
| Trade payables | 16 | 36.96 | | 36.69 | - |
| Other financial liabilities | 17 | 79.31 | | 37.76 | - |