



# INCREDIBLE INDUSTRIES LIMITED

An ISO 9001:2015, 14001:2015 & 45001:2018 Organisation

Corporate Office : "LANSDOWNE TOWERS", 2/1A, SARAT BOSE ROAD, KOLKATA - 700 020  
PH. : 033-6638 4700 ★ FAX : 91-33-6638 4729 ★ Website : [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in)  
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5<sup>th</sup> September, 2023.

Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001. Scrip Code: 538365	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051. Scrip Code- INCREDIBLE
The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001 Scrip Code: 28188	

Dear Sir/ Madam,

**Sub: Submission of 44<sup>th</sup> Annual Report of the Company for the Financial Year 2022-23 along with notice of 44<sup>th</sup> Annual General Meeting**

**Re: Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015**

In accordance with Regulation 34 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 44<sup>th</sup> Annual Report of the Company for the financial year 2022-23 along with notice of 44<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 29<sup>th</sup> September, 2023 at 02:30 P.M. through Video Conferencing / Other Audio Visual Means ("VC/OAVM").

The Annual Report and notice has also been made available on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in).

Thanking you and assuring you of our best attention always,

Yours faithfully,

**For Incredible Industries Limited**

**Company Secretary and Compliance Officer**

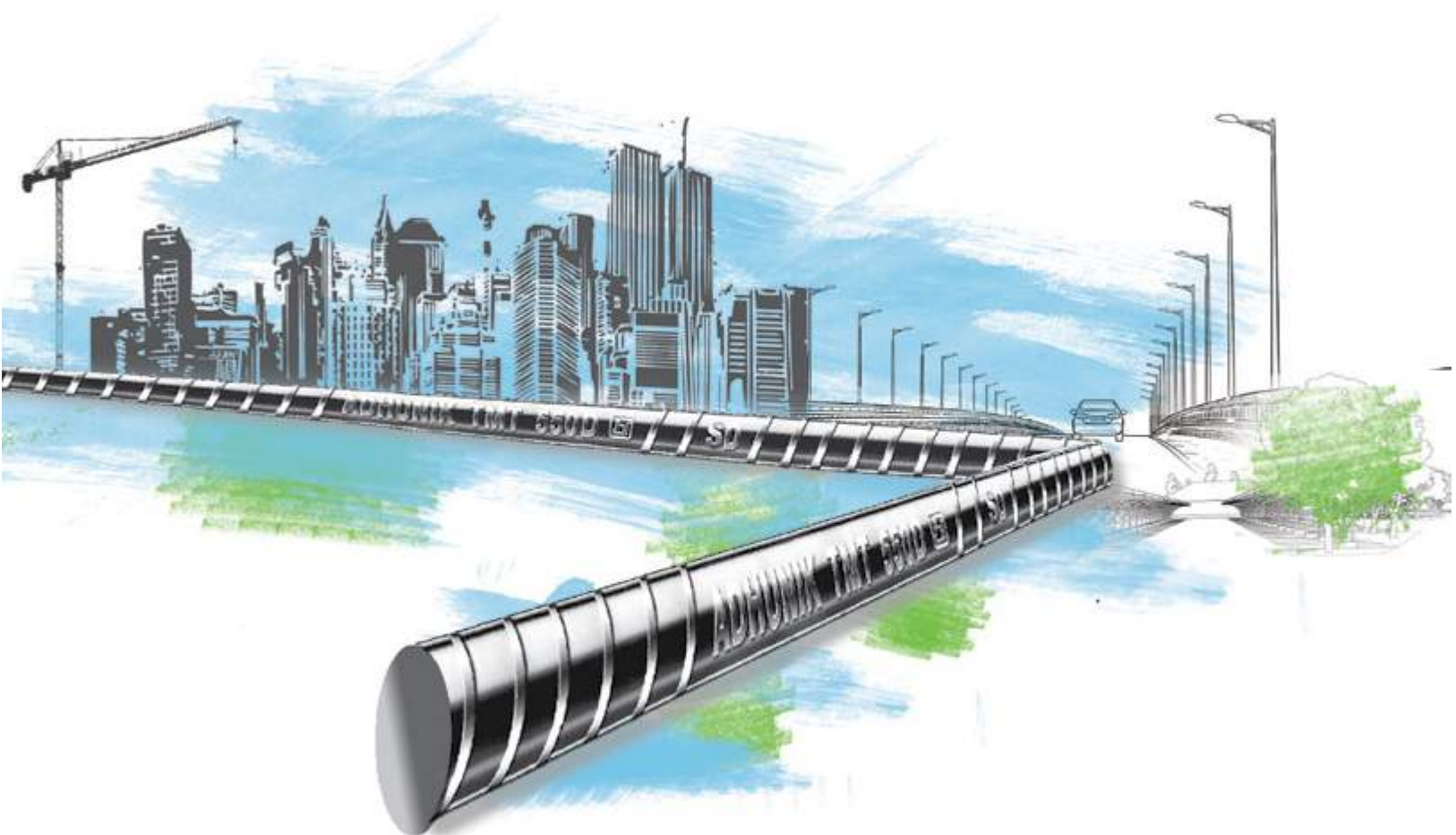
Name: Bharat Agarwal

M. No.- FCS-11144

Encl.: As mentioned above



**INCREDIBLE INDUSTRIES LIMITED**  
44th ANNUAL REPORT 2022-23



PASSION TO  
**GROW HIGHER**



"As Incredible Industries continues to grow at a significant pace, capturing new markets and implementing innovative practices across the Board, it becomes a strategic imperative to assess performance and progress through the sustainability lens."

**Rama Shankar Gupta**  
Chairman & Managing Director



To read this report, login to  
[www.incredibleindustries.co.in](http://www.incredibleindustries.co.in)

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**At Incredible Industries Limited, we believe that we are on the cusp of a remarkable sectoral opportunity.**

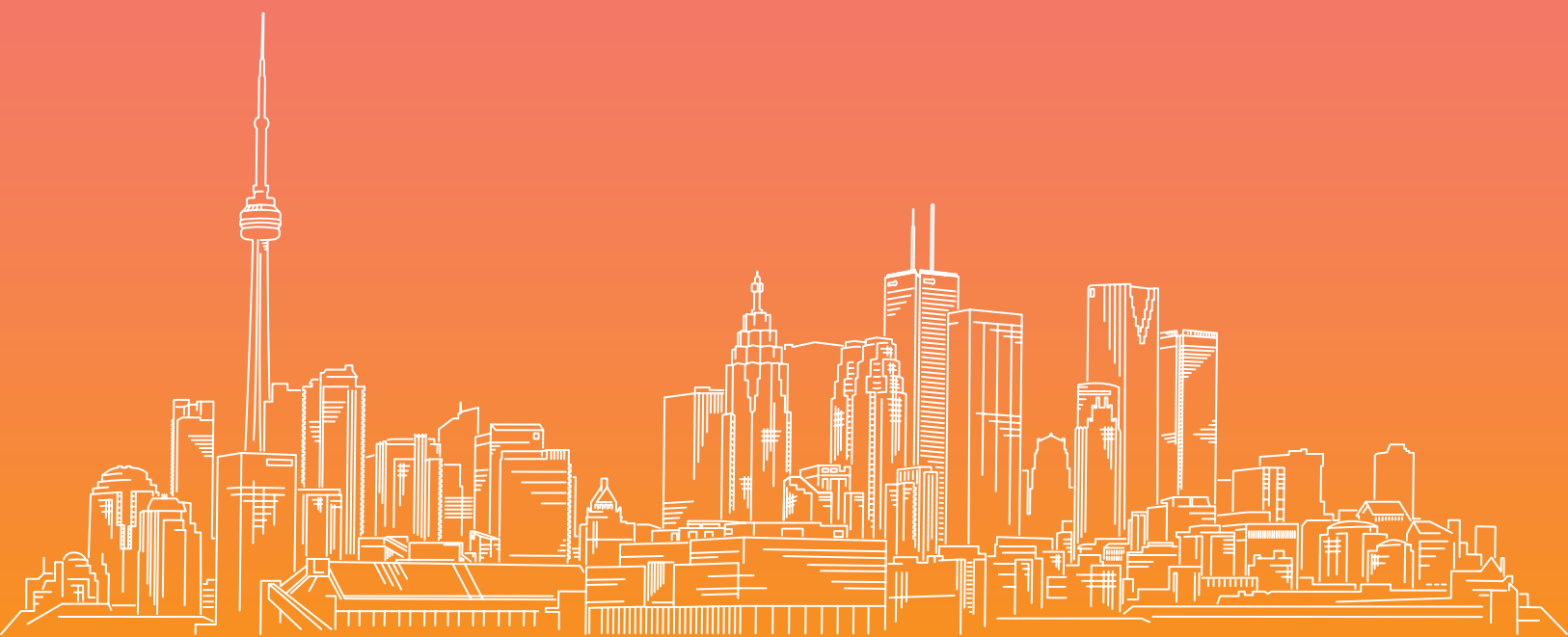
Where primary customers need business-strengthening end customers.

Where consumers need products which meets quality and affordability.

Where employees need intellectually engaging workspaces.

Where communities need sensitive manufacturing neighbours.

We have one broad message for our stakeholders: It is our passion to grow higher and move further which has proactively led us to invest in capacities, capabilities, knowledge, systems and passion to address the critical needs of our customers.



# Steel

Arguably one of the most critical man-made resource in the world.

Incredible Industries Limited is playing an active role in helping India's booming infrastructure, real estate and engineering industries.

Through various range of products based on quality and durability.

Emerging as Eastern India's one of the renowned rolled products manufacturer in the iron & steel industry.



### Vision

To contribute to the economic and social well-being of our country and its people in general and communities around our locations in particular.

## Building trust

Incredible Industries Limited, is a leading rolled products manufacturer in the domestic iron & steel industry space. The Company enjoys a strong presence in Eastern India and North Eastern India and an expanding footprint in the other part of the country as well. The Company has been producing high quality TMT Bar, Wire Rod, HB. Wire for over five decades and have earned to be a trusted name in the various user industries. The Company's manufacturing plant is located in the industrial rich belt of Durgapur in West Bengal. The Company source its raw materials from plants located nearby and have a strong association with many renowned suppliers for its raw materials requirements. The Company is highly committed towards sustainable manufacturing practices reducing its environmental impact through innovative processes.

### Our corporate conscience

Incredible Industries has contributed extensively to India's growth story through its niche product quality which serves the need of core infrastructure and real estate development.

#### Values



Teamwork



Integrity



Courage



Commitment to stakeholders







Customer Focus



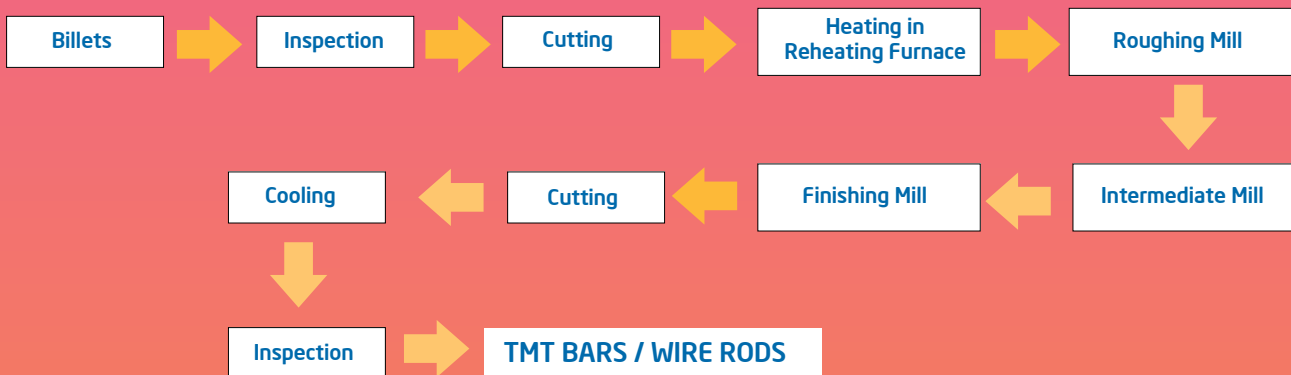
Trust



## Inputs

 <p><b>Financial Capital</b></p> <p>Our financial resources are derived from investors, promoters, banks and financial institutions.</p>	 <p><b>Manufacturing Capital</b></p> <p>We continuously invest in our rolling facilities and warehouses, along with logistics operations, while ensuring the safety and reliability of our operations.</p>	 <p><b>Intellectual Capital</b></p> <p>Our focus on innovation and research reinforces our drive for operational efficiency and resource optimisation, while adhering to the Standard Operating Procedures. We incorporate customer requirements in our product development.</p>
 <p><b>Human Capital</b></p> <p>Our pool of skilled employees and labour form the core of our operations. We invest in employee welfare and happiness to drive performance excellence. Our work culture ensures safety, health, competency enhancement, and the overall well-being of our employees.</p>	 <p><b>Natural Capital</b></p> <p>We depend on natural resources which constitute our key raw materials. At the same time, land and water are indispensable for our operations. We strive for excellence in environmental performance and resource efficiency to mitigate our ecological footprint.</p>	 <p><b>Social and Relationship Capital</b></p> <p>Our communities, customers and suppliers are critical to our social license to operate and business continuity. We believe in building long-term, transparent and trust-based relationships with them through continuous stakeholder engagement.</p>

## Value chain



## Outcome

<p>Revenue</p> <p>₹ 74,060.70 Lakhs</p>	<p>International certification</p> <p>ISO 9001:2015, 14001:2015 &amp; OHSAS 45001:2018 certified</p>		
<p>Manufacturing Capacity</p> <p>1,70,000 MPTA</p>	<p>Human Resource</p> <p>More than 200 employees</p>	<p>Windmill</p> <p>1.50 MW</p>	<p>CSR spends</p> <p>₹ 8.80 Lakhs</p>



## Message from the Chairman & Managing Director



A warm welcome to all the readers Incredible Industries Limited. I am privileged to work with a trusted and reputed brand in the rolled products manufacturing sector today and I hope that with all your support, we can make it attain new heights. It has been an interesting year for us at Incredible Industries and we would like to thank everyone for your support that has contributed to the growth story of our brand.



*Dear Shareholders*

### An insight on the domestic steel industry

The steel industry is witnessing robust domestic demand but facing significant challenges in terms of exports. Domestic finished steel consumption recorded impressive growth of 13.3% year-on-year (y-o-y) during fiscal year 2023. This growth can be attributed to the healthy demand from key sectors such as infrastructure, real estate, and automobile industries. However, the report reveals a sharp decline of 50.2% y-o-y in steel exports. This decline stems from multiple factors, including the imposition of export duties on steel products between May and November 2022. Additionally, weak global demand resulting from ongoing geopolitical tensions and inflationary trends has further contributed to the export challenges faced by the industry. Backed by a buoyant domestic demand and the need to capitalize on export opportunities, the Indian steel industry is aiming to double its steel capacity and production by fiscal year 2031.

### Performance review

I am delighted to confirm that in recent years, we at Incredible

Industries have started to fulfill our longstanding pledges. Indeed, we are now manifesting margins, profits, and capital efficiency that align with market efficiency. Moreover, we have achieved relative resilience, allowing our dips during sector-wide troughs to be more modest compared to other conventional marketplace competitors. Our strategic pivot in the recent past is now accepted and applauded. We have successfully transitioned from a commodity supplier into a distinguished solution provider today.

For FY 2022-23, our revenue from operations increased by 38.26% from FY 2021-22. We reported EBITDA of Rs. 1816.30 Lakhs, up by 5.68%. Input prices have started to ease and are likely to stabilise going forward, which should start flowing into the bottom in the current fiscal year.

The increasing relevance of our diversified products category and their acceptance has only been possible through improved & integrated manufacturing facilities, marketing offices, expanded network of retail outlets, financial strength and managerial bandwidth to operate

in multiple and diverse geographies, we are confident to achieve our strategic vision. Our focus on delivering with the above strategies is a key driver of our continued growth and development.

### Brand outreach

The "Adhunik" brand ethos is rooted in its history of excellence. It is embedded in the trust of its stakeholders, and the differentiation of its products. Ensuring brand relevance, and keeping it aligned to the needs of customers in an evolving business environment, is thus integral to our strategic approach.

Our diverse range of iron & steel products caters to needs of infrastructure industry, thereby providing superior quality at competitive prices. We remain dedicated to growing our brand value and followed the strategy of moving ahead from commodity centric marketing to brand-led market positioning.

### Focus on governance and sustainability

We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements. Our Board currently comprises of 100% professional directors with varied expertise. The Company had also adopted various measures for a cordial working relation between the workers and the management. Sensitising the Company's personnel and making them aware of the developments in the Industry is now a regular process at Incredible Industries

At Incredible Industries, our focus is not just limited to manufacturing excellence and it extends to conducting our business in a sustainable manner. For achieving our sustainability goals, we have implemented various targeted initiatives to optimise our energy consumption, minimise waste generation and adopt eco-friendly practices. Being a responsible corporate citizen, we also prioritise the well-being and safety of our personnel. Apart from creating a conducive working environment for them, we provide our talent pool with growth opportunities that aid in aligning individual goals with organisational goals and fosters a culture of inclusivity and diversity.

### Outlook

The Indian steel industry accounts for about 2% to the country's GDP with an output multiplier of 1.4x and an employment multiplier of 6.8x. The domestic steel



We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements.



consumption is expected to grow at 8-10% in fiscal year 2024, primarily driven by infrastructure developments in the pre-election year. The anticipated surge in demand from China has been slower than expected, which may impact steel prices in the near term. India's growth is particularly significant, considering that many of the largest steel-producing countries, including China, Japan, the U.S., and Russia, experienced declines in production. Amidst China's struggling construction sector and the looming possibility of recessions in the U.S. and Europe, there is no doubt that India is now a crucial factor in revitalizing global steel demand. The Government has also special focus through the National Steel Policy that aims to increase the per capita steel consumption from 61 kgs to 160 kgs by 2030-31. The government has also promoted policy which provides a minimum value addition of 15% in notified steel products which are covered under preferential procurement.

### Our way forward

At Incredible Industries, we believe that affordability, durability and high quality are the distinguishing characteristics that consumers associate with our brand. As we move forward, we will continue focusing on meeting consumer expectations by incorporating the standard procedures and adhering to the quality policy laid by the management and the quality team. In the years ahead, our objective is to position ourselves as a leader in the iron & steel industry in the Northern and Eastern part of the country.

In closing, I would like to extend my gratitude to our shareholders for their trust in our vision and capabilities as we embark on the next phase of growth for the Company.

Regards,

**Rama Shankar Gupta**

Chairman & Managing Director

## Passion to **Grow Higher** through nations prosperity

Quality and reliability are two parallel imperatives. Reliability matches the quality factor through quality of raw materials used, meticulousness of manufactured product as per global standards and the critical projects where products is being used. A strong focus on them by any organisation leads to its 'success'.

Steel continues to be the life blood of developing nations. The impetus on Atmanirbhar Bharat and infrastructure development has propelled a new era of growth in India. At Incredible Industries, we are at the forefront of ever-emerging opportunities on the strength of our products.

India's steel consumption is gradually increasing and the country has overtaken Japan and USA to emerge as second largest steel producer after China. Our state-of-the-art rolling mill at Durgapur manufactures TMT Bars, Wire Rod, H.B. wire which finds application across the core sector – infrastructure and real estate. During 2022-23 we worked towards optimum capacity utilisation, increasing operational efficiencies of our processes and delivering quality products at optimum cost.



Our company being involved in the business of iron & steel industry, it is of paramount importance to align the products with stringent qualitative and performance related parameters. Our Company has made prudent investments to benchmark its products with those that are the best in the industry. This single-minded effort consistently has culminated into a strong relationship with all our customers. Our quality control personnel examine and inspect every aspect of the production (before-process, in process & after process) and supply chain with stringent intermediate checks, resulting in the supply of quality products as per the benchmarks laid down by the management and as per the international standards. Our products are benchmarked to international standards and we have thus been adhering to ISO 9001:2015, 14001:2015 & OHSAS 45001:2018 certifications.

The zeal towards maintaining & harnessing quality focus into the organisational culture has made us win “West Bengal Best Brand Award” in the year 2018.



Passion to  
**Grow Higher**  
through product diversification

### Billets



### TMT Bars



**Size:** 8 mm - 32 mm

**Application:** Concrete Reinforcement Structures, Bridges and Flyovers, Dams, Industrial Structures, High Rise Buildings etc.

### Wire Rods



**Size:** 5.5mm - 10mm

**Application:** Tie Wire, Wire Hangers, Fencing, Shelving, Nails etc.

## H. B. Wire



**Size:** 8 mm - 14 mm

**Application:** Binding Wire, Welding Electrodes, Bridges, Handicrafts etc.

## Linkedge



**Size:** 7\*4 inch, 7\*7 inch, 7\*9 inch, 7\*12 inch, 8\*8 inch

**Application:** Used for building construction.

## Annaling



**Size:** 20mm - 23mm

**Application:** Binding wire, Welding electrodes, bridges, handicrafts etc.

## Torkari



**Size:** 4.8 mm - 6.2 mm

**Application:** Used as reinforcement bars for the concrete in the construction.

## Wire Nail



**Size:** 1 inch - 4 inch

**Application:** Widely used in construction industry, carpentry trade, packaging of boxes etc.

Passion to  
**Grow Higher**

**through a strong brand reputation  
and making products available far and wide**

Consumers are continuously developing as more discerning and value conscious. This has changed TMT bars from merely a commodity with uniform characteristics across sellers into a product demanding differentiated identification and brand building.

Our customer outreach strategy is based on driving activities aggressively to create visibility and buzz for the brands in the market. Our mass marketing strategy involves chartering new geographies, with the approach to educate consumers, and supplement the efforts by installing in-shop displays and signage, used innovative strategies

to strike an emotional chord with different communities of our dealers, rolled out wall paintings across key markets to grow our brand prominence, enhanced OOH and transit media usage across key markets through billboards, bus branding, tram branding, pole kiosks and cut outs, among others.



Our diverse range of rolled products caters to needs of infrastructure industry, thereby providing superior quality at competitive prices. We are deeply committed to strengthen the "Adhunik" (For TMT bars, Nails and Stirrups) brand further and towards this we have ensured strict quality compliance besides developing strong work ethics. We are also taking advertising and on-ground marketing initiatives to enhance the brand's

recognition and popularity among the target customers. Our marketing team also conducts dealers meet at regular intervals to appraise them about the quality of our products and various schemes. This approach has helped us enormously to achieve our set goals. Our products are available at key markets involving Bihar, Assam, Jharkhand, Punjab, Uttar Pradesh and Delhi through a strong dealer network and well supported by 6 distributors.



Anytime, anywhere available

**150+**

**Registered dealers**



## Passion to **Grow Higher** through a focus on sustainability

We believe that long-term business sustainability and value creation are closely connected to social integration. Our resolute focus on the iron & steel industry provides us with an ever needing dedication towards our personnel and ones in our surroundings. We always integrate healthy human resource practices, environment, health and safety considerations into business planning and decision making. We are always inspired by our own guiding principles of conducting our businesses with a human touch.



### Environment sustainability

At Incredible Industries, we continuously strive to protect the environment. Our philosophy of minimising environmental impact and promoting resource efficiency guides our investment decisions to monitor and mitigate the impact of our operations. The iron and steel making process involves the use of natural resources such as water and energy intensive. The GHG (particularly CO<sub>2</sub>) and dust emissions emitted during the process are key contributors to air pollution and global warming. Maintaining sustainable operations and continually making improvements to our products and processes helps us to minimise our environmental footprint. Investing in technologies to achieve the highest environmental performance standards is always an ongoing process at Incredible Industries. We plan to achieve this through robust raw materials management, achieving zero water discharge, carrying out lifecycle assessments of our products and embedding the principles of circular economy. We have also maintained ample green belt across the plant premises as per PCB guidelines to arrest fugitive emissions. We have also invested in technologies to conserve the energy and make our manufacturing facility energy efficient. Various energy conservation measures are broadly defined by us as an annexure to the Board's Report which also forms part of this report.





### Broadening relationship with customers

In line with the motto of 'Reforming Our Business for Future Success', we serve the growing needs of our B2B (Business Accounts) and B2C (Individual Consumers) customer segments by offering differentiated products and services. Our excellent manufacturing facility, enables us to deliver superior quality products. Over the years, we have built strong relationships with the channel partners that has allowed us to serve existing B2C customer segments through a professional distribution network.



### Nurturing people of tomorrow

We believe in offering the ideal platform for growth to our employees, readying them to take up any challenge that comes their way. In line with this tenet, we enable our employees to grow in a learning environment so as to make the most out of the time spent on each assignment. The experience gathered gets buoyed by a powerful work-life-balance policy, making the overall journey both meaningful as well as pleasurable. In the year under consideration, our Company has focused in improving employee productivity and collaboration, their learning and development and employee engagement. Safety apparatuses including gum boots, gloves, safety caps is a must for every person at the operational front. Our manufacturing facility also has an operational health centre inside with a dedicated & qualified doctor to tackle basic cases of emergencies.



### Fostering a healthy client-supplier relationship

We work very closely with our network of supply chain partners. Our supply chain process is focussed on using a multi-pronged approach of vendor segmentation and developing long-term supplier partnerships. We treat our vendors as business partners through a fair and transparent governance process.



### Sustainability through caring

At Incredible Industries, we view value creation as an encompassing goal that goes beyond serving our customers and building an efficient organizational structure. Another core aspect of this value is our commitment to the community's well-being for long-term sustainability. We always work diligently to establish a robust Corporate Social Responsibility (CSR) Framework compliant to the Companies Act, 2013. The Board identifies key sectors for implementing CSR initiatives as well as tracking their progress. We aim to use our resources effectively to continue making a difference in the communities around us through focused projects.



## Board of Directors



**Shri Rama Shankar Gupta**  
(DIN: 07843716)  
Chairman and Managing  
Director



**Shri Sanjay Kaloya**  
(DIN: 07970640)  
Non-Executive Director



**Shri Niket Agarwal**  
(DIN: 07233888)  
Non-Executive Director



**Shri Asit Baran Dasgupta**  
(DIN: 02476594)  
Independent Director



**Smt. Sonam Agarwal**  
(DIN: 08054202)  
Independent Woman Director



**Smt. Shilpi Modi**  
(DIN: 02706881)  
Independent Woman Director

# Corporate Information

## BOARD OF DIRECTORS

Shri Rama Shankar Gupta	(DIN: 07843716)	-	Chairman and Managing Director
Shri Sanjay Kaloya	(DIN: 07970640)	-	Non-executive Director
Shri Niket Agarwal	(DIN: 07233888)	-	Non-executive Director
Shri Asit Baran Dasgupta	(DIN: 02476594)	-	Independent Director
Smt. Sonam Agarwal	(DIN: 08054202)	-	Independent Woman Director
Smt. Shilpi Modi	(DIN: 02706881)	-	Independent Woman Director

## CHIEF FINANCIAL OFFICER

Shri Amit Agrawal

## COMPANY SECRETARY

Shri Bharat Agarwal

## STATUTORY AUDITORS

M/s. R. Gopal & Associates  
Chartered Accountants

## COST AUDITORS

M/s. Dipak Lal & Associates  
Cost Accountants

## SECRETARIAL AUDITORS

M/s. MR & Associates  
Company Secretaries

## INTERNAL AUDITORS

M/s. G. P. Agarwal & Co.  
Chartered Accountants

## BANKERS

Canara Bank  
Bank of India  
Punjab National Bank  
SREI Equipment Finance Limited

## REGISTERED OFFICE

14, Netaji Subhas Road  
2 nd Floor, Kolkata- 700 001.  
Phone/Fax: 033-2243 4355 / 2242-8551

## CORPORATE OFFICE

Lansdowne Towers  
2/1 A, Sarat Bose Road  
Kolkata-700 020.  
Phone: (033) 6638-4700  
Fax: (033) 6638-4729  
E-mail- [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in)  
Website: [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in)

## WORKS

Raturia, Angadpur  
Durgapur-713 215  
Phone: (0343) 2591105 / 2591122 / 1123 / 1124

## REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Pvt. Ltd.  
23, R. N. Mukherjee Road, 5 th Floor  
Kolkata-700 001.  
Phone: (033) 2243-5809/5029  
Fax: (033) 2248-4787  
E-mail- [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

## BOARD'S REPORT

### DEAR MEMBERS,

Your Directors take pleasure in presenting the 44<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

### FINANCIAL HIGHLIGHTS:

The summarized financial performance of your Company for the financial year ended March 31, 2023 is as under:

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Revenue from Operations	74,060.70	53,567.22
Other Income	41.13	48.33
<b>Total Revenue</b>	<b>74,101.83</b>	<b>53,615.55</b>
<b>Earning Before Interest, Depreciation and Taxes (EBIDTA)</b>	<b>1,816.30</b>	<b>1,718.69</b>
Depreciation and Amortization Expenses	564.15	560.73
Finance Costs	538.23	565.93
<b>Profit Before Tax</b>	<b>713.91</b>	<b>592.03</b>
Total Tax Expense	223.19	235.92
<b>Profit After Tax</b>	<b>490.73</b>	<b>356.11</b>
Other Comprehensive Income	(0.30)	4.12
<b>Total Comprehensive Income</b>	<b>490.43</b>	<b>360.23</b>

**Note:** The Company had prepared its financial statements in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India.

### OPERATIONS:

Iron & Steel is indispensable for nation building and has a direct linkage with nation's health and growth. FY 2022-23 is one of the prosperous year for the Company in terms of turnover, profitability and other financial parameters. There is a marginal increase in prices of finished goods as compared to last year and thus, revenue from operations increased in the same proportion. The Company had achieved EBIDTA of ₹ 1,816.30 Lakhs during the period under review as compared to ₹ 1,718.69 Lakhs in the last year. Profit before Tax positively increased by 20.59% to ₹ 713.91 Lakhs of current year as compared to ₹ 592.03 Lakhs of last year. Profit after Tax is also increased by 37.80% to ₹ 490.73 Lakhs of current year as compared to ₹ 356.11 Lakhs of last year and total comprehensive income is also increased by 36.14% to ₹ 490.43 Lakhs of current year as compared to ₹ 360.23 Lakhs of last year.

### STATE OF THE COMPANY'S AFFAIRS:

FY 2022-23 has been overall a good year for the Company in terms of turnover and profitability. The turnover of the Company had moderately increased on account of good demand of finished products as well as improvement in production as compared to last year. However, at the same time prices of raw materials also increased. Thus, overall margins get more or less at the same level. Your Company had managed the situation at its end and achieve the moderate result by taking appropriate decision by the management of the Company keeping in mind the prevailing market trends. The overall state of affairs of the Company keeping in mind the present market scenario is satisfactory.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

There is no such material change and commitment affecting the financial position of your Company which have occurred between the end of the financial year of your company to which the financial statements relate and the date of the report.

### CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY:

Your company is engaged in the activity of manufacturing of steel related rolled products such as TMT, Wire rods, H. B. Wire etc. and providing related services. Further, the Company is also involved in generation of electricity through

## BOARD'S REPORT *(Contd.)*

Wind Power. There is no change in the nature of business during the period under review.

### INDUSTRY SCENARIO AND OUTLOOK:

Steel is one of the world's most innovative and essential materials. Steel is infinitely recyclable and exceptionally strong and offers an array of sustainable benefits. Since it is produced in every region of the world, steel generates jobs and economic growth. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernization of older plants and up-gradation to higher energy efficiency levels. Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used.

India is the world's second-largest producer of crude steel. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. Between April-December 2022, India's finished steel consumption stood at 75.34 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively. In FY23 (until January 2023), the exports and imports of finished steel stood at 5.33 MT and 5.00 MT, respectively. In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with FY21 i.e. 9.49 MT of finished steel.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030-2031. By 2030-31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030-2031. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

India has enormous scope and untapped potential to increase steel consumption in almost all sectors, especially in automobiles, engineering industries and infrastructure development. India's GDP growth is likely to move higher in the coming years due to compulsive focus by policy makers for development of infrastructures & other sectors.

Your company is one of the major key players among the various players in the rolling mill industry in the Durgapur region of West Bengal. It operates with a vision to become industry leader in zone which inspires its stakeholders and a well-defined business plan with planned strategy give hope to achieve its vision.

### DIVIDEND AND RESERVES:

In view of meeting capital requirements of the Company through ploughing back of profit in the business, the Directors of your Company are intend to retain the surplus profits in the business itself. Therefore, no dividend is being recommended.

During the period under review, no amount was transferred to General Reserve.

### SHARE CAPITAL:

During the financial year under review, there is no change in the capital structure of the Company and accordingly the issued, subscribed and paid up share capital of your Company stood at ₹ 46,76,37,500/- (Rupees Forty Six Crores Seventy Six Lakhs Thirty Seven Thousand Five Hundred Only) comprising of 4,67,63,750 (Four Crores Sixty Seven Lakhs Sixty Three Thousand and Seven Hundred and Fifty) number of Equity shares of ₹10/- each fully paid up as on March 31, 2023.

The Company had not issued any equity shares with differential rights as to dividend, voting or otherwise and neither issue any shares (including sweat equity shares) to employees of the Company under any scheme, raise any funds

## BOARD'S REPORT *(Contd.)*

through preferential allotment or through qualified institutions placement. Further, there are no shares lying in the suspense account during the period under review.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES INDUSTRIAL RELATIONS:**

During the financial year under review, industrial relations remained cordial. Employees' competencies and skills were enhanced by exposing them to several internal and external training programmes. Various measures were taken to improve motivation level of employees. Additional efforts are continued to be implemented with a view to obtain commitment and loyalty towards the organization.

### **CREDIT RATING:**

The Company had not issued any debt instrument/securities or run any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad during the period of review. Thus, the question of obtaining external credit rating of the Company for the instruments stated above does not arise. However, the Company had obtained working capital facility from Public Sector Banks for which it had obtained external credit ratings for its borrowings from **Acuite Ratings and Research Limited** with effect from November 2, 2021 and the same is available on the company's website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in).

Rating Agency	Instrument	Rating	Outlook
Acuite Ratings & Research Limited	Fund Based Limits	ACUITE BBB	Stable
	Non-Fund Based Limits	ACUITE A3+	

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information as required under the provisions of sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure-A**, which is annexed hereto and forms part of Board's Report.

### **DETAILS OF BOARD MEETINGS:**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

During the year, 7 (seven) Board meetings were held, details of which are given below. The maximum time gap between any two consecutive meetings did not exceeds the prescribed time limits.

Date of the meeting	No. of Directors attended the meeting
April 20, 2022	6 (Six)
May 26, 2022	6 (Six)
August 8, 2022	6 (Six)
November 10, 2022	6 (Six)
December 7, 2022	6 (Six)
February 8, 2023	6 (Six)
March 30, 2023	6 (Six)

### **COMMITTEES OF BOARD:**

The Committees of the Board as per Companies Act, 2013 are as under:

- ✓ Audit Committee
- ✓ Nomination and Remuneration Committee
- ✓ Stakeholders Relationship Committee
- ✓ Management and Finance Committee

## BOARD'S REPORT *(Contd.)*

The details of composition of the Committees of Board of Directors are as under:-

### a. Audit Committee

During the period under review, the Audit Committee had met seven times i.e. on April 20, 2022, May 26, 2022, August 8, 2022, November 10, 2022, December 7, 2022, February 8, 2023 and March 30, 2023.

The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Rama Shankar Gupta	Member
3.	Smt. Sonam Agarwal	Member
4.	Smt. Shilpi Modi	Member

All the recommendations made by the Committee are duly accepted and approved by the Board of Directors.

### Vigil Mechanism / Whistle Blower Policy

In compliance with provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. During the year under review, no personnel had been denied access to the Audit Committee. The Vigil Mechanism/ Whistle Blower Policy have been uploaded on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the following web-link: <https://www.incredibleindustries.co.in/download/21592457662.pdf>.

### b. Nomination & Remuneration Committee

The Nomination & Remuneration Committee had met two time during the year i.e. on August 8, 2022 and December 7, 2022. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Smt. Sonam Agarwal	Chairman
2.	Smt. Shilpi Modi	Member
3.	Shri Sanjay Kaloya	Member

### c. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee had met once during the financial year 2022-23 on February 8, 2023. The details of composition of the Stakeholders Relationship Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Sanjay Kaloya	Chairman
2.	Shri Rama Shankar Gupta	Member
3.	Smt. Sonam Agarwal	Member



## BOARD'S REPORT *(Contd.)*

### d. Management and Finance Committee:

No meeting of the Management and Finance Committee took place during the period under review. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Rama Shankar Gupta	Chairman
2.	Shri Sanjay Kaloya	Member
3.	Shri Niket Agarwal	Member

### BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) is required to include Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, in the format specified by SEBI with effect from December 26, 2019 and other than top 1000 listed entities may include the report on voluntary basis. The Company falls under other than top 1000 listed entities and the preparation of the report is not mandatory.

### DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and based on the information provided by the Management, the Board of Directors report that:

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent except as otherwise stated in the Notes to Financial Statements so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts for the financial year ended March 31, 2023 on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### BOARD INDEPENDENCE:

Our definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of the above said provisions :-

- a) Shri Asit Baran Dasgupta (DIN: 02476594)
- b) Smt. Sonam Agarwal (DIN: 08054202)
- c) Smt. Shilpi Modi (DIN: 02706881)

The Company had not appointed any new Independent Director during the period under review.

## BOARD'S REPORT *(Contd.)*

### DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(7) of the Companies Act, 2013 as well as under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### DIRECTORS:

As on March 31, 2023, the Board comprises of six Directors namely Shri Rama Shankar Gupta (DIN: 07843716), Chairman and Managing Director (Executive), Shri Sanjay Kaloya (DIN: 07970640), Director (Non-Executive), Mr. Niket Agarwal (DIN: 07233888), Director (Non-Executive), Shri Asit Baran Dasgupta (DIN: 02476594), Non-Executive Independent Director, Smt. Sonam Agarwal (DIN: 08054202), Non-Executive Independent Woman Director and Smt. Shilpi Modi (DIN: 02706881), Non-Executive Independent Woman Director of the Company.

In accordance with the provisions of Section 152 of the Act, the Rules prescribed thereunder and your Company's Articles of Association, Shri Niket Agarwal (DIN: 07233888) retires by rotation at the ensuing Annual General Meeting being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Shri Niket Agarwal (DIN: 07233888) at the ensuing 44<sup>th</sup> Annual General Meeting. The resume and other information regarding re-appointment of Shri Niket Agarwal (DIN: 07233888) as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR") will be given in the Notice convening the ensuing 44<sup>th</sup> Annual General Meeting.

### KEY MANAGERIAL PERSONNEL (KMPs):

During the year under review, the Board of Directors of the Company in the Board Meeting held on December 7, 2022, had approved the cessation of Shri Ajay Bhuwania from the post of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company from the conclusion of the Board Meeting due to his poor health condition and on the same day, appointed Shri Amit Agrawal as Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company in his place with effect from the conclusion of the Board meeting.

Shri Rama Shankar Gupta (DIN: 07843716), Chairman and Managing Director, Shri Amit Agrawal, Chief Financial Officer and Shri Bharat Agarwal, Company Secretary are the Whole-time Key Managerial Personnel (KMPs) of the Company as on Financial Year ending March 31, 2023.

### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

Pursuant to provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy. The Company's Remuneration Policy is available on the web link <https://www.incredibleindustries.co.in/download/21592457707.pdf>.

The Remuneration Policy of the Company, inter alia, includes the aims and objectives, principles of remuneration, guidelines for remuneration to Executive Directors and Non-Executive Directors, fixed and variable components in the remuneration package, criteria for identification of the Board Members and appointment of senior management.

The criteria for identification of the Board Members including that for determining qualification, positive attributes, independence etc. are summarily given hereunder:

- The Board member shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in appropriate manner.
- Independent Director shall be person of integrity and expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of individual Board Members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business, social perspective, educational and professional background and personal achievement.

## **BOARD'S REPORT** *(Contd.)*

- Director should possess high level of personal and professional ethics, integrity and values. He / She should be able to balance the legitimate interest and concern of all the Company's stakeholder in arriving at decisions, rather than advancing the interest of a particular constituency.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He/She must have the aptitude to critically evaluate management's working as a part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

### **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:**

During the year, your company has duly complied with the provision of Section 186 of the Companies Act, 2013. The particulars of loans given, investments made, guarantees given under the provisions of Section 186 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the notes to the Financial Statements.

### **DETAILS RELATING TO MATERIAL VARIATIONS:**

Disclosures regarding material variations as specified in Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required to be furnished as no such events took place during the year.

### **RISK MANAGEMENT:**

Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has a well-defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management.

In terms of the requirements of the Companies Act, 2013 and Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has developed and implemented the Risk Management Policy. The Company has taken adequate measures to mitigate various risk encountered. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms a part of this report.

### **HUMAN RESOURCE:**

Company's industrial relations continued to be harmonious during the period under review. The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company has qualified and talented human resources at all levels of operation. It has put concerted efforts for continuous learning and training to ensure that strong and credible leadership is developed.

### **SAFETY, HEALTH AND ENVIRONMENT:**

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2015, 14001:2015 & 45001:2018) organization. Further, there is a team of professionals who conducts regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation.

### **CORPORATE SOCIAL RESPONSIBILITY:**

In lines with the provisions of Section 135 of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) Policy for the development and benefit of the weaker section of the society and the same is approved by the erstwhile CSR Committee and the Board of Directors of the Company. The CSR Policy of the Company provides a road map for its CSR activities. The purpose of CSR Policy is to devise an appropriate strategy and focus on its CSR initiatives and lay down the broad principles on the basis of which the Company will fulfill its CSR objectives. As per the said policy, the Company follows the strategy of discharging its CSR responsibilities related to social service through various trusts/societies in addition to its own initiatives and donations made to other non-government organizations.

## BOARD'S REPORT *(Contd.)*

The CSR Policy has been uploaded on the Company's website at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the link <https://www.incredibleindustries.co.in/download/21627896036.pdf>. Pursuant to the requirements under Section 135 of the Companies Act, 2013 and Rules made thereunder, a report on CSR activities and initiatives taken during the year in the prescribed format is given in **Annexure-B**, which is annexed hereto and forms part of the Board's Report.

The Company has been playing a pro-active role in the socio economic growth and has contributed to all spheres ranging from health, education, hygiene and empowerment of women, environment conservation etc. The Company becomes the part of some of the social programs in India, touching the lives of hundreds of people positively by supporting such programs. During the Year 2022-23, Company CSR activities are deployed through NGO's namely M/s. Friends of Tribal Society to promote education among children belonging to weaker section of the society.

### PARTICULARS OF EMPLOYEES:

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are given in **Annexure - C** to the Board's Report and forms part of this report.

### RISK AND CONCERN:

Risk management is the continuing process to identify, analysis, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success of any business. The Company has a risk management team, which periodically evaluating the risks associated with the business and taking necessary initiatives to minimize its impact. This also helps the Company in taking business decisions with balanced risks and rewards comparison. The risk management framework ensures compliance with the requirements of relevant Regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### FAMILIARIZATIONS PROGRAMME FOR IDS':

In terms of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a system of conducting the Familiarization Programme for Independent Director to familiarize them with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The said policy is uploaded on the Company's website at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the link <https://www.incredibleindustries.co.in/download/21661506859.pdf>

During the FY 2022-23, the Company had conducted two familiarization programme for Independent Directors of the Company as under-

- a) Handling and Reporting of UPSI and its related compliance in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 on August 8, 2022.
- b) Discussion on SEBI LODR Regulations on February 8, 2023.

### PREVENTION OF INSIDER TRADING:

In terms of Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (the "**Regulations**"), the Board of Directors had framed the "**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**" and in terms of Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (the "**Regulations**"), a new "**Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons**" is hereby framed.

All Board of Directors and the designated employees have confirmed compliance with the applicable Code during the financial year.

Both code is available on the website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) of the Company and may be accessed at the link <https://www.incredibleindustries.co.in/download/21671789833.pdf> and <https://www.incredibleindustries.co.in/download/21671789778.pdf>

## **BOARD'S REPORT** (Contd.)

### **BOARD EVALUATION:**

The Board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to sub-section 3(p) of Section 134 of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc. The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors held on February 8, 2023, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The matter was also discussed in the board meeting held on February 8, 2023 at which the performance of the Board, its committees and individual directors was discussed. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Companies Act, 2013. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATES COMPANIES:**

The Company does not have any subsidiaries, joint ventures and associate companies. So, the required disclosure is not applicable to the Company.

### **DEPOSITS:**

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:**

During the period under review, in relation to the adjudication proceedings initiated on Company in the matter of suspected shell companies, the Adjudicating Officer passed an adjudication Order dated May 13, 2022 imposing a penalty of ₹ 7,00,000/- (Rupees Seven Lakhs Only) on the Company under the relevant rules and regulations. However, the enforcement of this order is subject to the outcome of Civil Appeal No. 4741 of 2021 titled SEBI vs. Suzlon Energy Ltd & Anr pending before the Hon'ble Supreme Court.

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

There are no application made or any proceedings initiated / pending under the Insolvency and Bankruptcy Code, 2016 during the period under review.

### **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 Company had not approached to the Banks and Financial Institution for One Time Settlement (OTS) for loan taken by it from them during the period under review.

## BOARD'S REPORT *(Contd.)*

### INTERNAL CONTROL AND AUDIT:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The CEO and CFO certification provided in the Annual Report discusses the adequacy of the Company's Internal Control System and Audit.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### AUDITORS AND AUDITOR'S REPORT:

#### STATUTORY AUDITORS

At the 42<sup>nd</sup> Annual General Meeting (AGM) of the Company held on the 16<sup>th</sup> September, 2021, M/s. R. Gopal & Associates, Chartered Accountants, having (Firm Registration No. 000846C) allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as Statutory Auditors of the Company to hold office for a term of 5 (Five) years from the conclusion of 42<sup>nd</sup> AGM till the conclusion of the 47<sup>th</sup> AGM of the Company.

The Company has received a letter from the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 confirming that their appointment will be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the said appointment.

The Companies Amendment Act, 2017 has omitted the requirement of ratification of the appointment of statutory auditors at every Annual General Meeting with effect from May 7, 2018. Hence the ratification of appointment of Statutory Auditors at the ensuing 44<sup>th</sup> Annual General Meeting is not required.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, the Statutory Auditors have not reported any incident of fraud u/s 143(12) of the Companies Act 2013, during the year under review.

#### COST AUDITORS

In terms of the provisions of Section 148(1) and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, maintenance of cost records has been specified by the Central Government for your Company and such accounts and records are made and maintained by your Company as per the requirements of the Act during the period under review. Further, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants (a Cost Audit Firm), as Cost Auditor of the Company for the Financial year 2023-24 to carry out audit of cost records of the Company, who was also the Cost Auditor for the Financial year 2022-23. The remuneration proposed to be paid to them in Financial Year 2023-24 requires ratification by the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The report issued by the cost auditor for the Financial Year 2022-23 is self-explanatory and do not call for any further comments.

#### SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the Board has appointed M/s. M R & Associates,

## **BOARD'S REPORT** (Contd.)

a firm of Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure- D** to this Report.

Board's comment on Secretarial Audit Report's Observation

During the period under review, the Adjudicating Officer passed an adjudication Order dated May 13, 2022 pertaining to adjudication proceedings initiated on Company in the matter of suspected shell companies, imposing a penalty of Rs. 7,00,000/- (Rupees Seven Lakhs Only) on the Company under the relevant rules and regulations. However, the enforcement of this order is subject to the outcome of Civil Appeal No. 4741 of 2021 titled SEBI vs. Suzlon Energy Ltd & Anr pending before the Hon'ble Supreme Court. Apart from the above, the report is self-explanatory and do not call for any further comments.

The Board has also appointed M/s. M R & Associates, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2023-24.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

According to the provisions of Section 188 read with Section 2(76) of the Companies Act, 2013, all transactions entered with Related Parties during the financial year 2023-23 were on arm's length basis and were in the ordinary course of business of the Company.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the link <https://www.incredibleindustries.co.in/download/21650358708.pdf>.

Your Directors draw attention of the members to Note 32 to the financial statement which sets out related party disclosures.

Moreover during the year under review the Company has entered into materially significant related party transactions and the relevant disclosure of information pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 has been shown in AOC-2, annexed herewith marked as **Annexure- E** to this report.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review, no amount had been transferred to Investor Education and Protection Fund (IEPF) as no amount was due and payable.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

In accordance with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and in order to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, your Company has constituted an Internal Complaint Committee and adopted a policy on Prevention of Sexual Harassment at Workplace. The policy aims to provide the effective enforcement of basic human right of gender equality and guarantee against sexual harassment and abuse. Your Company hereby declare that it has complied with provisions relating to the constitution of Internal Complaints Committee of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, there was no complaint lodged with the Internal Complaint Committee, formed under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

## BOARD'S REPORT *(Contd.)*

### ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the draft Annual Return of the Company for the Financial Year ended March 31, 2023 is uploaded on the website of the Company at <https://www.incredibleindustries.co.in/menu-details.php?cat=investor-services&sub=annual-return>. The final Annual Return shall be uploaded in the same web link after the said Annual Return is filed with the Registrar of Companies, West Bengal.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

### CORPORATE GOVERNANCE:

Your Directors are pleased to report that your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder's value.

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate obtained from M/s. MR & Associates, a firm of Practicing Company Secretaries certifying compliance with the conditions of corporate governance as stipulated under relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and annexed with the report on Corporate Governance.

### COMPLIANCE OF SECRETARIAL STANDARDS:

The Company complies with all applicable secretarial standards as issued and notified by Institute of Company Secretaries of India.

### FORWARD LOOKING AND CAUTIONARY STATEMENTS:

Certain statement in this Report concerning to our growth prospects, particularly those which relate to Management Discussion & Analysis Report, describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could however differ materially from those expressed or implied. The risk and uncertainties relating to these statements include, but are not limited to, important factors that could make a difference to the Company's operations such as global and domestic demand-supply conditions, finished goods prices, raw materials and fuels cost and availability, transportation costs, changes in Government regulations and tax structure, economic developments within India and other factors such as litigation and industrial relations. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

### APPRECIATION:

Your Directors place on record their sincere appreciation for significant contribution made by employees of the Company at each level, through their dedication, hard work and commitment. The Board places on record its appreciation for the continued co-operation and support extended to the Company by various Banks, Financial Institutions, Stock Exchanges, NSDL and CDSL, Vendors, Customers, Consultants, Central and State Government bodies, Dealers, and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and, above all, the shareholders.

### For and on behalf of the Board

#### Registered office

14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-

**Rama Shankar Gupta**  
*Chairman and Managing Director*  
(DIN: 07843716)

Sd/-

**Sanjay Kaloya**  
*Director*  
(DIN: 07970640)



## **ANNEXURES TO THE BOARD'S REPORT**

### **Annexure-A**

#### **Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014:**

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

#### **A. CONSERVATION OF ENERGY**

##### **i) Energy conservation measures taken or impact on conservation of energy**

Energy conservation dictates how efficiently a Company can conduct its operations. IIL has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change.

Your Company regularly reviews measures to be taken for energy conservation, consumption and its effective utilization. Some of the energy conservation initiatives taken by the Company during the year are given below:

- The conservation of energy is a continuous exercise. Trend of energy consumption is regularly monitored and remedial measures are initiated to improve energy efficiency.
- Preventing wastage/minimization of energy usage by relentless optimization of process parameters to achieve lower values of energy consumption.
- Use of latest energy efficient technology like high efficiency VFD based motors, inverter based air conditioners and drives.
- Replaced old conventional light fittings with latest generation CFL and LED light fittings in the operational and official floors, thus, power consumption is reduced.
- Rationalization of load on transformer.
- Replacement of old electric fuses with MCBs for better protection and easy trouble shooting.
- Maximum use of natural light in day time by placing transparent roof and side glass windows.
- Studying available potential of recovered energy from various sources and doing a cost benefit analysis of practices required.

##### **ii) Steps in utilization of alternate sources of energy**

The Company is exploring the ways and ideas through its efficient technical team that how it can use the alternate sources of energy in the energy intensive production line in place of conventional sources of energy, its viability and cost effectiveness in relation to the production cost of the products produced by the Company.

##### **iii) Capital investment on energy conservation equipments**

No capital investment on energy conservation equipments incurred by the Company during the financial year ended March 31, 2023.

#### **B. TECHNOLOGY ABSORPTION**

i) The efforts made by the Company towards technology absorption during the year under review are as under:

- During the year, your Company has made constant efforts to improve process, design and planning across all manufacturing sections;
- Installation of various machine based testing system to check the quality of the product produced.

ii) The Company's finished products are always set a reputable standard in the market in comparison to its peers. With the adoption of various advanced methodology in the production process, will help the Company to reduce its cost of production and the quality and durability of the products are also improved.

iii) The Company had not imported any foreign technology during the last three years.

## ANNEXURES TO THE BOARD'S REPORT *(Contd.)*

- iv) The Company had not incurred any major expenditure which can specifically appropriated to Research and Development work.
- v) Worked on increasing the productivity in Rolling Mill within the existing capacity.

### C. Foreign Exchange Earnings and Outgo

Total foreign exchange earned and outgo	2022-23	2021-22
Foreign Exchange Inflow (Rs. in Lakhs)	-	-
Foreign Exchange Outgo (Rs. in Lakhs)	38.01	10.24

#### For and on behalf of the Board

#### Registered office

14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-

**Rama Shankar Gupta**  
*Chairman and Managing Director*  
(DIN: 07843716)

Sd/-

**Sanjay Kaloya**  
*Director*  
(DIN: 07970640)

## ANNEXURES TO THE BOARD'S REPORT

### Annexure-B

#### **Report on Corporate Social Responsibility (CSR) Activities / Initiatives (Pursuant to Section 135 of the Act and Rules made thereunder)**

##### **1. Brief outline on CSR Policy of the Company:**

The CSR policy framed by the erstwhile CSR Committee (constituted by the Board) has been approved by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

In accordance with schedule VII of the Companies Act, 2013, for enhancing the stakeholders' value, generating economic value of the nation and working towards well-being of the society, the CSR Policy covers certain projects/ activities such as supporting education, skill development, food services and health care for underprivileged people of the society.

##### **2. Composition of CSR Committee:**

The Ministry of Corporate Affairs has amended the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder with effect from 22<sup>nd</sup> January, 2021 mentioning that where the amount to be spent by a Company does not exceeds Rupees fifty lakhs, then the duties and functions of the Corporate Social Responsibility Committee can be performed by the Board of Directors of such Company. Based on such amendment, the Board of Directors of the Company in their meeting held on 28th June, 2021 has decided to discontinue the Corporate Social Responsibility Committee with effect from the close of business hours on 28th June, 2021 as the amount to be spent by the Company during the financial year 2021-22 is within the prescribed limit. Also, the amount required to be spent during the current financial year 2022-23 is also within the prescribed limits.

##### **3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The web-link of CSR Policy is <https://www.incredibleindustries.co.in/download/21627896036.pdf>. Presently, the Company is not having any CSR committee as explained in point no. 2 above and there are no CSR Projects approved by the Board of Directors of the Company.

##### **4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 o, if applicable:**

The average CSR obligation of the Company does not exceeds the prescribed threshold limit of ten crore rupees or more in pursuance of Section 135(5) of the Companies Act, 2013 for conducting impact assessment. Thus, the impact assessment report is not applicable to the Company.

##### **5. (a) Average net profit of the company as per sub-section (5) of section 135.**

F. Y.- 2019-20, 2020-21 and 2021-22 is ₹ 4,24,30,586/-

(b) Two percent of average net profit of the company as per section sub-section (5) of 135: ₹ 8,48,612/-

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b)+(c)+(d)]: ₹ 8,48,612/-

##### **6. (a) Amount spent on CSR Projects (both Ongoing Project and other Ongoing Project): ₹ 8,80,000/-**

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 8,80,000/-

(e) CSR amount spent or unspent for the financial year:

**ANNEXURES TO THE BOARD'S REPORT** (Contd.)

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8,80,000	-	-	-	-	-

(f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	8,48,612
(ii)	Total amount spent for the Financial Year	8,80,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	31,388
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	31,388

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL**

1	2.	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		

NIL

**8. Whether any capital assets haven created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**
 Yes       No

If Yes, enter the number of Capital assets created/ acquired

**ANNEXURES TO THE BOARD'S REPORT (Contd.)**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

NOT APPLICABLE

(All the fields should be captured as appearing in the revenue record, flat no., house no. Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5).**  
Not Applicable.

**For and on behalf of the Board**

**Registered office**  
14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-  
**Rama Shankar Gupta**  
*Chairman and Managing Director*  
(DIN: 07843716)

Sd/-  
**Sanjay Kaloya**  
*Director*  
(DIN: 07970640)

## ANNEXURES TO THE BOARD'S REPORT

### Annexure-C

#### DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDED RULES, 2016:

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of employees of the Company for the financial year	Name of the Director	Ratio
		Shri Rama Shankar Gupta	26:1
		1. Apart from Managing Director, no director is in receipt of any remuneration from the Company.	
		2. Sitting Fees paid to the Directors have not been considered as remuneration.	
2.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	3. Figures have been rounded off wherever necessary.	
		Shri Rama Shankar Gupta	NIL
		Shri Ajay Bhuwania	NIL
		Shri Amit Agrawal *	NA
3.	The percentage increase in the median remuneration of employees in the financial year	Shri Bharat Agarwal	
		49.52%	
3.	The percentage increase in the median remuneration of employees in the financial year	In the financial year, there was an increase of 9.73% in the median remuneration of employees.	
4.	The number of permanent employees on the rolls of Company	There were 209 permanent employees on the rolls of the Company as on March 31, 2023.	
5.	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 percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	i) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23: 9.70%	
		ii) Average percentage increase in the salaries of managerial personnel in the financial year 2022-23: NIL	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Nomination and Remuneration Policy of the Company.	

\* Shri Amit Agrawal was appointed as Chief Financial Officer of the Company w.e.f. December 7, 2022. So, percentage increase in his remuneration is not applicable during the period under review.

## ANNEXURES TO THE BOARD'S REPORT (Contd.)

Statement containing list of top 10 employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company and Directors is furnished hereunder:

Sl. No.	Name	Designation / Nature of Duties	Remuneration Received (in ₹) (per annum)	Nature of Employment and other terms	Qualification	Experience (in years)	Age (in years)	Date of commencement of employment	Last employment held and Designation	% of Equity Shares held by the employee in the Company
1.	Mr. Rama Shankar Gupta	Chairman and Managing Director	48,72,000	As per Board's Resolution duly approved by the shareholders	MBA- Finance and Marketing	26	53	15/11/2022	Adhunik Corporation Limited as Chief Financial Officer	NIL
2.	Mr. Dinesh Pathak	GM-Marketing	22,20,000	Permanent	Commerce Graduate	29	51	17/01/2022	Kamdhenu Limited (AGM-Marketing)	NIL
3.	Mr. Chatar Singh	AGM-Production	22,11,200	Permanent	B.A.	40	61	08/11/2005	Usha Martin Limited as Manager	NIL
4.	Mr. Ajay Kumar Khandelwal	Senior VP Marketing & Communication	21,01,374	Permanent	M. Com, LLB	38	63	23/11/2020	Shyam Sel & Power Limited as VP-Sales & Marketing	NIL
5.	Mr. Bharat Agarwal	Company Secretary (CS)	15,27,637	Permanent	FCA, FCS	17	39	01/04/2010	Adhunik Corporation Limited as Manager	NIL
6.	Mr. Keshav Kishore Sharma	DGM-Purchase	11,64,158	Permanent	B. Com	31	52	11/12/2020	Maithan Alloys Limited as AGM-Commercial	NIL
7.	Mr. Prasenjit Ghosh	DGM-Sales & Marketing	11,31,464	Permanent	B. Com	21	52	15/01/2021	Gagan Ferrotech Limited as DGM-Sales & Marketing	NIL
8.	Mr. Rahul Singh	Head- Brand & Corporate Communication	11,24,921	Permanent	Graduate in Commerce and Jewellery	28	50	09/09/2021	Sarachi Group (Head Brands & Corporate Communication)	NIL
9.	Mr. Raj Kumar Singhal	Officer in Charge-Despatch	10,32,328	Permanent	B. Com	22	47	01/08/2018	-	NIL
10.	Mr. Baljeet Singh	Assistant General Manager-Electrical	10,28,716	Permanent	B. Tech., MBA	32	54	04/09/2005	Usha Martin Limited as Senior Manager-Electrical	NIL

### Notes:

- 1) The employees have adequate experience to discharge responsibilities assigned to them.
- 2) None of the above mentioned persons are relatives of Directors of the Company.

### For and on behalf of the Board

**Registered office**  
14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-  
**Rama Shankar Gupta**  
Chairman and Managing Director  
(DIN: 07843716)

Sd/-  
**Sanjay Kaloya**  
Director  
(DIN: 07970640)

## ANNEXURES TO THE BOARD'S REPORT

### Annexure-D

#### Form No. MR - 3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]*

To,

The Members,

#### **INCREDIBLE INDUSTRIES LIMITED**

14, N. S. Road, 2nd Floor,

Kolkata-700 001, West Bengal

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INCREDIBLE INDUSTRIES 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.
2. Based on our verification of the Company 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 31<sup>st</sup> 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:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:
  - i) The Companies Act, 2013 (the Act), amendments thereof and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

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

  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

**We further report that** having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the following specific applicable laws as identified by the Company.



## ANNEXURES TO THE BOARD'S REPORT (Contd.)

- a) Factories Act, 1948,
- b) Industrial Dispute Act, 1947,
- c) Payment of Wages Act, 1936 and other applicable labour laws,
- d) Environment (Protection) Act, 1986 and other environment laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and to the extent amended and notified from time to time.
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited.

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

### **We further report that**

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

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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

**We further report that** during the audit period, the Adjudicating Officer passed an adjudication Order dated May 13, 2022 u/s 15-I of Securities And Exchange Board Of India Act, 1992, read with Rule 5 of SEBI (procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 pursuant to adjudication proceedings initiated in the matter of suspected shell companies, imposing a penalty of ₹ 7,00,000/- (Rupees Seven Lakhs Only) on the Company. The enforcement of this order is subject to the outcome of Civil Appeal No. 4741 of 2021 titled SEBI vs. Suzlon Energy Ltd & Anr pending before the Hon'ble Supreme Court and the matter is still pending as on date.

**We further report that** the Company has made an intimation to Stock Exchange under Schedule III (Part A) (6) of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a material event.

**We further report that** during the audit period the company has obtained approval of shareholders through postal ballot on 26.05.2022 as per postal ballot notice dated 25.04.2022 for approval for material related party transactions for F.Y. 2022-23.

**We further report that** during the audit period, the Company had obtained approval of shareholders at the Annual General Meeting held on 21st September, 2022 for the following matters;

1. Re-appointment of Mrs. Sonam Agarwal (DIN: 08054202) as an Independent Woman Director for Second term of five consecutive years with effect from 12th February, 2023.
2. Re-appointment of Mr. Rama Shankar Gupta (DIN: 07843716) as Managing Director of the Company for a period of three years with effect from 15th November, 2022.
3. Approval of Material Related Party Transaction(s) for F.Y. 2023-24.

This Report is to be read with our letter of even date which is annexed "**Annexure A**" and forms an Integral Part of this Report.

**For MR & Associates**

Company Secretaries

A Peer Reviewed Firm

Peer Review Certificate No.: 720/2020

Sd/-

**[CS Urvi Sanghvi]**

Partner

ACS No.: A60185

C P No.: 25788

UDIN No.: A060185E000381968

Place : Kolkata

Date : 29.05.2023

**ANNEXURES TO THE BOARD'S REPORT** (Contd.)**"ANNEXURE - A" TO THE SECRETARIAL AUDIT REPORT  
(FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>MARCH, 2023)**

To,  
The Members,  
**INCREDIBLE INDUSTRIES LIMITED**  
14, N. S. Road, 2nd Floor,  
Kolkata-700001  
West Bengal

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said provisions is the responsibility of the management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said provisions of the Act. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. 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.

**For MR & Associates**

*Company Secretaries*

A Peer Reviewed Firm

Peer Review Certificate No.: 720/2020

Sd/-

**[CS Urvi Sanghvi]**

*Partner*

ACS No.: A60185

C P No.: 25788

UDIN No.: A060185E000381968

Place : Kolkata  
Date : 29.05.2023

## ANNEXURES TO THE BOARD'S REPORT

### Annexure - E

#### Form No. 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 sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

- Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2022-23.
- Details of material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any
1	Adhunik Corporation Limited (Enterprise over which KMP/ Shareholders/ Relatives have significant influence)	Purchase of Raw Materials & Sale of Finished Goods / By-Product	FY 2022-23	Purchase of Billets and sale of Misroll, Wastage, End-cutting etc. at arm's length basis (For details of amount of transactions during the year refer, Note no. 32 (b) of Audited Financial Statements.)

#### Notes:

- Shareholders' approval was taken by way of Ordinary Resolution passed through Postal Ballot on 26<sup>th</sup> May, 2022 considering that above contracts / transactions are material in nature as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Approval of the Audit Committee was taken for all of these transactions.

#### For and on behalf of the Board

**Registered office**  
14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-  
**Rama Shankar Gupta**  
*Chairman and Managing Director*  
(DIN: 07843716)

Sd/-  
**Sanjay Kaloya**  
*Director*  
(DIN: 07970640)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. ECONOMIC OVERVIEW:

#### i. INDIAN ECONOMY

Steel is one of the world's most innovative and essential materials. Steel is infinitely recyclable and exceptionally strong and offers an array of sustainable benefits. Since it is produced in every region of the world, steel generates jobs and economic growth. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels. Indian steel industry is classified into three categories - major producers, main producers and secondary producers.

Steel is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used.

India is the world's second-largest producer of crude steel. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. Between April-December 2022, India's finished steel consumption stood at 75.34 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively. In FY23 (until January 2023), the exports and imports of finished steel stood at 5.33 MT and 5.00 MT, respectively. In FY22, exports and imports of finished steel stood at 13.49 MT and 4.67 MT, respectively. In FY22, India's export rose by 25.1% YoY, compared with FY21 i.e. 9.49 MT of finished steel.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030-2031. By 2030-31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030-2031. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

#### ii. GLOBAL ECONOMY

**World Steel Association** provided a comprehensive overview of steel industry activities, stretching from crude steel production to apparent steel use, from indications of global steel trade flows to iron ore production and trade. The World Steel Association has released its Short Range Outlook (SRO) steel demand forecast for 2023 and 2024. World Steel forecasts that this year, demand will see a 2.3% rebound to reach 1,822.3 million tonnes (Mt). Steel demand is forecast to grow by 1.7% in 2024 to reach 1,854.0 Mt. Manufacturing is expected to lead the recovery, but high interest rates will continue to weigh on steel demand. Next year, growth is expected to accelerate in most regions, but deceleration is expected in China.

China produced 95.7 Mt in March 2023, up 6.9% on March 2022. India produced 11.4 Mt, up 2.7%. Japan produced 7.5 Mt, down 5.9%. The United States produced 6.7 Mt, down 2.1%. Russia is estimated to have produced 6.6 Mt, up 0.4%. South Korea produced 5.8 Mt, up 1.9%. Germany is estimated to have produced 3.3 Mt, down 0.5%. Brazil produced 2.7 Mt, down 8.7%. Türkiye produced 2.7 Mt, down 18.6%. Italy produced 2.2 Mt, up 2.7%. Africa produced 1.4 Mt in March 2023, up 8.4% on March 2022. Asia and Oceania produced 124.8 Mt, up 4.1%. The EU (27) produced 11.9 Mt, down 5.6%. Europe, Other produced 3.5 Mt, down 14.1%. The Middle East produced 3.1 Mt, down 17.5%. North America produced 9.3 Mt, down 2.6%. Russia & other CIS + Ukraine produced 7.6 Mt, up 3.0%. South America produced 3.5 Mt, down 7.6%.

For the future, structural changes in a post-pandemic world will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitisation and automation, infrastructure initiatives, reorganisation of urban centres, and energy transformation. All at the same time as the

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT** (Contd.)

industry is responding to the need to produce low-carbon steel.

(Source: World Steel Association)

### **B. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Iron and steel sector is the backbone of an economy. It is one of the primary vehicles of economic development of a country. The per capita production and consumption of steel is the index of the depth of a country's economic infrastructure. Increase in the use of iron and steel leads to infrastructural development and rapid industrialization of the country.

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during 2018 and 2019, from its 3rd largest status in 2017. In a de-regulated, liberalized economic/market scenario like India, the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.

In this role, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement.

Steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investment (FDI) inflows of US\$ 17.22 billion in the period April 2000-December 2022.

Some of the major investments in the Indian steel industry are as follows:

- In a move towards becoming self-reliant, Indian steel companies have started boosting steel production capacity. To this end, SAIL announced doubling of 5 (Five) of its steel plants capacity in September, 2020.
- The production capacity of SAIL is expected to increase from 13 MTPA to 50 MTPA in 2025 with total investment of US\$ 24.88 billion.
- Tata Steel is planning to set up more scrap-based facilities that will have a capacity of at least a billion tonnes by 2025.
- Tata Steel announced to invest ₹ 8,000 crore (US\$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- Arcelor Mittal announced to invest ₹ 1 lakh crore (US\$ 13.48 billion) in Gujarat for capacity expansion.
- Tata Steel announced to invest ₹ 3,000 crore (US\$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In a virtual roundtable conference organised by the Indian Chamber of Commerce, Mr. Shin Bongkil, the South Korean Ambassador to India, announced that POSCO, the South Korean steel giant, is planning to set up an integrated steel plant in Odisha at an investment of US\$ 12 billion, which would make it the country's biggest FDI project.
- 67 applications from 30 companies have been selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of ₹ 42,500 crore (US\$ 5.19 billion) with a downstream capacity addition of 26 million tonnes and employment generation potential of 70,000.
- In September, 2022, Steel Authority of India Limited (SAIL), a Maharatna PSU, supplied 30,000 tonnes of the entire DMR grade specialty steel for the nation's first indigenously built Aircraft Carrier INS Vikrant.
- Tata Steel announced a CAPEX of ₹ 12,000 crore (US\$ 1.50 billion) and recently signed an MoU with Punjab Government to set up a steel scrap based electric arc furnace steel plant.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

- JSW Steel invested Rs. 150 billion (US\$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- Jindal Steel & Power Ltd. announced plans to invest US\$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.

### C. GOVERNMENT INITIATIVES:

The Government of India is aiming to scale up steel production in the country to 300 million tonnes (Mt) by 2030-31. Some of the recent Government initiatives in this sector are as follows:

- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- In June 2021, Minister of Steel & Petroleum & Natural Gas, Mr. Dharmendra Pradhan addressed the webinar on 'Making Eastern India a manufacturing hub with respect to metallurgical industries', organised by the Indian Institute of Metals. In 2020, 'Mission Purvodaya' was launched to accelerate the development of the eastern states of India (Odisha, Jharkhand, Chhattisgarh, West Bengal and the northern part of Andhra Pradesh) through the establishment of an integrated steel hub in Kolkata, West Bengal. Eastern India has the potential to add >75% of the country's incremental steel capacity. It is expected that of the 300 MT capacity by 2030-31, >200 MT can come from this region alone.
- In January, 2021, the Ministry of Steel, Government of India, signed a memorandum of Cooperation with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India-Japan Steel Dialogue.
- Government introduced Steel Scrap Recycling Policy to reduce import.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisaged 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of ₹ 200 crore (US\$ 30 million).
- In addition, enhanced outlays for key sectors such as defence services, railways, roads, transport and highways would provide impetus to steel consumption.
- Under the Union Budget 2023-24, the government allocated ₹ 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.
- In addition, an investment of ₹ 75,000 crore (US\$ 9.15 billion) (including ₹ 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

(Source: India Brand Equity Foundation)

*Your Company is engaged in the production of TMT bars and Wire Rods which are mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for TMT and Wire Rods in particular is influenced by the price & availability of raw materials.*

### D. OPPORTUNITIES AND THREATS:

The outlook for the global economy were mostly positive with growth picking up in the US, India and Southeast Asia, while several emerging markets are experiencing a deceleration in growth. Further, countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world. The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

more diverse and global. The businesses that ride the next wave of growth will be those that understand the trends and refine their strategies, business models and portfolios according to a truly global mind-set. The steel producers must find the right balance between globalization and customization.

The steel industry is faced with dwindling investments, financial market turbulence and geopolitical conflicts in many developing regions. The industry's low-growth outlook will persist until other developing regions of sufficient size and strength can support another major growth cycle. India has always been seen as a potential for significant steel market expansion. There have been various forecasts at different points, raising expectation of the steel industry and investors about growth prospects of the industry.

India has enormous scope and untapped potential to increase steel consumption in almost all sectors, especially in automobiles, engineering industries and infrastructure development. The consumption of steel per capita in India in last five years is much lower compared to the global average leaving significant headroom for growth. Growing investments for infrastructure, rapid growth in the industrial sector, increase in urban population and strengthening of rural steel market can raise the country's per capita steel consumption considerably. India's GDP growth is likely to move higher in the coming years due to compulsive focus by policy makers for development of infrastructures & other sectors.

### E. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. The Company is mainly involved in the production of steel related rolled products only.

### F. FUTURE OUTLOOK:

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. As per Ministry of Steel, Government of India, the per capita finished steel consumption in 2020 was 228 Kg for world and 691 Kg for China. The same for India was 70 Kg (Source JPC) in 2020-21. So, there is much potential in Indian steel industry in terms of home consumption itself.

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario. The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

As per Indian Steel Association (ISA), steel demand will grow in coming years. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

### G. RISKS AND CONCERNS:

The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the company to identify, categorize and prioritize operational, financial and strategic business risks. Across the organization, there are teams responsible for these processes who report to the management. The risks are prudently evaluated and necessary preventive steps or actions are taken to mitigate these probable risks.

In the context of the steel operations, although our country has rich and abundant resources of the key inputs for steel making, namely iron ore and coal, the mining sector in the country has witnessed severe obstacles in the past few years on account of regulatory and environmental issues, which has severely affected the development and opening up of new mines. The biggest challenges before any steel company remain to be the tie up of interrupted supplies of coal and iron ore on one hand and the fear of glut of cheap imports from countries like China, Korea and Japan on the other.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT *(Contd.)*

Risk Management comprises of three key components as below:

- i) Risk Identification
- ii) Risk assessment and its mitigation
- iii) Risk monitoring and its assurance

Your Company has identified the following aspects as the major risks for its operations:

### **i. Industry Risk**

Demand is dependent on general economic conditions. A downturn can affect business and earnings. The low per capita steel consumption in India coupled with a large population base provides significant growth opportunities to the iron and steel industry. The urgent need towards infrastructure creation and surging consumption growth are visible opportunities that will drive iron and steel demand.

### **ii. Raw Material Risk**

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. Further, the requirements can partly be mitigated by supply from the related companie(s).

### **iii. Regulatory Risk**

The Company's business could be affected by potential regulatory and judicial actions.

### **iv. Operational Risk**

The Company's business is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Mismatches between trends in prices of raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect its profitability. Further, the industry is highly cyclical and a volatility in steel prices may adversely impact its financial condition. The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. However the Company aims to mitigate these risks through development of well-structured processes for effective project planning & management.

### **v. Health, Safety and Environment Risk**

Your Company is firmly committed to conservation of natural resources; reduction of emissions and discharges to the environment and preservation of bio-diversity in all its operations.

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is an ISO certified (ISO 9001:2015, 14001:2015 & 45001:2018) organization. Further, there are team of professionals who conducts regular training programs to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation. This is progressively taking the Company towards achieving the target of Zero Accidents. Company continues to adopt best safety practices which have resulted into a reduced accident and severity rate.

## **H. KEY CHALLENGES:**

The constant fluctuations in price of raw materials and weak steel prices have put significant pressure on steel margins. However, steel manufacturers have been working hard to become competitive in other ways. They have been taking several steps to gain more control of their raw material pricing, while cost-cutting has led to production cuts in some regions. Several steel manufacturers are also investing a considerable amount of money into R&D for differentiating their products from other players in the market.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them. The Statutory Auditors of your Company have opined in their report that your Company has adequate internal controls over financial reporting.

### J. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial year 2022-23 is overall a good year for Indian steel makers in spite of several challenges. With the increase in government investments in infrastructure as well as demand from other structural sectors, domestic steel prices have been fetching good prices. Thus, the overall profitability of the Company is increased. The overall state of affairs of the Company keeping in mind the present market scenario of iron and steel industry is satisfactory.

### K. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

As the Company is moving towards consumer centricity, it is vital to keep the people motivated and constantly aligned to the business vision. The Company's human resource philosophy mainly focussed on empowering employees with essential skills and endowed them with aspirations.

Your Company considers its employees as the most valuable resource and ensures the strategic alignment of human resource practices to business priorities and objectives. Your Company strives to provide a conducive and competitive work environment for all its employees to excel and create new benchmarks of work culture, employee engagement, productivity, effectiveness, efficiency and customer delight. Human Resources Department ("HRD") works continuously for maintaining healthy working relationship with the workers and other staff members.

The underlying principle is that workers and staff at all levels are equally instrumental for attaining the Company's goals. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior Management is easily accessible for counselling and redressal of grievances if any. There are 209 number of permanent employees employed in your Company as on 31<sup>st</sup> March, 2023. Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. The HR Department strives to maintain and promote harmony and co-ordination amongst workers, staff and members of the senior management.

### L. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATION:

S. No.	Key Financial Ratios	2022-23	2021-22	Change (%)	Explanation
1	Debtors Turnover (Number of Times)	23.32	11.94	95.31	With the efficient Receivable management Policy, the Company is able to achieve smooth and timely realization of payment from Debtors within allowable credit period and even with the increase in turnover, the Company was able to reduce the outstanding amount of Trade Receivables. Thus, the ratio gets improved.
2	Inventory Turnover (Number of Times)	14.30	12.52	14.23	NA
3	Interest Coverage Ratio (Number of Times)	3.38	3.04	11.14	NA

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

S. No.	Key Financial Ratios	2022-23	2021-22	Change (%)	Explanation
4	Current Ratio (Number of Times)	2.75	3.13	(12.17)	NA
5	Debt Equity Ratio (Number of Times)	0.32	0.33	(3.21)	NA
6	Operating Profit Margin (%)	1.64	2.07	(21.09)	NA
7	Net Profit Margin (%)	0.66	0.66	0.40	NA
8	Return on Net Worth	0.04	0.03	31.65	Due to improvement in profit, the ratio gets improved.

### M. ENVIRONMENT & SAFETY:

Your Company has always believed in an integrated approach for embedding environment in sustainable business goals & has continually focussed on an effective Environmental Management System. The Company has integrated the environmental concerns and decision making towards achieving its goals. It has taken effective steps to spread environmental awareness among its employees and has always encouraged them to work in an environmentally responsible manner to fulfil the environmental commitment of the Company towards its clients, customers & the public. Company has insisted on consistent improvement in the environmental performance by minimizing the social impact and damage to environment by periodically reviewing the environmental policy of the Company in light of its current and planned future activities. Some of the key areas towards fulfilment of its environmental responsibility are management of natural resources, energy management, carbon emission reduction, conservation of water resources & waste management. The Company is committed to provide a safe and healthy workplace to its employees by operating in compliance with all relevant environmental legislation and by adopting the environmental best practices.

### N. CAUTIONARY STATEMENT:

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied in the Report. Important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

### O. DISCLOSURE OF ACCOUNTING TREATMENT:

Indian Accounting Standard (abbreviated as Ind-AS) is the Accounting Standards adopted by your Company as per the requirements of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Organization. Good Corporate Governance leads to long term shareholder's value and enhances interest of other stakeholders.

The Directors present the Company's Report on Corporate Governance pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") entered into with the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Calcutta Stock Exchange Limited (CSE). The information provided in this Report on Corporate Governance is as on March 31, 2023 for the purpose of unanimity. This Report is updated as on the date of the Report wherever applicable. The report containing the details of Corporate Governance systems and processes at Incredible Industries Limited is as follows:

### 1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Company's philosophy on Corporate Governance is to achieve the highest level of transparency, accountability in all of its interactions with its stakeholders including shareholders, employees, lenders and the Government. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. This is demonstrated in shareholder returns, good credit ratings, governance processes and an entrepreneurial performance focused work environment. The Company is always been pro-active to ensure continuing value creation for each of its stakeholders and above all to achieve business excellence with the goal of long-term sustainable development. The Company is committed to transparency in all its dealings and places high emphasis on business ethics.

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher levels. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. At Incredible Industries, our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels.

The Board of Directors and Management of Incredible Industries Limited commits themselves to:

- i. Enhancement of Shareholders Value through prudent and informed decision making in a transparent environment.
- ii. Continuous improvement in systems and processes and review of decision making process through implementation of modern control tools.
- iii. Ensure safety, health and environment management by making it an integral part of the Company's business strategy and to actively promote awareness of safety, health and environment issues throughout the Company and to our business partners.
- iv. Continuous improvement and review of Environment Management Plan (EMP) for all its facilities in order to reduce environmental footprint.

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

- v. Achieve excellence in all activities by implementing Total Productive Maintenance (TPM) with the involvement of all employees to reduce cost, increase productivity and improve quality continuously with the aim of achieving “Zero Failure, Zero Defect and Zero Accident”.
- vi. Ensure that core values of the Company are protected.
- vii. Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meeting of the Board/Committee thereof.
- viii. Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.
- ix. Ensure that the extent to which the information is disclosed to present and potential investors is maximized.

### 2) APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company’s shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established Committees to discharge its responsibilities in an effective manner. IIL’s Company Secretary acts as the Secretary to all Committees. The Chairman and Managing Director (CMD) provides overall direction and guidance to the Board. Concurrently, the CMD is responsible for overall implementation of decisions taken by the Board. In the operations and functioning of the Company, the CMD is assisted by the Directors of the Company.

The Board of Directors (“The Board”) is at the core of our Corporate Governance practice and oversees how the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

### 3) BOARD OF DIRECTORS:

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

In terms of the Company’s Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth and seeks accountability for their fulfillment. The Board of the Company comprises an adequate blend of Executive, Non-Executive and Independent Directors.

#### A) BOARD COMPOSITION

The Board of Directors of the Company have an optimum combination of executive and non-executive directors with two woman directors and not less than fifty percent of the Board of Directors comprising non-executive directors in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Composition of the Board of Directors as on March 31, 2023 is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) and Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has a strength of 6 (Six) Directors as on March 31, 2023. The Board comprises of 1 (One) Executive and 5 (Five) Non-Executive Directors out of which 3 (Three) are Independent Directors including two woman directors and rests are Non-Independent Directors. The Chairman of the company is an executive director as on March 31, 2023.

#### B) ATTENDANCE, DIRECTORSHIP AND COMMITTEE POSITIONS:

The composition and category of Directors on the Board, their attendance at the Board Meeting and at the last Annual General Meeting and the Directorship/ Chairmanship / Membership and/or Chairmanship of Committee of each Director in other companies as on March 31, 2023 are as under:

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

S. No.	Name of Director	DIN	Attendance		Category of Directors	Other Directorship (Other than IIL)			Other committee (Other than IIL)		No. of shares and convertible instruments held	Relationship between directors inter-se
			Board Meeting (2022-23)	Last AGM held on 21/09/22)		Indian Public Companies (Refer Note 3)	Others (Refer Note 4)	Total	Member Ship	Chairman ship		
1	Shri Rama Shankar Gupta (Chairman and Managing Director)	07843716	6	Yes	Non Independent & Executive (Professional)	1	-	1	1	-	-	NA
2	Shri Sanjay Kaloya	07970640	6	Yes	Non Independent & Non- Executive (Professional)	1	-	1	-	-	-	NA
3	Shri Niket Agarwal	07233888	6	Yes	Non Independent & Non-Executive (Professional)	1	2	3	-	-	-	NA
4	Shri Asit Baran Dasgupta	02476594	6	Yes	Independent & Non-Executive	-	-	-	-	-	-	NA
5	Smt. Sonam Agarwal	08054202	6	Yes	Independent & Non-Executive	1	1	2	1	1	-	NA
6	Smt. Shilpi Modi	02706881	6	Yes	Independent & Non-Executive	1	-	1	1	-	-	NA

**NOTE:**

- For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, is included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 is excluded.
- In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee in all public limited companies have been considered.
- Includes Directorships in private companies that are either holding or subsidiary company of a public company.
- Includes Directorships in private limited companies (other than private companies that are either holding or subsidiary company of a public company), foreign entities, companies under Section 8 of the Companies Act, 2013, alternate Directorships and Directorship/Memberships of Managing Committees of various Chambers/ Institutions.
- None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Further, in compliance with Section 165 of the Companies Act, 2013, none of the Directors on the Board hold directorship in more than 20 (Twenty) companies and at the same time with the directorship in public companies not exceeding 10 (Ten). All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other companies in accordance with the Regulation 25 and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
- None of the Directors on the Board holds directorship in more than 7 (Seven) listed entities and also does not serves as an Independent Director of more than 7 (Seven) listed entities during the period under review.
- In accordance with Regulation 25(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the directors is appointed or continue as an alternate director for an independent director of a listed entity during the period under review.
- In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

the Directors proposed to be appointed / re-appointed will be provided in the Notice convening the 43<sup>rd</sup> Annual General Meeting.

10. The directors of the Company do not hold any directorship position in other listed entities as on March 31, 2023.

### C) INDEPENDENT DIRECTORS' INDUCTION, FAMILIARIZATION AND TRAINING:

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires that the Company shall provide suitable training to Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company, latest developments in the Company's business and the external environment effecting the industry as a whole.

In this relation, the Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The Company had been taken the following initiatives for training of its Independent Directors as under-

- a) The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- b) Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- c) The programs / presentations also familiarizes the Independent Directors with their roles, rights and responsibilities.
- d) When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- e) The Company circulates news and articles related to the industry on a regular basis and provide specific regulatory updates from time to time.
- f) At various Board meetings, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, business excellence with areas of improvement and other relevant issue.
- g) Quarterly presentations on operations made to the Board which generally includes information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.
- h) Quarterly results / press release (if any) of the Company are sent to the Directors.

The details of familiarization programs imparted to Independent Director have been placed on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) as required under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and may be accessed at the link <https://www.incredibleindustries.co.in/menu-details.php?cat=corporate-governance&sub=familiarisation-programme-for-independent-directors>

### D) CHART SETTING OUT THE SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS FOR SMOOTH FUNCTIONING OF ITS' BUSINESS:

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The core skills/ expertise/ competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

S. No.	Skill / Expertise/ Competency	Mr. Rama Shankar Gupta	Mr. Sanjay Kaloya	Mr. Niket Agarwal	Mr. Asit Baran Dasgupta	Mrs. Sonam Agarwal	Mrs. Shilpi Modi
1.	<b>Industry Knowledge / Experience</b>						
a.	Industry Experience	•	•	•	•	•	•
b.	Knowledge of Sector	•	•	•	•	•	•
c.	Knowledge of Government / Public Policy	•	•	•	•	•	•
2.	<b>Technical Skills / Experience</b>						
a.	Accounting	•	•	•	•	•	•
b.	Finance	•	•	•	•	•	•
c.	Law	•		•	•	•	•
d.	Marketing Experience	•	•	•			
e.	Public Relations	•	•	•			
f.	IT and Digital outreach	•		•		•	•
g.	Risk Management Systems	•	•	•	•	•	•
h.	Human Resource Management	•	•				
i.	Strategy Development and its Implementation	•	•	•	•		
3.	<b>Governance Competencies</b>						
a.	Strategic Thinking	•	•	•	•	•	•
b.	Governance related Risk Management	•	•	•	•	•	•
c.	Compliance Focus	•		•	•	•	•
d.	Reputation and Branding	•	•	•	•	•	•
4.	<b>Behavioural Competencies</b>						
a.	Ability and Willingness to challenge and probe	•	•	•	•	•	•
b.	Sound Judgement	•	•	•	•	•	•
c.	Integrity and High ethical standards	•	•	•	•	•	•
d.	Mentoring Abilities	•	•		•		
e.	Interpersonal Relations	•	•	•	•	•	•
f.	Listening Skills	•	•	•	•	•	•
g.	Verbal Communication Skills	•	•	•	•	•	•
h.	Willingness and Ability to Devote Time and Energy to the Role	•	•	•	•	•	•

('•' indicates availability of core skills/expertise/ competencies)

### E) INDEPENDENT DIRECTORS (IDs):

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Independent Directors play an important role in the governance process of the Board. The appointment process of Independent Directors is independent of the Company's management. While electing Independent Directors, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

functions and duties effectively.

The Company had issued a formal letter of appointment to the Independent Director. The sample terms and conditions of appointment of independent director is available on company's web link <https://www.incredibleindustries.co.in/download/21526555897.pdf>.

All the Independent Directors of the Company furnished a declaration at the time of their appointment as well as at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director, they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the requisite declarations were placed before the Board.

The Board confirms that in its opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

None of the Independent Director of the Company have resigned before the expiry of his/her tenure during the period under review.

### F) SELECTION OF NEW DIRECTORS:

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the Nomination and Remuneration Committee, which consists mostly of Independent directors. The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Nomination and Remuneration Committee makes recommendations to the Board on the induction of new directors.

### G) PERFORMANCE EVALUATION:

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The criteria for evaluation of Directors inter alia includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, team work abilities, achievements, understanding and awareness, integrity, ethics, value and openness.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors (including Independent Directors), the board and various Board Committees on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

Further as per amended Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the entire Board of Directors shall evaluate and review the performance of Independent Directors and fulfillment of the independence criteria as specified in these regulations and their independence from the management provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

### H) MEETING OF INDEPENDENT DIRECTORS:

As required by Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the Independent Directors met on February 8, 2023 without the presence of the Chairman and Managing Director, CFO, the Non-Executive Non Independent Directors and the Management Team. In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated,



## **REPORT ON CORPORATE GOVERNANCE** (Contd.)

taking into account the views of executive directors and non-executive directors. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board.

The Independent Directors hold a unanimous opinion that the non-independent Directors including Chairman and Managing Director are actively participating in the proceedings of the meeting and provides the vision, mission and goals of the organization. He is very much committed in setting the strategic directions and also guiding the organization's functions according to the agreed policy and strategy. Due to his valuable suggestions and constant support, the Board will take the appropriate decisions for the benefit and growth of the Company in a planned manner. He has abundant knowledge, experience, skills and understanding of the Board's functioning. He is actively handling all the day to day affairs of the Company in an efficient manner and under his dynamic leadership, the Company is able to achieve its desired goals in a planned manner.

### **I) CODE OF CONDUCT OF INDEPENDENT DIRECTORS:**

As per the provisions of Section 149(8) of the Companies Act, 2013, the Company and Independent Directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company and the same has also been posted on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) at the web link <https://www.incredibleindustries.co.in/download/21533540958.pdf>.

### **J) BOARD BUSINESS:**

The normal business of the Board, *inter-alia* includes:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and remuneration of board of directors with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- f. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing board of director's evaluation framework.

Other responsibilities of Board *inter-alia* includes:

- a. To provide strategic guidance to the listed entity, ensure effective monitoring of the management and should be accountable to the listed entity and the shareholders.
- b. To set a corporate culture and the values by which executives throughout a group will behave.
- c. To act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- d. To encourage continuing directors training to ensure that the members of the board of directors are kept up to date.

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

- e. Where decisions may affect different shareholder groups differently, the Board treats all shareholders fairly.
- f. To maintain high ethical standards and take into account the interests of stakeholders.
- g. To exercise objective independent judgement on corporate affairs.
- h. To consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- i. To ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- j. To be able to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- k. When committees of the board are established, their mandate, composition and working procedures are well defined and disclosed by the board.
- l. To be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, members of the board of directors have access to accurate, relevant and timely information.
- n. The Board and senior management facilitate the Independent Directors to perform their role effectively as a member of the board of directors and also as a member of a committee of board of directors.

### K) CODE OF CONDUCT:

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company's Code of Conduct, adopted by the Board of Directors is applicable to all the Board members and all employees of the Company. The Code of Conduct is posted on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and on the web link <https://www.incredibleindustries.co.in/download/21592457630.pdf>. The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

All members of the Board, the executive officers and senior management officials have affirmed compliance to the Code of Conduct as on March 31, 2023.

A declaration by the Managing Director/CEO is attached and forms part of the Annual Report of the Company.

No employee including key managerial personnel or director or promoters have enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the company as per Regulation 26(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### L) BOARD MEETINGS AND ITS AGENDA:

During the FY 2022-23, 7 (Seven) Board meetings were held on April 20, 2022, May 26, 2022, August 8, 2022, November 10, 2022, December 7, 2022, February 8, 2023 and March 30, 2023 as per the statutory requirements. The maximum time gap between any two consecutive meetings did not exceeds the prescribed time limits. The Chairman and Managing Director makes presentation on the quarterly and annual operating and financial performance and annual operating and capex budget before the Board. Post meetings, important decisions taken by the Board are communicated to the concerned officials and departments.

## **REPORT ON CORPORATE GOVERNANCE** (Contd.)

In compliance with Regulations 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

### **a) Scheduling and selection of agenda items for Board Meetings:**

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) The meetings are usually held at the Company's Corporate Office at 2/1A, Sarat Bose Road, "Lansdowne Towers" 6<sup>th</sup> Floor, Kolkata-700 020.
- iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board / Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman and majority of directors, may bring up any matter for the consideration of the Board.
- iv) In case of business exigencies, the Boards approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.
- v) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Chairman and Managing Director and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.

### **b) Agenda papers distributed in advance:**

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda with the consent of majority of the directors including at least one independent director. In exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

### **c) Recording of Minutes of Proceedings at Board/Committee Meetings:**

The Company Secretary records the minutes of the proceedings of each Board / Committee meeting. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are entered in the minutes book within 30 days from the conclusion of the meeting. Within 15 days of signing of the minutes, a copy of said signed minutes, certified by the Company Secretary shall be circulated to all the directors except to those who waived their right to receive the same.

### **d) Post Meeting Follow Up Mechanism:**

The guidelines for Board and Committee meetings facilitate an effective post meeting follow up, review and reporting process of the decisions taken by the Board and Board Committee(s) thereof. The important decisions taken by the Board/Committees are communicated to the respective departments/division concerned promptly. Action taken report on the decisions/minute of the previous meeting(s) is placed at the meeting of the Board/Committee for their noting.

## **4) COMMITTEES OF THE BOARD:**

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

The Board's Committee(s) plays crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concerns the Company and need a closer review. They are set up under

## REPORT ON CORPORATE GOVERNANCE (Contd.)

the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has various Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Management and Finance Committee during the FY 2022-23. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

### A) AUDIT COMMITTEE

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

During the year under review, 7 (Seven) meetings of the Audit Committee were held on April 20, 2022, May 26, 2022, August 8, 2022, November 10, 2022, December 7, 2022, February 8, 2023 and March 30, 2023. The maximum time gap between any two consecutive meetings did not exceeds the prescribed time limits. Moreover, the quorum of minimum 2 (Two) Independent Directors, as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year. The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Asit Baran Dasgupta	Chairman
2.	Shri Rama Shankar Gupta	Member
3.	Smt. Sonam Agarwal	Member
4.	Smt. Shilpi Modi	Member

#### a) Attendance record of Audit Committee:

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Asit Baran Dasgupta (Chairman)	Independent Non-Executive	7	7
Shri Rama Shankar Gupta	Non Independent Executive	7	7
Smt. Sonam Agarwal	Independent Non-Executive	7	7
Smt. Shilpi Modi	Independent Non-Executive	7	7

Mr. Asit Baran Dasgupta is the Chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. Statutory Auditors, Internal Auditors and the Chief Financial Officer of the Company are generally permanent invitees to Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process with a view to ensuring accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting.

#### b) Powers of The Audit Committee:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal and professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### c) The Role / Terms of reference of Audit Committee Includes:

The terms of reference of Audit Committee are as follows:

- Oversight 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;

## **REPORT ON CORPORATE GOVERNANCE** (Contd.)

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity and if required the replacement or removal of auditors of the Company;
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; and
  - 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 utilization of proceeds of a public 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 and to grant omnibus approval for related party transactions which are in ordinary course of business and on arm's length pricing basis subject to the approval of the Board;
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 internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors 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 the 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;

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

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. The committee shall review the compliances in regard to the provisions of regulation 9 and 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018 at least once in a Financial year and verify that the system of internal control are adequate and are operating effectively.
23. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

In addition to the above, the Audit Committee also mandatorily reviews the following:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor
- Statement of deviations in terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (if applicable).

### B) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("the Committee") shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statute, rules and regulations which the Committee deems relevant, make recommendations to the Board of Directors in respect to the appointment, reappointment and resignation of Independent, Executive and Non-Executive Directors of the Company, ensure 'fit and proper' status of the existing/proposed Directors of the Company in accordance with SEBI Circulars on Corporate Governance, issued from time to time, and other matters specified.

The details of composition of Nomination and Remuneration Committee are as under-

S. No.	Name	Chairman / Member
1	Smt. Sonam Agarwal	Chairman
2	Smt. Shilpi Modi	Member
3	Shri Sanjay Kaloya	Member

The Committee shall meet at least once in a year.

#### a) The Role / Terms of reference of Committee Includes:

The terms of reference of the Nomination and Remuneration Committee, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as follows:

1. Formulate 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,

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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 Independent Directors and the Board;
  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. Identify 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.
  7. Consider any other matters referred to the Committee by the Board.

Nomination and Remuneration Committee shall also lay down a chart/matrix listing the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the company's business(es) and sectors for the Board to function effectively and those actually available with the Board.

2 (Two) meeting of the Committee was held during the financial year on August 8, 2022 and December 7, 2022.

### b) Attendance record of Nomination and Remuneration Committee:

Name of the Member	Category	Number of meetings	Meetings attended
Smt. Sonam Agarwal (Chairman)	Independent Non-Executive	2	2
Smt. Shilpi Modi	Independent Non-Executive	2	2
Shri Sanjay Kaloya	Non Independent Non-Executive	2	2

Mr. Bharat Agarwal, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

### C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee shall act in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Stakeholders Relationship Committee ('the Committee') comprised of 3 (Three) members including one Independent Director. The details of composition of the Stakeholders Relationship Committee are as under:-

Sl. No.	Name	Category	Chairman/ Members
1.	Shri Sanjay Kaloya	Non Independent Non-Executive	Chairman
2.	Shri Rama Shankar Gupta	Non Independent Executive	Member
3.	Smt. Sonam Agarwal	Independent Non-Executive	Member

#### a) Terms of Reference:

The terms of reference of Stakeholders Relationship Committee shall, inter-alia, include the following:

1. The Committee shall specifically look into various aspects of interest and resolve the grievances of shareholder, debenture holder and other security holders.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

2. The committee shall resolve 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.
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Further, Shri Sanjay Kaloya, Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting held on September 21, 2022 to answer queries of the security holders.

Also, the Stakeholders Relationships Committee shall meet at least once in a year.

1 (one) meeting of Stakeholders Relationship Committee held during the financial year 2022-23 on February 8, 2023.

### b) Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2023	Nil
Number of complaints not solved to the satisfaction of shareholders	NA
Number of complaints pending as on 31st March, 2023	Nil

E-mail ID earmarked for redressing Investors queries in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in)

Mr. Bharat Agarwal, Company Secretary acts as the Secretary and compliance officer to the Stakeholders Relationship Committee.

## D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

With the issuance of Companies (Amendment) Act, 2020 by the Ministry of Corporate Affairs, Government of India, Section 135(9) was introduced in the Companies Act, 2013 which is effective from 22<sup>nd</sup> January, 2021.

As per Section 135(9) of the Companies Act, 2013,

*"Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company."*

Since, the amount required to be spent by our Company during FY 2021-22 was much below the prescribed limit of rupees Fifty Lacs in terms of Section 135(9) of the Companies Act, 2013, the Board of Directors of the Company had decided that the duties of Corporate Social Responsibility Committee of the Company can be performed by the Board of Directors itself. So, the Board of Directors had decided to discontinue the Corporate Social Responsibility Committee of the Board of Directors of the Company with effect from June 28, 2021. The amount required to be spent on Corporate Social Responsibility during the FY 2022-23 was also below the prescribed limit of rupees Fifty Lacs in terms of Section 135(9) of the Companies Act, 2013, so the formation of Corporate Social Responsibility Committee is also not required during the FY-2022-23.

## E) MANAGEMENT AND FINANCE COMMITTEE:

The Company has also constituted a Management and Finance Committee.

### a) Terms of Reference:

Following are the major terms of reference of the Committee:



## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

1. Reviewing the management and take decision regarding taking further loans, equipment finance, car loans for employees and/or other financial assistance.
2. Opening and closure of Bank Account(s) as and when required.
3. Reviewing financial and risk management policies.
4. To sub-delegate any of the powers of the Committee to the Managing Director, Directors/or the Key Managerial Personnel.
5. To look after and supervise the keeping and maintaining of the records to be kept and maintained under the provisions of the Companies Act and/or other legislation governing the affairs of the Company and ensure compliance with the provision of such law and to do all such acts, deeds and things as may be necessary or expedient to ensure compliance with such laws and also to appear and represent the Company before any Officer or authority appointed under any such laws for the time being in force.

The Management and Finance Committee ('the Committee') comprised of 3 (Three) members of which all are Non-Independent Director. The details of composition of the Management and Finance Committee are as under:-

Sl. No.	Name	Chairman/ Members
1.	Shri Rama Shankar Gupta	Chairman
2.	Shri Sanjay Kaloya	Member
3.	Shri Niket Agarwal	Member

No meeting of Management and Finance Committee was held during financial year 2022-23.

### (5) REMUNERATION OF DIRECTORS:

#### a) Remuneration Policy:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management, details of which forms part of the Directors' Report.

The Nomination and Remuneration Policy as approved by the Board is uploaded on the Company's website at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the link <https://www.incredibleindustries.co.in/download/21592457707.pdf>.

#### b) Details of remuneration paid/payable to the Directors during the financial year 2022-23:

The Company has paid managerial remuneration by way of salary to its Managing Director only and the same is within the limits specified under Schedule V of the Companies Act, 2013 and duly approved by the Board / shareholders of the Company.

#### Remuneration paid to the Directors

(Figures in ₹)

Particulars of Remuneration	Name of Directors						Total
	Rama Shankar Gupta	Sanjay Kaloya	Niket Agarwal	Shilpi Modi	Sonam Agarwal	Asit Baran Dasgupta	
Salary	48,72,000	-	-	-	-	-	48,72,000
Benefits	-	-	-	-	-	-	-
Bonuses	-	-	-	-	-	-	-
Sitting fees of all Board and Committee Meetings	-	60,000	60,000	90,000	90,000	90,000	3,90,000
Stock Options	-	-	-	-	-	-	-

**REPORT ON CORPORATE GOVERNANCE** (Contd.)

Particulars of Remuneration	Name of Directors						Total
	Rama Shankar Gupta	Sanjay Kaloya	Niket Agarwal	Shilpi Modi	Sonam Agarwal	Asit Baran Dasgupta	
Pension	-	-	-	-	-	-	-
Details of fixed component	-	-	-	-	-	-	-
Performance linked incentives	-	-	-	-	-	-	-
Performance criteria	-	-	-	-	-	-	-
Service Contracts	-	-	-	-	-	-	-
Notice Period	As per terms of contract	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-
Details of stock option (if any)	-	-	-	-	-	-	-
Whether Option issued at a discount	-	-	-	-	-	-	-
Period over which option accrued/exercisable	-	-	-	-	-	-	-

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company, except to the extent of their shareholding, if any, in the Company.

**c) Criteria of making payment to Non-Executive directors:**

The Company is making payment of sitting fees only to Non-Executive directors for Board Meeting and Audit Committee Meeting within the limits prescribed under Companies Act, 2013 for payment of sitting fees without approval of Central Government. Thus, requirement of obtaining approval of shareholders in general meeting shall not apply.

**6) GENERAL BODY MEETINGS:****A) Details of Previous Annual General Meeting:**

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Number of special resolutions passed
2021-22	September 21, 2022	02:30 pm	Through Video Conferencing / Other Audio Visual Means ("VC/OAVM")	1) Re-appointment of Mrs. Sonam Agarwal (DIN: 08054202) as an Independent Woman Director for second term of five consecutive years.
2020-21	September 16, 2021	02:30 pm	Through Video Conferencing / Other Audio Visual Means ("VC/OAVM")	0
2019-20	September 29, 2020	02:30 pm	Through Video Conferencing / Other Audio Visual Means ("VC/OAVM")	1) Increase the limits of borrowing under Section 180(1)(c) of the Companies Act, 2013 not exceeding the amount of ₹ 600.00 Crores. 2) Approval of power to create charges, mortgages, hypothecation on the assets of the Company to secure borrowings up to ₹ 600.00 Crores under Section 180(1)(a) of the Companies Act, 2013.

All resolutions passed at the preceding Annual General Meeting were passed by the requisite majority of shareholders.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### B) Postal Ballot:

During the financial year 2022-23, a postal ballot notice dated April 20, 2022 was issued to the shareholders of the Company for approval of material Related Party Transaction(s) for the FY-2022-2023. However, no Special Resolution was proposed for approval of shareholders of the Company through postal ballot.

The Board had appointed Mr. Mohan Ram Goenka, the Practicing Company Secretary, as scrutinizer, who had conducted the postal ballot exercise in accordance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The postal ballot was conducted in accordance with the provision of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, ('the Rules'), General Circular Nos 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 and 20/2021 issued by the Ministry of Corporate Affairs ("MCA") dated April 08, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021 and December 08, 2021 respectively, ("MCA Circulars"), including any statutory modification or re-enactment hereof for the time being in force and subject to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Secretarial Standard - II on General Meetings ("SS-II") issued by the Institute of the Company Secretaries of India and any other applicable laws and regulations. The Shareholders were provided the facility to vote through remote e-voting. In compliance with the aforesaid provisions and the MCA circulars, the Postal Ballot Notice was sent to all the Members only through email, whose names appear on the Register of Members/ List of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on April 22, 2022 (Cut-Off Date). The hard copy of the Notice along with the Postal Ballot Form and pre-paid business envelope were not sent to the Members for the Postal Ballot Notice in accordance with the requirements specified under the MCA Circulars. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. The Company fixed a cut-off date to reckon the number of paid-up value of equity shares registered in the name of shareholders for the purpose of e-voting. Shareholders had casted their votes through remote e-voting during the voting period fixed for this purpose.

The details of the resolution passed by the shareholders through postal ballot and the voting results are as under:

Date of the Postal Ballot Notice: April 20, 2022

Voting period: April 27, 2022 to May 26, 2022

Date of declaration of result: May 26, 2022

Particulars	Type of resolution	Total no. of votes	Total votes cast in favour		Total votes cast against	
			No. of shares	% of votes cast	No. of shares	% of votes cast
Approval of Material Related Party Transaction(s) for the FY- 2022-2023.	Ordinary Resolution	5,795,948	5,795,913	99.9994	35	0.0006

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through postal ballot.

### 7) MEANS OF COMMUNICATION:

#### a) Quarterly Results/ Half Yearly/ Annual Results:

The Quarterly, Half-yearly and Yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

#### b) Newspaper Publications:

The Financial results are regularly submitted to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and published in one English Daily (Business Standard) and one Bengali Daily (Aajkal).

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### c) Website:

For the financial results and other relevant information, shareholders may log on to the website of the Company [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in)

- d) Official News and press release as available are posted on the website of the company [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in). During the year under review, there were no such press releases.
- e) As the company does not have any institutional investors and angel investors, so no presentation made to institutional investors or to the analysts.
- f) **Email id:** investorsail@adhunikgroup.co.in
- g) The Management Discussion and Analysis Report is a part of Annual Report.
- h) As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, it is mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after October 01, 2023 by the RTA. Further, no request for change of address, bank mandates, email, mobile, etc. will be addressed by our RTA unless a service request is made in the prescribed form as mentioned in the aforesaid SEBI circular. A copy of such forms can be downloaded from the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) or of our RTA at [www.mdpl.in](http://www.mdpl.in).

## 8) GENERAL SHAREHOLDERS' INFORMATION:

### a) AGM DETAILS:

Day and date	Friday, September 29, 2023.
Venue	Through Video Conferencing/ audio visual means
Time	02:30 PM
Book closure dates	23 <sup>rd</sup> September, 2023 to 29 <sup>th</sup> September, 2023 (Both day inclusive)

### b) FINANCIAL YEAR:

The financial year of the Company starts from April 1, 2022 and ends on March 31, 2023.

### c) DIVIDEND:

No dividend had been recommended by the Board during the year under review.

### d) LISTING OF SHARES ON STOCK EXCHANGES WITH STOCK CODE:

Name of the Stock Exchange	Stock code / Symbol
National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex Bandra (E) Mumbai-400 051	INCREDIBLE
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001.	538365
The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001.	10028188
ISIN No.-	INE452L01012

The annual listing fee for the year 2022-23 has been paid to the above stock exchanges.

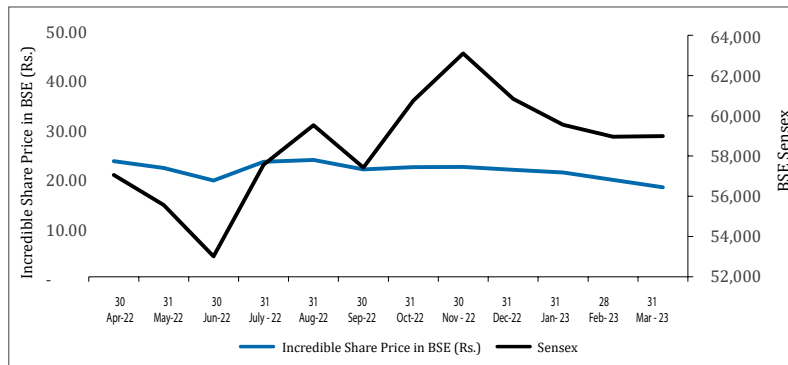
## REPORT ON CORPORATE GOVERNANCE (Contd.)

### e) MARKET PRICE DATA:

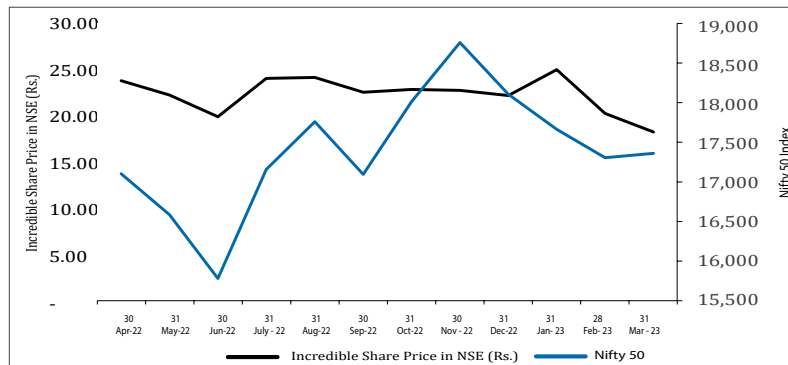
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
April, 2022	25.50	20.75	63,150	25.90	21.00	2,70,853
May, 2022	24.50	19.55	67,824	24.20	20.00	1,70,625
June, 2022	23.10	18.10	36,837	22.95	18.25	1,64,240
July, 2022	23.80	19.00	29,007	24.05	19.30	1,83,283
August, 2022	27.00	22.75	66,858	28.10	22.30	5,06,505
September, 2022	26.80	20.90	43,288	26.35	20.80	3,13,166
October, 2022	27.90	20.10	50,436	26.35	19.30	2,48,480
November, 2022	26.60	20.50	44,789	25.75	20.80	1,95,169
December, 2022	26.90	19.35	78,762	25.95	20.25	4,09,700
January, 2023	32.75	20.85	3,85,231	32.70	21.90	18,87,288
February, 2023	24.25	19.50	54,893	20.85	20.10	2,141
March, 2023	22.00	18.22	23,193	21.25	18.20	1,46,208

Note: The Company's shares are not actively traded presently on Calcutta Stock Exchange Limited, therefore the market price data are not available.

### f) DETAILS OF PERFORMANCE OF INCREDIBLE INDUSTRIES LIMITED IN COMPARISON WITH BSE SENSEX:



### g) DETAILS OF PERFORMANCE OF INCREDIBLE INDUSTRIES LIMITED IN COMPARISON WITH NIFTY:



h) The securities of the Company are not suspended from trading during the period under review.

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

### i) REGISTRAR & SHARE TRANSFER AGENTS:

Maheshwari Datamatics Private Limited.  
23, R. N. Mukherjee Road, 5th Floor  
Kolkata- 700 001  
Tel no. 91-33-22435809/5029  
Fax no. 91-33-22484787  
E-mail- mdpldc@yahoo.com

### j) SHARE TRANSFER SYSTEM:

SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019. Further, SEBI vide Circular dated September 07, 2020 informed that it has been decided to fix March 31, 2021 as the cut-off date for re-lodgement of transfer deeds. Further, the shares that are re-lodged for transfer (including those request that are pending with the listed company / RTA, as on the date of the Circular) shall henceforth be issued only in demat mode.

The Registrars and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

In addition to that, in line with the recent amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition. In accordance with the said Circular, our Registrar and Share Transfer Agent M/s. Maheshwari Datamatics Private Limited shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

Further SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 mandated all holders of physical securities in listed companies to update their KYC by furnishing the following documents/details to the RTA

- Register the PAN through form ISR – 1
- Compulsory linking of PAN and Aadhaar
- Nomination in form SH-13 or cancellation or variation in nomination through Form SH-14
- Declaration to Opt-out Nomination through Form ISR – 3 after cancelling his existing nomination, if any, through Form SH-14
- Bank account particulars through form ISR-2
- Specimen signature update
- All the above forms are available on the website of the Company [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and with RTA.

The folios wherein any one of the cited document/ details as above are not available on or after October 01, 2023, shall be frozen by the RTA.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**
**k) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023:**

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
Up to 500	5,931	85.5104	5,24,073	1.1207
501-1000	459	6.6176	3,78,982	0.8104
1,001-2,000	256	3.6909	3,89,908	0.8338
2,001-3,000	90	1.2976	2,32,404	0.4970
3,001-4,000	39	0.5623	1,41,523	0.3026
4,001-5,000	39	0.5623	1,83,021	0.3914
5,001-10,000	56	0.8074	4,18,923	0.8958
10,001 and above	66	0.9516	4,44,94,916	95.1483
<b>Total</b>	<b>6,936</b>	<b>100.0000</b>	<b>4,67,63,750</b>	<b>100.0000</b>

**l) DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As per SEBI requirement, the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is **INE452L01012**. The Company has paid annual custody fee for the financial year 2022-23 to NSDL and CDSL, the depositories. As on March 31, 2023, 4,67,63,749 Equity Shares of the Company representing almost 100.00 % of the issued and subscribed share capital stood dematerialized.

**m) OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

Not applicable.

**n) DISCLOSURE OF COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

The Company does not have material exposure of any commodity which are imported/ exported and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No.- SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 Dated- 15<sup>th</sup> November, 2018. The Company generally exports its finished goods to neighbouring countries of India such as Nepal etc. The export made by the Company is normally supported by 100% advance payment from the overseas customers or backed by Foreign Letter of Credit issued by their bankers in favor of the Company and sometimes executed in Indian currency only. So, there is minimum foreign exchange risk and commodity price risk as well associated with the transactions of the Company.

**o) PLANT LOCATION :**
**Rolling Mill**

Raturia Industrial Area, Angadpur  
Durgapur-713 215, West Bengal, India

**Wind Mill**

Nandurbar, Dhule, Maharashtra

**p) INVESTORS CORRESPONDENCE:**

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses:

The Company Secretary Incredible Industries Limited Lansdowne Towers 2/1A, Sarat Bose Road Kolkata – 700020 Tel no. 91-33-66384700 Fax no. 91-33-22890285 E-mail: investorsail@adhunikgroup.co.in	or	Maheshwari Datamatics Pvt. Limited. 23, R. N. Mukherjee Road, 5 <sup>th</sup> Floor Kolkata- 700 001 Tel no. 91-33-22435809/5029 Fax no. 91-33-22484787
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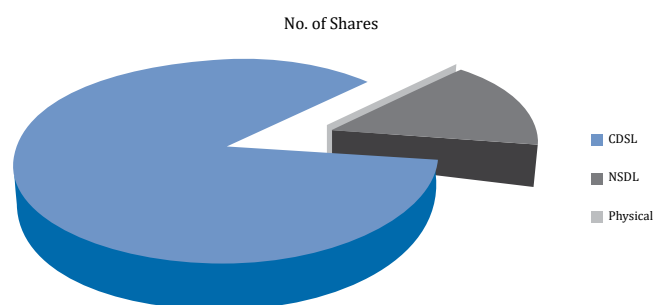
## REPORT ON CORPORATE GOVERNANCE (Contd.)

- q) The Company had not issued any debt instrument or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad during the period of review. Thus, the question of obtaining external credit rating of the Company for the instruments stated above does not arise. However, the Company had obtained working capital facility from Public Sector banks for which it had obtained external credit ratings for its borrowings from **Acquite Ratings and Research Limited** with effect from November 2, 2021 and the same is available on the company's website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in).

Rating Agency	Instrument	Rating	Outlook
Acquite Ratings & Research Limited	Fund Based Limits	ACUITE BBB	Stable
	Non-Fund Based Limits	ACUITE A3+	

- r) **DETAILS OF DEMAT AND PHYSICAL SHARES AS ON MARCH 31, 2023:**

Description	Number of Shares	% of Equity
CDSL	68,72,417	14.70%
NSDL	3,98,91,332	85.30%
Physical	1	0.00%
<b>Total</b>	<b>4,67,63,750</b>	<b>100.00%</b>



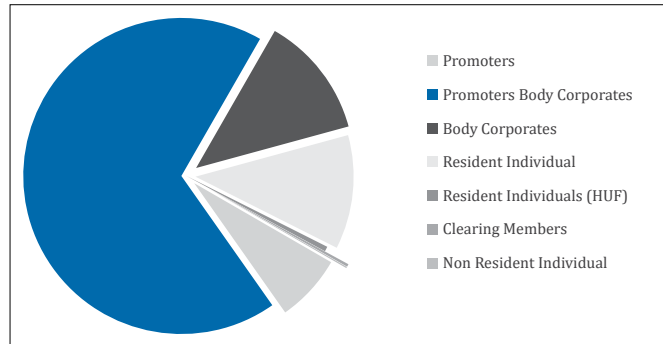
- s) **CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2023:**

S. No.	Category	Numbers of holders	Number of shares	% to equity
1	Promoters	10	32,31,050	6.9093
2	Promoters Body Corporates	3	3,18,23,750	68.0522
3	Body Corporates	35	58,30,222	12.4674
4	Resident Individuals	6,711	54,53,495	11.6619
5	Resident Individual (HUF)	129	2,34,111	0.5006
6	Clearing Members	8	1,28,623	0.2750
7	Non Resident Individuals	40	62,499	0.1337
<b>Total</b>		<b>6,936</b>	<b>4,67,63,750</b>	<b>100.0000</b>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### t) SHAREHOLDING PATTERN AS ON MARCH 31, 2023:



### u) DEPOSITORY SERVICES:

#### National Securities Depository Limited

Trade World, A Wing, 4th Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai-400013  
Tel.: (022) 2499 4200; Fax: (022) 2497 6351  
E-mail: [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

#### Central Depository Services (India) Limited

Marathon Futurex, 25th Floor,  
NM Joshi Marg, Lower Parel (East)  
Mumbai-400013  
Tel.: (022) 2302 3333; Fax: (022) 2300 2035  
E-mail: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website: [www.cdslindia.com](http://www.cdslindia.com)

**Custodial fees to Depositories:** The custodial fee has been paid to NSDL and CDSL up-to March 31, 2023.

### v) FINANCIAL CALENDAR TENTATIVE:

Financial Year 2023-24		
1	First quarter results	Within August 14, 2023
2	Second quarter and half-year results	Within November 14, 2023
3	Third quarter results	Within February 14, 2024
4	Annual Result	Within May 30, 2024

### w) DIVIDEND HISTORY:

No dividend declared by the Company during the last 10 years.

### x) SECRETARIAL AUDIT:

The Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The Secretarial Audit Report for the financial year ended March 31, 2023 is provided in the Annual Report.

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

### 9) DISCLOSURES:

#### (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:

Transactions effected with the related parties are disclosed under Note No. 32 in 'Notes to the Financial Statements' in the Annual Report, in accordance with the requirements of Indian Accounting Standard IND AS 24 as notified by the Companies (Indian Accounting Standards) Amendment Rules, 2018.

A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. All these transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis. There was materially significant related party transaction entered into by the Company with the Related Parties during the period and the same was entered with the prior approval of the shareholders obtained by way of ordinary resolution passed through Postal Ballot on May 26, 2022.

Prior approval of Audit Committee is obtained for all Related Party Transactions except for the Related Party Transactions (which are repetitive in nature) for which omnibus approval is granted by the Audit Committee from time to time. The Company has formulated Related Party Transactions (RPT) Policy which provides a framework to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and may be accessed at the link <https://www.incredibleindustries.co.in/download/21650358708.pdf>

#### (ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

During the period of last three years, an adjudication proceedings initiated on Company in accordance with the law for the alleged violation of provision of Listing Agreement and LODR Regulations in respect of related party transactions during the F. Y. 2015-16 with Adhunik Corporation Limited only and the Adjudicating Officer passed an adjudication Order dated May 13, 2022 imposing a penalty of Rs. 7,00,000/- (Rupees Seven Lakhs Only) on the Company. However, the enforcement of this order is subject to the outcome of Civil Appeal No. 4741 of 2021 titled SEBI vs. Suzlon Energy Ltd & Anr pending before the Hon'ble Supreme Court.

#### (iii) Vigil Mechanism /Whistle Blower Policy:

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any.

The revised Vigil Mechanism / Whistle Blower Policy has also been uploaded on the website of the Company. The Company affirms that none of the employees have been denied access to the Audit Committee.

#### (iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Regulation:

The Company has complied with all the mandatory requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, with the Stock Exchanges. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges where the shares of the Company listed as required under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- a) **Non-Executive Chairperson's entitlement to maintain Chairman's Office and reimbursement of expenses incurred:**  
The Company had an Executive Chairman Mr. Rama Shankar Gupta on its Board and thus, presently not complied with this requirement.
- b) **Shareholder's Rights:**  
The quarterly, half yearly, nine monthly and annual financial performance are communicated to the stock exchanges and also posted on the Company's website.
- c) **Modified opinion in Auditor's Report:**  
The Company's financial statement for the financial year 2022-23 does not contain modified audit opinion.
- d) **Separate posts of Chairperson and the Managing Director or Chief Executive Officer**  
The Company had an Executive Chairman and Managing Director Mr. Rama Shankar Gupta and there is no separate posts presently for Chairperson and Managing Director in the Company and thus, presently not complied with this requirement.
- e) **Reporting of Internal Auditor**  
The internal auditor reports directly to the Audit Committee.
- (v) **Web- link for policy determining 'material' subsidiaries:**  
The Company does not have any subsidiary as defined under the Companies Act, 2013.
- (vi) **Web- link for policy on dealing with Related Party Transactions:**  
Web- link for policy on dealing with Related Party Transactions is <https://www.incredibleindustries.co.in/download/21650358708.pdf> .
- (vii) **Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):**  
No funds were raised by the Company through Preferential allotment or by way of Qualified Institutions Placement during the F.Y. 2022-23.
- (viii) **Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:**  
The company has received declaration from all directors of the Company that they are/have not been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Further, the Company has received a certificate from M/s. MR & Associates, a firm of Practicing Company Secretaries, confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same forms an integral part of this report.
- (ix) **During the F.Y. 2022-23, there have been no instances where the Board of Directors of the Company has not accepted the recommendation of any committee of the Board, wherever required.**
- (x) **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries -** The Company does not have any material Subsidiary.
- (xi) **Total fees for all services paid by the Company and its subsidiaries (if any), on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which the statutory auditor is a part:**

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars	Fees (Amount in ₹)
Audit Fees	3,25,000
Limited Review Fees	90,000
Tax Audit Fees	75,000
<b>Total</b>	<b>4,90,000</b>

Note: The Company does not have any subsidiary as defined under the Companies Act, 2013.

### (xii) Policy against Sexual Harassment at Workplace:

Company in its endeavor to provide a safe and healthy work environment for all its employees and has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential.

As per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

#### Details of Sexual Harassment Complaints

Number of Complaint filed during the financial year	Nil
Number of Complaints disposed of during the financial year	NA
Number of Complaints pending as on end of the financial year	NA

### (xiii) Disclosure of 'Loans and Advances' in the nature of loan to firms/companies in which directors are interested:

The Company had not provided 'Loans and Advances' in the nature of loan to firms/companies in which directors are interested during the period under review.

### (xiv) Policy for Determining Materiality of an event or information and for making disclosures to Stock Exchanges:

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website <https://www.incredibleindustries.co.in/download/Policy%20For%20Determination%20of%20Materiality%20of%20Events%20%20And%20Information1691741346.pdf>. The Board has authorized Key Managerial Personnel of the Company, viz. the Managing Director or CFO or Company Secretary or all or any of them, to determine materiality of an event or information and for making disclosures to the Stock Exchanges under the said regulation.

### (xv) Disclosure of Accounting Treatment:

Your Company has not adopted any alternative accounting treatment prescribed differently from the Indian Accounting Standards.

### (xvi) Shareholding of Directors in the Company as on March 31, 2023:

No shares held by the Directors of the Company as on March 31, 2023.

### (xvii) Code for prevention of Insider Trading practices:

In terms of Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (the "Regulations"), the Board of Directors had framed the revised "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and in terms of Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (the "Regulations"), a new "Code of Conduct to Regulate, Monitor and Report Trading by Designated

## **REPORT ON CORPORATE GOVERNANCE** (Contd.)

**Persons and Immediate Relatives of Designated Persons”.** Both the above Code was adopted by the Board of Directors in its meeting held on dated 28<sup>th</sup> March, 2019 and came into force w.e.f. 1<sup>st</sup> April, 2019. Both code is available on the website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) of the Company.

During the year under review, there has been due compliance with the code applicable at the given point of time.

### **(10) Compliance of the requirements of Corporate Governance Report:**

During the financial year 2022-2023, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### **(11) Compliance of the discretionary requirements of Corporate Governance Report:**

During the financial year 2022-2023, the Company has complied with all the discretionary requirements of Corporate Governance Report as specified in Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 except as disclosed in point no. 9 (iv).

### **(12) Disclosure of the Compliance with Corporate Governance:**

The Company has complied with the regulations 17-20, 22-23, 24A, 25-27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2022-2023. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company. There has not been non-compliance of any requirement of Corporate Governance Report.

### **(13) CEO/CFO CERTIFICATION:**

The CEO and CFO certification issued in accordance with the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year is annexed and forms part of the Annual Report.

### **(14) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT:**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at March 31, 2023. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

### **(15) SHAREHOLDERS COMMUNICATION:**

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through Registrars and Transfer Agents, details of which are available on the Company's website. The Company ensures that complaints and suggestions of its shareholders are responded in a timely manner.

### **(16) ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS:**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

### **(17) NEWS RELEASES, PRESENTATIONS, AMONG OTHERS:**

Official news releases and official media releases (if any) are sent to Stock Exchanges on regular basis.

## REPORT ON CORPORATE GOVERNANCE *(Contd.)*

### (18) SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. There were also no investor's complaint pending against the company as on March 31, 2023 on SCORES, the web based compliant redressal system of SEBI.

### (19) WEBSITE MAINTENANCE:

The Company's web site [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) contains a separate dedicated section "Investor's Corner" as required in terms of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 where shareholders information is available. The quarterly and annual results of the Company and shareholding pattern and other details are posted on the Company's website. The Company also posts on its website all its official news releases (if any), important announcements and presentations.

### (20) Transfer of shares to Investor Education and Protection Fund:

During the year under review, no shares had been transferred to Investor Education and Protection Fund (IEPF) as the same is not required in terms of provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### For and on behalf of the Board

#### Registered office

14 Netaji Subhas Road  
2nd Floor, Kolkata – 700 001  
Date: 29.05.2023

Sd/-

**Rama Shankar Gupta**  
*Chairman and Managing Director*  
(DIN: 07843716)

Sd/-

**Sanjay Kaloya**  
*Director*  
(DIN: 07970640)

#### DECLARATION BY CEO ON CODE OF CONDUCT

To  
The Members  
M/s. Incredible Industries Limited

Pursuant to Regulation 17 and Schedule V read with regulations 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Rama Shankar Gupta, Chairman & Managing Director of Incredible Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2023.

Place: Kolkata  
Date: 29.05.2023

Sd/-

**Rama Shankar Gupta**  
*Chairman & Managing Director*  
DIN: 07843716

## **REPORT ON CORPORATE GOVERNANCE** (Contd.)

### **CEO AND CFO COMPLIANCE CERTIFICATE**

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, Rama Shankar Gupta, Chairman and Managing Director and Amit Agrawal, Chief Financial Officer, responsible for the finance function certify that:

- (A) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief :
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 the internal control systems of the listed entity 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 :
- a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Kolkata  
Date: May 29, 2023

Sd/-  
**Rama Shankar Gupta**  
Chairman and Managing Director/CEO  
**DIN:07843716**

Sd/-  
**Amit Agrawal**  
Chief Financial Officer

**REPORT ON CORPORATE GOVERNANCE** (Contd.)**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,  
**INCREDIBLE INDUSTRIES LIMITED**  
14, N. S. Road, 2nd Floor,  
Kolkata-700 001  
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of INCREDIBLE INDUSTRIES LIMITED having CIN L27100WB1979PLC032200 and having registered office at 14, N. S. Road, 2nd Floor, Kolkata – 700 001 (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.

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	Mr. Mr. Rama Shankar Gupta	07843716	15/07/2019
2.	Mr. Sanjay Kaloya	07970640	24/03/2021
3.	Mr. Niket Agarwal	07233888	14/11/2019
4.	Mr. Asit Baran Dasgupta	02476594	26/06/2013
5.	Mrs. Sonam Agarwal	08054202	12/02/2018
6.	Mrs. Shilpi Modi	02706881	06/12/2018

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 MR & Associates**  
Company Secretaries  
A Peer Reviewed Firm  
Peer Review Certificate No.: 720/2020

Sd/-  
**[CS Urvi Sanghvi]**  
Partner

ACS No.: A60185  
C P No.: 25788

**UDIN No.: A060185E000382001**

Place : Kolkata  
Date : 29.05.2023



## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Incredible Industries Limited  
Report on the Audit of the Financial Statements**

### 1. Opinion

We have audited the accompanying Financial Statements of **Incredible Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### 2. Basis for Opinion

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

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the matter
<p><b>Information Technology and General Controls</b></p> <p>The Company is dependent on its Information Technology ("IT") systems for processing and recording its transactions, including financial reporting processes.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>IT application controls are critical to ensure that changes to applications / files / information and underlying data are made in an appropriate manner and under controlled environment. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p>	<p>In assessing the integrity of the IT systems relevant for financial reporting, we obtained an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls, through inquiries with the management.</p> <p>Access rights were tested over applications, operating system, on a sample basis, which are relied upon for financial reporting. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel.</p>

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

Key Audit Matter	How our audit addressed the matter
<p>MIS reports, relevant for financial reporting, have been developed and tested through internal and outsourced support arrangements and ultimately authenticated by the users.</p> <p>On account of the pervasive use of its IT systems and related control environment on the Company's financial reporting process, the testing of the general computer controls of the IT systems used in financial reporting has been considered to be a Key Audit Matter.</p>	<p>Our audit included making necessary inquiries with the management, access security (including controls over privileged access), segregation of duties and delegation of authority.</p> <p>In response to the above IT requirements, enhancement of functionalities in IT System made during the year, we have tested the controls and performed additional substantive procedures of key general ledger account reconciliations.</p>

#### 4. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis and Report on Corporate Governance but does not include the Financial Statements and our auditors' report thereon.

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

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

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

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

In preparing the Financial Statements, the Board of Directors 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 are also responsible for overseeing the Company's financial reporting process.

#### 6. Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

## INDEPENDENT AUDITORS' REPORT (Contd.)

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 auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

### 7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure-1**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
  - e. On the basis of the written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

- f. With respect to the adequacy of the Internal Financial Controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure 2**”;
- g. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us; and
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its financial statement;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company during the period under review.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 37(1)(b) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 37(1)(b) to the Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

for **R Gopal & Associates**

Chartered Accountants

Firm Registration No. 000846C

Sd/-

**CA. Sandeep Kumar Sawaria**

Partner

Membership No. 061771

UDIN: 23061771BGVSEY5237

Place: Kolkata

Date: 29 May 2023

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

### Annexure-1 to the Independent Auditors' Report on the Financial Statements of Incredible Industries Limited for the year ended on 31 March 2023

#### (Referred to in paragraph 7(1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of the Company's Property, Plant and Equipment (PPE) and Intangible Assets:
  - a.
    - The Company has generally maintained proper records showing full particulars, including quantitative details and situation of PPE and relevant details of right-of-use assets covered under Ind AS 116, 'Leases'.
    - The company do not have any intangible assets. Accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable.
  - b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the PPE have been physically verified by the management in a phased manner to cover all items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us, we report that the title/lease deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of Company.
  - d. According to the information and explanation given to us and on the basis of our examination of the records, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable.
  - e. According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on such physical verification.  
(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not given any loan, or made any investment, or provided any guarantee or security as specified under section 185 and 186 of the Act. Accordingly, the reporting under clause 3(iv) of the Order are not applicable.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence provisions of Sections 73 to 76 and other relevant provision of the Act and Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records are being made and updated on regular basis. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- vii. a. In our opinion and according to information and explanations given to us and based on the audit procedures performed by us, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period more than six months from the date of becoming payable.
- b. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any disputes.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, the reporting under clause 3(viii) of the Order are not applicable.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared 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, the term loans were applied for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the Company is not having any subsidiaries, associates or joint ventures and thus, question of taking any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company is not having any subsidiaries, associates or joint ventures and thus the question of raising loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

- xi. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) We have not submitted any report under subsection (12) of section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- (c) We have taken into consideration the Whistle blower complaints, if any received by the Company during the year and provided to us, when performing the audit.
- xii. According to information and explanation given to us, in our opinion, the Company is not a Nidhi Company. Therefore, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given by the management and based on our examination, the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The Company has disclosed the details of the related party transactions in the Notes to the Financial Statements, as required by the applicable Indian Accounting Standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports of the Company issued during the year under audit and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on our examination of the books and records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, reporting under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the Statutory Auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, there is no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

Place: Kolkata  
Date: 29 May 2023

for **R Gopal & Associates**  
Chartered Accountants  
Firm Registration No. 000846C

Sd/-  
**CA. Sandeep Kumar Sawaria**  
Partner  
Membership No. 061771  
UDIN: 23061771BGVSEY5237



## **INDEPENDENT AUDITORS' REPORT** *(Contd.)*

### **Annexure-2 to the Independent Auditors' Report**

**(Referred to in paragraph 7 (2) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**To the Members of**

**Incredible Industries Limited**

We have audited the Internal Financial Controls with reference to Financial Statements of Incredible Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibilities for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of such Internal Financial Controls, 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 with reference to Financial Statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's Internal Financial Control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial control with reference to 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

## INDEPENDENT AUDITORS' REPORT *(Contd.)*

of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

### **Opinion**

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

for **R Gopal & Associates**

Chartered Accountants

Firm Registration No. 000846C

Sd/-

**CA. Sandeep Kumar Sawaria**

Partner

Membership No. 061771

UDIN: 23061771BGVSEY5237

Place: Kolkata

Date: 29 May 2023

**BALANCE SHEET** as at 31st March 2023

	Notes	As at 31st March 2023	(₹ in Lacs) As at 31st March 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	3,749.85	3,900.19
(b) Capital work-in-progress	3.1	16.36	-
(c) Right-of-use Assets	4	569.43	749.25
(d) Financial assets :			
(i) Other financial assets	5	61.26	87.16
<b>Total Non-Current Assets</b>		<b>4,396.90</b>	<b>4,736.60</b>
<b>Current Assets</b>			
(a) Inventories	6	5,135.21	4,934.43
(b) Financial assets:			
(i) Trade receivables	7	2,725.81	3,625.83
(ii) Cash and cash equivalents	8	67.41	0.22
(iii) Bank balance other than (ii) above	9	243.91	226.23
(iv) Other financial assets	5	765.00	765.00
(c) Other current assets	10	7,591.27	5,878.03
<b>Total Current Assets</b>		<b>16,528.61</b>	<b>15,429.74</b>
<b>Total Assets</b>		<b>20,925.51</b>	<b>20,166.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	4,676.38	4,676.38
(b) Other equity	12	7,986.57	7,496.14
<b>Total Equity</b>		<b>12,662.95</b>	<b>12,172.52</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	13	1,052.94	1,596.57
(ia) Lease Liabilities	4	455.90	629.69
(ii) Other financial liabilities	16	0.43	10.28
(b) Provisions	18	78.42	72.44
(c) Deferred tax liabilities (net)	14	667.35	759.41
<b>Total Non-Current Liabilities</b>		<b>2,255.04</b>	<b>3,068.39</b>
<b>Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	13	2,986.41	2,379.74
(ia) Lease Liabilities	4	419.55	154.23
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,678.90	1,568.39
(iii) Other financial liabilities	16	357.57	386.39
(b) Other current liabilities	17	314.31	253.25
(c) Provisions	18	250.78	183.43
<b>Total Current Liabilities</b>		<b>6,007.52</b>	<b>4,925.43</b>
<b>Total Equity and Liabilities</b>		<b>20,925.51</b>	<b>20,166.34</b>
<b>Summary of significant accounting policies</b>	2		

The accompanying notes referred to above form an integral part of the financial statements.  
As per our report of even date

**For R GOPAL & ASSOCIATES**

Firm Regn No: 000846C

Chartered Accountants

Sd/-

**CA. Sandeep Kumar Sawaria**

(Partner)

Membership No. 061771

Place: Kolkata

Date: The 29th Day of May 2023

For and on behalf of the Board of Directors

Sd/-

**Rama Shankar Gupta**

Chairman &amp; Managing Director

DIN : 07843716

Sd/-

**Amit Agrawal**

Chief Financial Officer

Sd/-

**Sanjay Kaloya**

Director

DIN : 07970640

Sd/-

**Bharat Agarwal**

Company Secretary

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March 2023

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
(₹ in Lacs)			
<b>Income</b>			
Revenue from operations	19	74,060.70	53,567.22
Other income	20	41.13	48.33
<b>Total income</b>		<b>74,101.83</b>	<b>53,615.55</b>
<b>Expenses</b>			
Cost of materials consumed	21	69,623.75	48,751.54
Change in inventories of stock-in-trade, by-products and finished goods	22	(768.10)	(90.46)
Employee benefits expenses	23	735.99	684.64
Finance costs	24	538.23	565.93
Depreciation and amortization expenses	25	564.15	560.73
Other expenses	26	2,693.90	2,551.14
<b>Total expenses</b>		<b>73,387.92</b>	<b>53,023.52</b>
<b>Profit/(Loss) Before Exceptional items and tax</b>		<b>713.91</b>	<b>592.03</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>713.91</b>	<b>592.03</b>
<b>Less: Tax expenses :</b>			
Current tax relating to			
-Current Year		312.99	263.60
-Earlier Years		2.11	35.65
Deferred tax		(91.92)	(63.33)
<b>Profit/(Loss) for the year</b>		<b>490.73</b>	<b>356.11</b>
<b>Other Comprehensive Income/(Expenses) (OCI)</b>			
<b>A. Items that will not be reclassified to profit or loss:</b>			
Remeasurement gains/(losses) on defined benefit plans		(0.45)	6.18
Income tax effect		0.15	(2.06)
		<b>(0.30)</b>	<b>4.12</b>
Net (loss)/gain on FVTOCI equity securities		-	-
Income tax effect		-	-
		-	-
<b>B. Items that will be reclassified to profit or loss:</b>			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
		-	-
<b>Other Comprehensive Income/(Expenses) (OCI), net of taxes</b>		<b>(0.30)</b>	<b>4.12</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>490.43</b>	<b>360.23</b>
<b>Earnings per equity share [nominal value ₹ 10 per share]</b>	27		
Basic (₹)		1.05	0.77
Diluted (₹)		1.05	0.77
<b>Summary of significant accounting policies</b>	2		

The accompanying notes referred to above form an integral part of the financial statements.  
As per our report of even date

**For R GOPAL & ASSOCIATES**

Firm Regn No: 000846C

Chartered Accountants

Sd/-

**CA. Sandeep Kumar Sawaria**

(Partner)

Membership No. 061771

For and on behalf of the Board of Directors

Sd/-

**Rama Shankar Gupta**

Chairman &amp; Managing Director

DIN : 07843716

Sd/-

**Sanjay Kaloya**

Director

DIN : 07970640

Sd/-

**Amit Agrawal**

Chief Financial Officer

Sd/-

**Bharat Agarwal**

Company Secretary

Place: Kolkata

Date: The 29th Day of May 2023

**CASH FLOW STATEMENT** for the year ended 31st March 2023

	(₹ in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A: Cash Flow From Operating Activities :</b>		
<b>Profit before Tax</b>	<b>713.91</b>	<b>592.03</b>
Adjustments for :		
Depreciation and amortisation expense	564.15	560.73
Provision for Gratuity	18.29	10.30
Remeasurement gains/(losses) on defined benefit plans	(0.45)	6.18
Interest income	(9.56)	(6.72)
Interest & finance charges	538.23	565.93
<b>Operating Profit Before Working Capital Changes</b>	<b>1,824.57</b>	<b>1,728.45</b>
Movements in Working Capital :		
Increase / (decrease) in trade payables and other liabilities*	464.44	890.76
(Increase) / decrease in trade receivables	900.03	1,720.11
(Increase) / decrease in loans and advances and other assets*	(1,687.34)	(438.23)
(Increase) / decrease in inventories	(200.78)	(1,610.89)
<b>Cash Generated From Operations</b>	<b>1,300.92</b>	<b>2,290.20</b>
Direct taxes paid (Net of refunds)	(260.06)	(328.93)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>1,040.86</b>	<b>1,961.27</b>
<b>B: Cash Flow From Investing Activities :</b>		
Purchase of Property, Plant & Equipment including CWIP & ROU Assets	(250.36)	(969.88)
Investment in/(maturity of) fixed Deposit (Net)	(17.68)	(123.81)
Interest received	9.56	6.72
<b>Net Cash Generated/ (Used) In Investing Activities (B)</b>	<b>(258.48)</b>	<b>(1,086.97)</b>
<b>C: Cash Flow From Financing Activities :</b>		
Proceeds/ (Repayment) of long-term borrowings	(271.82)	(114.45)
Repayment of lease liabilities	(240.00)	(240.00)
(Repayment)/ Proceeds from working capital loan (Net)	334.86	29.88
Interest & finance charges paid	(538.23)	(565.93)
<b>Net Cash Generated/ (Used) in Financing Activities (C)</b>	<b>(715.19)</b>	<b>(890.50)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents(A+B+C)</b>	<b>67.19</b>	<b>(16.20)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>0.22</b>	<b>16.42</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>67.41</b>	<b>0.22</b>

\* Includes both current and non-current items

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.

**CASH FLOW STATEMENT** for the year ended 31st March 2023 (Contd.)

Notes :-

**Components of Cash and Cash Equivalents**

	(₹ in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Cash in hand	2.25	0.02
Balances with Banks in :		
- Current Accounts	0.20	0.20
- Cheques/ drafts on hand	64.96	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>67.41</b>	<b>0.22</b>

Summary of Significant Accounting Policies

2

As per our report of even date

**For R GOPAL & ASSOCIATES**

Firm Regn No: 000846C

Chartered Accountants

Sd/-

**CA. Sandeep Kumar Sawaria**

(Partner)

Membership No. 061771

For and on behalf of the Board of Directors

Sd/-

**Rama Shankar Gupta**

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DIN : 07843716

Sd/-

**Sanjay Kaloya**

Director

DIN : 07970640

Sd/-

**Amit Agrawal**

Chief Financial Officer

Sd/-

**Bharat Agarwal**

Company Secretary

Place: Kolkata

Date: The 29th Day of May 2023

**STATEMENT OF CHANGES IN EQUITY** for the year ended 31st March 2023

**A. Equity Share Capital**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>Balance as at beginning of the year</b>	4,676.38	4,676.38
Changes in equity share capital due to prior period errors	-	-
<b>Restated balance as at beginning of the year</b>	4,676.38	4,676.38
Changes in equity share capital during the year	-	-
<b>Balance as at end of the year</b>	4,676.38	4,676.38

**B. Other Equity**

	(₹ in Lacs)			
	Reserve & Surplus	Item of Other Comprehensive Income		Total Equity
	Retained Earning	Re- measurement of defined employee benefit plans (Net of taxes)	Others	
<b>Balance as at 1st April 2021</b>	7,130.71	5.20	-	7,135.91
Changes in accounting policy or prior period errors	-	-	-	-
<b>Restated balance as on 1st April 2021</b>	7,130.71	5.20	-	7,135.91
Add: Profit/(Loss) for the year	356.11	-	-	356.11
Add: Other Comprehensive Income for the year	-	4.12	-	4.12
<b>Balance as at 31st March 2022</b>	7,486.82	9.32	-	7,496.14
<b>Balance as at 1st April 2022</b>	7,486.82	9.32	-	7,496.14
Changes in accounting policy or prior period errors	-	-	-	-
<b>Restated balance as on 1st April 2022</b>	7,486.82	9.32	-	7,496.14
Add: Profit/(Loss) for the year	490.73	-	-	490.73
Add: Other Comprehensive Income for the year	-	(0.30)	-	(0.30)
<b>Balance as at 31st March 2023</b>	7,977.55	9.02	-	7,986.57

As per our report of even date

**For R GOPAL & ASSOCIATES**

Firm Regn No: 000846C

Chartered Accountants

Sd/-

**CA. Sandeep Kumar Sawaria**

(Partner)

Membership No. 061771

Place: Kolkata

Date: The 29th Day of May 2023

For and on behalf of the Board of Directors

Sd/-

**Rama Shankar Gupta**

Chairman & Managing Director

DIN : 07843716

Sd/-

**Amit Agrawal**

Chief Financial Officer

Sd/-

**Sanjay Kaloya**

Director

DIN : 07970640

Sd/-

**Bharat Agarwal**

Company Secretary

## NOTES TO FINANCIAL STATEMENTS as at and for the year ended 31st March 2023

### 1. CORPORATE INFORMATION

Incredible Industries Limited (Formerly Known as Adhunik industries Limited) (the Company) is a public limited company domiciled in India with its registered office located at 14 N.S. Road, 2nd Floor, Kolkata - 700001, West Bengal. Its equity shares are listed on stock exchanges in India. The Company is primarily engaged in the manufacturing and sale of iron and steel related rolled products. The Company has manufacturing facilities in Durgapur, West Bengal. The Corporate Identification Number (CIN) of the company is L27100WB1979PLC032200. The name of the Company is changed from 'Adhunik Industries Limited' to 'Incredible Industries Limited' with effect from 6th May, 2021 vide fresh certificate of incorporation pursuant to change of name issued by the Office of the Registrar of Companies, West Bengal, Ministry of Corporate Affairs, Government of India.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III (Revised) of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or non-current classification of assets and liabilities.

The financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### B) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating 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.

Fair value for measurement and/ or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### C) Use of estimates and critical accounting judgements

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

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**D) Property, Plant and Equipment**

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

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

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

**E) Intangible Assets**

Intangible assets are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. These costs are amortized on a straight line basis over their estimated useful life of three years.

**F) Depreciation and amortisation of property, plant and equipment and intangible assets**

(i) Depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act. 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 leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Depreciation on assets under construction commences only when the assets are ready for their intended use.

(ii) Freehold land is not depreciated.

(iii) Leasehold Land is amortised over the tenure of respective leases.

(iv) Company do not have any intangible assets.

**G) Impairment of tangible and intangible assets**

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

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

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

**H) Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably

## NOTES TO FINANCIAL STATEMENTS as at and for the year ended 31st March 2023 (Contd.)

certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

### The Company as a Lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or determination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### I) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**Effective interest method**

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

**a) Financial assets****Cash and bank balances**

Cash and bank balances consist of:

- (i) **Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- (ii) **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortised cost**

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

**Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these 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.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

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

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

## NOTES TO FINANCIAL STATEMENTS as at and for the year ended 31st March 2023 (Contd.)

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### **Derecognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## **b) Financial liabilities and equity instruments**

### **Classification as debt or equity**

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

### **Equity instruments**

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

### **Financial Liabilities**

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

Interest bearing bank loans, overdrafts and issued debt are measured at fair value.

### **Derecognition of financial liabilities**

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

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**Derivative financial instruments**

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

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

**J) Employee benefits****Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

**Defined benefit plans**

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

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

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

**Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

**K) Inventories**

- (a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realizable value.
- (b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (c) By-products are valued at net realizable value.
- (d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

**L) Provisions and Contingencies**

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

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

## NOTES TO FINANCIAL STATEMENTS as at and for the year ended 31st March 2023 (Contd.)

### M) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### N) Income taxes

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

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

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

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### O) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms excluding taxes or duties collected on behalf of the government.

#### Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

#### Sale of Services

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

#### Interest Income, Dividend and Claims

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

Dividend Income is recognised when the right to receive payment is established.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

Insurance Claims/ Other claims are accounted as and when admitted/ settled.

**Other Operating Revenue**

Export incentive and subsidies are recognised when there is a reasonable assurance that the company will comply with the conditions and the incentive will be received.

Revenue from the sale of By products is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

**P) Foreign currency transactions and translations**

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

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

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

**Q) Borrowing Costs**

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

**R) Cash and Cash Equivalents**

Cash and cash equivalents as indicated in cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**S) Segment Reporting****Identification of Segments**

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment. The Company's secondary geographical segments have been identified based on the location of customers and then demarcated into Indian and overseas revenue earnings.

**T) 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.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**3. Property, Plant & Equipment**

	Tangible Assets										Total	
	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Vehicles	Computers	Furniture & Fixtures	Office Equipments				
<b>Gross Block (At Cost):</b>												
As at 1st April, 2021	17.00	84.29	1,734.14	7,063.61	38.56	39.35	6.63	48.16	48.16	9,031.73		
Additions	-	-	-	70.29	-	0.49	-	-	-	70.78		
Disposals/Discard	-	-	-	-	-	-	-	-	-	-		
As at 31st March 2022	17.00	84.29	1,734.14	7,133.90	38.56	39.84	6.63	48.16	48.16	9,102.51		
Additions	-	152.28	-	81.07	-	0.63	-	-	-	233.98		
Disposals/Discard	-	-	-	-	-	-	-	-	-	-		
As at 31st March 2023	17.00	236.58	1,734.14	7,214.97	38.56	40.47	6.63	48.16	48.16	9,336.49		
<b>Accumulated Depreciation/Amortisation:</b>												
As at 1st April, 2021	-	16.73	732.10	3,958.33	36.70	31.09	6.31	43.63	43.63	4,824.89		
Charge for the year	-	0.99	54.10	318.28	-	3.41	-	0.65	0.65	377.43		
Disposals/Discard	-	-	-	-	-	-	-	-	-	-		
As at 31st March 2022	-	17.71	786.21	4,276.61	36.70	34.50	6.31	44.29	44.29	5,202.32		
Charge for the year	-	3.68	54.10	322.67	-	3.23	-	0.65	0.65	384.33		
Disposals/Discard	-	-	-	-	-	-	-	-	-	-		
As at 31st March 2023	-	21.39	840.31	4,599.28	36.70	37.73	6.31	44.94	44.94	5,586.66		
<b>Net Block</b>												
As at 31st March 2023	17.00	215.19	893.83	2,615.69	1.86	2.74	0.32	3.22	3.22	3,749.85		
As at 31st March 2022	17.00	66.58	947.93	2,857.29	1.86	5.34	0.32	3.87	3.87	3,900.19		



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**3.1 Capital Work in Progress**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Plant and Equipments</b>		
Opening Balance	-	-
Addition during the year	16.36	-
	16.36	-
Less: Transfer to Property, Plant and equipments	-	-

The Company is under process to install the Wet Scrubber machine which will reduce the SiO<sub>2</sub> elements during the production process. It is expected that the Machine will be put to use by June 2023.

**CWIP ageing schedule**
**(₹ in Lacs)**

As at 31st March 2023	less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
Projects in progress	16.36	-	-	-	16.36
Projects temporarily suspended	-	-	-	-	-
	16.36	-	-	-	16.36
Less: Transfer to Property, Plant and equipments	-	-	-	-	-
	<b>16.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.36</b>

**(₹ in Lacs)**

As at 31st March 2022	less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-
Less: Transfer to Property, Plant and equipments	-	-	-	-	-

**4. Leases**

The weighted average incremental borrowing rate applied to lease liabilities is 12%.

The changes in the carrying value of Right-of-Use (ROU) assets for the year ended are as follows :

**(₹ in Lacs)**

Category of ROU Assets	Buildings	Buildings
	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	749.25	33.45
Additions	-	899.10
Deletion	-	-
Depreciation	(179.82)	(183.30)
Balance as at the year end	<b>569.43</b>	<b>749.25</b>

Lease contract entered into by the company primarily pertains to buildings taken on lease to conduct its business in the ordinary course.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

The break-up of current and non-current lease liabilities as at year end is as follows

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Current maturities of long term borrowing (lease liabilities)	419.55	154.23
Non-Current lease liabilities	455.90	629.69
	<b>875.45</b>	<b>783.92</b>

The movement in lease liabilities during the year ended is as follows :

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Balance as at the beginning	783.92	39.41
Additions	-	899.10
Finance cost accrued during the period	98.60	85.41
Payment of lease liabilities	(7.07)	(240.00)
<b>Balance as at year end</b>	<b>875.45</b>	<b>783.92</b>

The details of the contractual maturities of lease liabilities as at year end on an undiscounted basis are as follows :

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Less than one year	472.93	240.00
One to five years	520.00	760.00
More than five years	-	-
<b>Balance as at the year end</b>	<b>992.93</b>	<b>1,000.00</b>

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

Rental expense recorded for short-term leases was ₹ 14.61 Lacs for the year ended March, 2023 and ₹ 15.00 Lacs for the year ended March, 2022 (Refer note no. 26).

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

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>A. Non Current</b>		
Security Deposits	61.26	87.16
Others	-	-
<b>Total</b>	<b>61.26</b>	<b>87.16</b>
<b>B. Current</b>		
Security Deposits	765.00	765.00
Others	-	-
	<b>765.00</b>	<b>765.00</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**6. Inventories (valued at lower of cost and net realizable value)**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
Raw Materials	2,249.11	2,886.45
Finished Goods	2,264.70	1,576.65
By Products	193.54	113.49
	<b>4,707.35</b>	<b>4,576.59</b>
Stores & Spares	427.86	357.84
	<b>5,135.21</b>	<b>4,934.43</b>

**Details of Stock of Finished Goods**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
Rolled Products	2,264.70	1,576.65
	<b>2,264.70</b>	<b>1,576.65</b>

**7. Trade Receivables**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Considered good, secured	-	-
Considered good, unsecured	388.88	339.30
Which have significant increase in credit risk	-	-
Credit impaired	-	-
	388.88	339.30
Less: Allowance for bad & doubtful debts	-	-
	<b>(A) 388.88</b>	<b>339.30</b>
<b>Others</b>		
Considered good, secured	-	-
Considered good, unsecured	2,336.93	3,286.53
Which have significant increase in credit risk	-	-
Credit impaired	-	-
	<b>(B) 2,336.93</b>	<b>3,286.53</b>
<b>Total</b>	<b>(A+B) 2,725.81</b>	<b>3,625.83</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**Trade Receivables ageing schedule****(₹ in Lacs)**

As at 31st March 2023	Outstanding for the following periods from due date of payment						Total
	Not Due	less than 6 Months	6 months to 1 Year	1 to 2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables - Considered Good	-	2,336.93	175.20	9.61	3.99	200.08	2,725.81
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	-	2,336.93	175.20	9.61	3.99	200.08	2,725.81

**(₹ in Lacs)**

As at 31st March 2022	Outstanding for the following periods from due date of payment						Total
	Not Due	less than 6 Months	6 months to 1 Year	1 to 2 Years	2-3 Years	More than 3 years	
Undisputed Trade Receivables - Considered Good	-	3,286.53	54.66	84.56	-	200.08	3,625.83
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	-	3,286.53	54.66	84.56	-	200.08	3,625.83

**7.1 Relationship with struck off companies**

Name of Struck off company	Transaction during the year	Balance Outstanding (₹ in Lacs)	Relationship with the Struck off company
S. G. Strips Ltd	Opening Balance	7.68	Debtors

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**8. Cash and Cash Equivalents**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Balances with banks:</b>		
In current accounts	0.20	0.20
Cheques/Drafts on Hand	64.96	-
Cash on hand	2.25	0.02
	<b>67.41</b>	<b>0.22</b>

**9. Bank Balance Other Than Cash and Cash Equivalents**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
Margin money deposit #	243.91	226.23
	<b>243.91</b>	<b>226.23</b>

# Margin money lying with Banks as collaterals against guarantees issued by them.

**10. Other Current Assets (Unsecured, considered good unless stated otherwise)**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Current</b>		
Advances recoverable in cash or kind		
Considered good, unsecured - To Related Parties	-	-
Considered good, unsecured - To Others	856.42	893.87
Considered Doubtful, unsecured - To Others	-	-
	856.42	893.87
Allowance for doubtful advances	-	-
	<b>(A) 856.42</b>	<b>893.87</b>
Prepaid expenses	32.84	3.31
Advance Payment to suppliers	6,694.14	4,812.48
Balances with statutory / Government authorities	0.72	161.98
Others	7.15	6.39
	<b>(B) 6,734.85</b>	<b>4,984.16</b>
<b>Total</b>	<b>(A + B) 7,591.27</b>	<b>5,878.03</b>

**11. Equity Share capital**
**(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Authorized Share Capital</b>		
10,00,00,000 (10,00,00,000) Equity Shares of ₹ 10 each	10,000.00	10,000.00
<b>Issued, subscribed and fully paid-up shares</b>		
4,67,63,750 (4,67,63,750) Equity Shares of ₹ 10 each fully paid up	4,676.38	4,676.38
	<b>4,676.38</b>	<b>4,676.38</b>

**(a) Reconciliation of no. of Shares outstanding at the beginning and at the end of the reporting period**

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

	As at 31st March 2023	As at 31st March 2022
<b>At the beginning of the year (in Lacs)</b>	<b>467.64</b>	<b>467.64</b>
Issued during the period	-	-
Changes in equity share capital due to prior period errors	-	-
<b>At the end of the year (in Lacs)</b>	<b>467.64</b>	<b>467.64</b>

**(b) Terms/rights and restrictions attached to equity shares**

- (i) The Company has only one class of issued shares i.e. equity shares having nominal value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend (if any) proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.
- (ii) During the period ended 31st March 2023 the amount of dividend per share recognized as distribution to equity shareholders is ₹ Nil per share (₹ Nil per share).

- (c) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date is Nil.

**(d) Shareholding of Promoter & Promoter Group as at 31.03.2023**

Promoter & Promoter Group Name	No. of Shares (in Lacs)	% of Total Shares	% Change during the year
<b>Promoter</b>			
Jugal Kishore Agarwal	-	-	-
Mahesh Kumar Agarwal	-	-	-
Mohan Lal Agarwal	-	-	-
<b>Promoter Group</b>			
Mahananda Suppliers Limited	166.0000	35.50	-
Sungrowth Share & Stocks Limited	148.8375	31.83	-
RND Steels Limited	3.4000	0.73	-
Jugal Kishore Agarwal (HUF) Karta - Jugal Kishore Agarwal	0.5000	0.11	-
Nirmal Kumar Agarwal (HUF) Karta - Nirmal Kumar Agarwal	0.2750	0.06	-
Meena Agarwal	5.6050	1.20	-
Vaibhav Agarwal	5.2400	1.12	-
Sonika Agarwal	5.1655	1.10	-
Sachin Kumar Agarwal	4.9450	1.06	-
Aakarsh Agarwal	4.8900	1.05	-
Chirag Agarwal	4.4150	0.94	-
Rita Agarwal	0.7500	0.16	-
Chandrakanta Agarwal	0.5250	0.11	-

- (e) Nominal Share 1 number is held by Mr Ajay Kumar Bhuwania, Ex-Chief Financial Officer till cessation on 07th December 2022 and present Chief Financial Officer, Mr Amit Agrawal is not holding any shares of the Company during the period under review.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**(f) Relationship with struck off Companies**

Name of Struck off company	Shares held by Struck off company (in Lacs)	Balance Outstanding	Relationship with the Struck off company
Mindspark Retails Private Limited	0.16785	NIL	Shareholder
Tista Tradelinks Private Limited	0.00857	NIL	Shareholder

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

Name of the Shareholder	As at 31st March 2023	As at 31st March 2022
<b>Equity shares of ₹ 10 each fully paid</b>		
Mahananda Suppliers Limited (No. of shares in lacs)	166.00	166.00
% holding	35.50%	35.50%
Sungrowth Share & Stocks Limited (No. of shares in lacs)	148.84	148.84
% holding	31.83%	31.83%
Vrindavan Advisory Services LLP (No. of shares in lacs)	43.35	43.35
% holding	9.27%	9.27%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**12. Other Equity**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>Retained Earnings</b>		
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	7,486.82	7,130.71
Profit/(Loss) for the year	490.73	356.11
<b>Net surplus in the statement of profit and loss</b>	<b>7,977.55</b>	<b>7,486.82</b>
<b>Items of Other Comprehensive Income</b>		
<b>Balance as per the last financial statements</b>	9.32	5.20
Remeasurement of Defined Benefit Plan	(0.30)	4.12
	<b>9.02</b>	<b>9.32</b>
<b>Total Other Equity</b>	<b>7,986.57</b>	<b>7,496.14</b>

**13. Borrowings**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>A. Non Current</b>		
<b>a) Secured</b>		
<b>Term Loans from :</b>		
Financial Institutions - NBFC	1,596.57	1,868.39
	<b>1,596.57</b>	<b>1,868.39</b>
Less: Current Maturities of Long-term borrowings	543.63	271.82
<b>Total</b>	<b>1,052.94</b>	<b>1,596.57</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>B) Current</b>		
<b>a) Secured</b>		
Cash credits from banks	2,442.78	2,107.92
Current Maturities of Long-term borrowings	543.63	271.82
<b>Total</b>	<b>2,986.41</b>	<b>2,379.74</b>

**(i) Term Loan are secured by way of:**

- (a) Pari Passu first charge on immovable and movable fixed assets related to factory at Raturia, Angadpur, Durgapur (except assets purchased on lease or hire purchase basis).
- (b) Pari passu second charge by way of hypothecation on stock, book debts and other current assets of the company related to factory at Raturia, Angadpur, Durgapur.
- (c) The Company took disbursement of ₹ 2,000 lacs from SREI Equipment Finance Limited in August, 2020. NOC for creation of security over assets is under process from present working capital banker(s) and thus, security perfection is also under process and charge is yet to be created in favour of SREI Equipment Finance Limited.

**(ii) Cash credits from banks are secured by way of:**

- (a) Pari passu first charge by way of hypothecation on stock, book debts and other current assets of the company related to factory at Raturia, Angadpur, Durgapur.
- (b) Pari Passu first charge on immovable and movable fixed assets related to factory at Raturia, Angadpur, Durgapur.
- (c) Guarantee have been provided by the Promoters and their relative in their personal capacity.
- (d) A charge of ₹ 500 lacs created by the Company in favor of West Bengal Financial Corporation, 12A, Netaji Subhas Road, Kolkata-700001 vide Charge ID No.- 90248365 Dated-30/03/2003 was already satisfied by the Company in full on 24/11/2004 and satisfaction of charge is already filed with ROC on 25/11/2004 but due to some technical error, the same is still showing in the website of ROC. The Company had already submitted a request letter for up-dation of the technical error with the Registrar of Companies, West Bengal on 15th March, 2018. However, the same is yet to be updated on the website of ROC.

**14. Deferred tax Liabilities (net)**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Balance as per last financial statements <b>(A)</b>	759.41	820.68
<b>Add: Deferred Tax Liability/ (Asset) recognised for the year</b>		
Temporary difference with respect to Property, Plant & Equipment	(73.14)	(48.24)
Temporary difference with respect to ROU Assets & Lease Liabilities	(12.83)	(9.59)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(5.96)	(5.50)
<b>(B)</b>	<b>(91.92)</b>	<b>(63.33)</b>
<b>Add: Deferred Tax Liability/ (Asset) recognised for the year through OCI</b>		
Remeasurement of defined benefit obligations through OCI	(0.15)	2.06
<b>(C)</b>	<b>(0.15)</b>	<b>2.06</b>
<b>Deferred tax Liabilities (Net)</b> <b>(A+B+C)</b>	<b>667.35</b>	<b>759.41</b>



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

14.1 Components of Net Deferred tax liabilities as on the balance sheet date are as follows:

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>Deferred tax liabilities on</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	727.96	801.08
<b>(A)</b>	<b>727.96</b>	<b>801.08</b>
<b>Deferred tax assets on</b>		
Timing Difference on ROU Assets & Lease Liabilities	24.40	11.57
Other timing differences	36.21	30.10
<b>(B)</b>	<b>60.61</b>	<b>41.67</b>
<b>Deferred tax Liabilities (Net)</b>	<b>(A-B) 667.35</b>	<b>759.41</b>

**15. Trade Payables**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Total outstanding dues to micro enterprises and small enterprises (MSME)	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises (MSME)	1,678.90	1,568.39
	<b>1,678.90</b>	<b>1,568.39</b>

**Trade Payables ageing schedule**

		(₹ in Lacs)					
As at 31st March 2023	Outstanding for the following periods from due date of payment						Total
	Not Due	less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Accrued Expenses	
MSME	-	-	-	-	-	-	-
Others	-	1,541.36	6.54	8.36	-	122.65	1,678.90
Disputed dues MSME	-	-	-	-	-	-	-
Disputed dues Others	-	-	-	-	-	-	-
	-	<b>1,541.36</b>	<b>6.54</b>	<b>8.36</b>	-	<b>122.65</b>	<b>1,678.90</b>

		(₹ in Lacs)					
As at 31st March 2022	Outstanding for the following periods from due date of payment						Total
	Not Due	less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 years	Accrued Expenses	
MSME	-	-	-	-	-	-	-
Others	-	1,438.14	0.20	-	-	130.05	1,568.39
Disputed dues MSME	-	-	-	-	-	-	-
Disputed dues Others	-	-	-	-	-	-	-
	-	<b>1,438.14</b>	<b>0.20</b>	-	-	<b>130.05</b>	<b>1,568.39</b>

**15.1 Relationship with struck off companies**

The company has no transactions in financial year 2022-2023 and financial year 2021-2022 with the companies that has been struck off under section 248 of the companies Act, 2013 or section 560 of Companies Act, 1956.

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

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

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
a) Principal & Interest amount remaining unpaid but not due as at year end	Nil	Nil
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) Interest accrued and remaining unpaid as at year end	Nil	Nil
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

\* Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the management.

**16. Other financial Liabilities**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>A. Non Current</b>		
Other payable	0.43	10.28
	<b>0.43</b>	<b>10.28</b>
<b>B. Current</b>		
Employee related liabilities	53.57	48.39
Others	304.00	338.00
	<b>357.57</b>	<b>386.39</b>

**17. Other Current liabilities**

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
Advance from customers	162.41	229.43
Statutory Liabilities	151.90	23.82
	<b>314.31</b>	<b>253.25</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

(₹ in Lacs)		
	As at 31st March 2023	As at 31st March 2022
<b>18. Provisions</b>		
<b>A. Non Current</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note No. 29)	78.42	72.44
	<b>78.42</b>	<b>72.44</b>
<b>B. Current</b>		
<b>Provision for employee benefits:</b>		
Gratuity (Refer Note No. 29)	30.03	17.72
<b>Provision for taxation:</b>		
Current Tax (Net of TDS & Advance Tax)	220.75	165.71
	<b>250.78</b>	<b>183.43</b>

(₹ in Lacs)		
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>19. Revenue from operations</b>		
<b>Revenue from operations</b>		
Sale of products		
Finished goods	70,524.65	49,738.47
Sale of Services	57.48	1,051.90
Other operating income		
Sale of By-Products	3,478.57	2,771.76
Sale of Stores & Spares	-	5.08
<b>Revenue from operations</b>	<b>74,060.70</b>	<b>53,567.22</b>

(₹ in Lacs)		
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Finished goods</b>		
Rolled Product	70,524.65	49,738.47
	<b>70,524.65</b>	<b>49,738.47</b>
<b>By Product</b>		
Misroll & End Cutting	2,465.95	2,298.66
Coke Fines	-	-
TMT Cutting	509.26	313.11
Billet Unsize	49.04	159.99
Wire Rod (Defective)	454.32	-
	<b>3,478.58</b>	<b>2,771.76</b>
Store & Spares	-	5.08
	-	<b>5.08</b>
Energy Delivered Income & Others	57.48	1,051.90
	<b>57.48</b>	<b>1,051.90</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**20. Other income**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest income on		
-Bank deposits	9.56	6.72
Gain on foreign exchange fluctuation (net)	1.13	0.15
Income Against Liquidated Damages	-	0.22
Royalty Income	30.44	40.41
Others	-	0.83
	<b>41.13</b>	<b>48.33</b>

**21. Cost of materials consumed**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock of Raw Materials	2,886.45	1,415.17
Add: Purchases & other direct cost	68,986.41	50,222.82
	71,872.86	51,637.99
Less: Closing Stock	2,249.11	2,886.45
Cost of raw materials consumed	<b>69,623.75</b>	<b>48,751.54</b>

**Details of materials consumed**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Billet/ Ingot	65,280.34	45,807.52
CBM Gas	1,475.87	1,225.11
Others	2,867.54	1,718.91
	<b>69,623.75</b>	<b>48,751.54</b>

**22. Change in inventories of finished goods and by-products**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022	(Increase)/ Decrease
Inventories at the end of the year:			
Finished Goods	2,264.70	1,576.65	(688.05)
Work in Progress	-	-	-
Stock-in-trade	-	-	-
By Products	193.54	113.49	(80.05)
<b>A</b>	<b>2,458.24</b>	<b>1,690.14</b>	<b>(768.10)</b>
Inventories at the beginning of the year:			
Finished Goods	1,576.65	1,398.94	(177.72)
By Products	113.49	200.75	87.26
<b>B</b>	<b>1,690.14</b>	<b>1,599.69</b>	<b>(90.46)</b>
<b>(B-A)</b>	<b>(768.10)</b>	<b>(90.46)</b>	

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**23. Employee benefits expense**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries, wages and bonus	640.24	593.05
Contribution to provident fund	35.72	32.26
Gratuity expense (Refer Note No. 29)	11.31	10.61
Managing Directors' Remuneration (Refer Note No. 23.1)	48.72	48.72
	<b>735.99</b>	<b>684.64</b>

**23.1 Managing Directors' Remuneration**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>a) Director's Remuneration Paid</b>		
Basic	21.00	21.00
House Rent Allowance	8.40	8.40
Other	16.80	16.80
Employer's Contribution to PF & others	2.52	2.52
	<b>48.72</b>	<b>48.72</b>
<b>b) Computation of Profit for the purpose of Director's Remuneration</b>		
Profit before tax as per profit & loss account	713.91	592.03
Add : Depreciation	564.15	560.73
Director's Remuneration	48.72	48.72
	<b>1,326.78</b>	<b>1,201.48</b>
Less : Depreciation as per Companies Act, 2013	564.15	560.73
Director's Remuneration	48.72	48.72
	<b>612.87</b>	<b>609.45</b>
<b>Net profit as per Section 198 of Companies Act, 2013</b>	<b>713.91</b>	<b>592.03</b>

**24. Finance costs**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest:		
On Term Loans	211.81	225.54
On Cash Credit and others	213.40	236.77
On Lease Liabilities	98.60	85.41
Other borrowing costs	14.42	18.21
	<b>538.23</b>	<b>565.93</b>

**25. Depreciation & amortization expense**

(₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation of tangible assets	384.33	377.43
Amortization of Right-of-use Assets	179.82	183.30
	<b>564.15</b>	<b>560.73</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**26. Other Expenses**

	(₹ in Lacs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Consumption of Stores and Spares	113.17	114.24
Power and Fuel	1,343.80	1,285.63
Operation and Maintenance Charges	109.42	112.29
Freight and Forwarding Charges	6.49	3.28
Short term leases (Refer note 4)	14.61	15.00
Rates and Taxes	28.69	13.33
Legal and Professional Charges	23.07	11.68
Insurance	7.65	8.50
Repairs to and Maintenance of :		
Buildings	24.37	18.48
Machinery	349.70	339.52
Others	79.38	76.17
Travelling and Conveyance Expenses	73.18	59.79
Motor Vehicle Expenses	14.73	13.51
Communication Costs	8.47	6.82
Payment to Auditors (Refer note no. 26.1)	4.90	2.46
Bank Charges	2.47	1.25
Rebate, discounts and other selling expenses	444.04	419.86
Other Administrative Expenses (Refer note no. 26.2)	45.75	49.33
	<b>2,693.90</b>	<b>2,551.14</b>

**26.1 Payment to auditor's consist of the following expenses**

	(₹ in Lacs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
As Auditors		
Audit Fees	3.25	1.25
Limited Review Fees	0.90	0.71
In other capacity		
Tax Audit Fees	0.75	0.50
	<b>4.90</b>	<b>2.46</b>

**26.2 Other Administrative Expenses includes following expenses**

	(₹ in Lacs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
- Directors' Sitting Fees	4.55	2.60
- CSR Activities (Refer note no. 38)	8.80	8.80
<b>Total</b>	<b>13.35</b>	<b>11.40</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**27. Earnings per share (EPS)**

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

	For the year ended 31st March 2023	For the year ended 31st March 2022
Net Profit / (Loss) after tax for calculation of basic and diluted EPS (₹ in lacs)	490.43	360.23
Number of equity shares in calculating basic EPS (In lacs)	467.64	467.64
Weighted average number of equity shares in calculating diluted EPS (In lacs)	467.64	467.64
Nominal Value of equity shares	₹ 10	₹ 10
Basic Earnings Per Share (Amount in ₹)	1.05	0.77
Diluted Earnings Per Share (Amount in ₹)	1.05	0.77

**28. Capital and other commitments**

As at 31st March 2023, the Company has no commitments relating to estimated amount of contracts to be executed on capital account and not provided for.

**29. Employee Benefits**
**I. Charge to the Statement of Profit and Loss on contributions**

	(₹ in Lacs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
Employer's contribution to Provident Fund and other Funds	38.24	34.78

**II. Disclosures for defined benefit plans based on actuarial reports**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme are unfunded and as such there are no plan assets. The below information is certified by actuary. The following table summarizes (to the extent applicable) the components of net benefits / expenses recognized in the financial statements.

<b>(A) Changes in Defined Benefit Obligation</b>	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
<b>Gratuity (Unfunded)</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	90.16	79.85
Interest Cost	6.53	5.88
Current Service Cost	11.31	10.61
Benefits Paid	-	-
Actuarial (gains)/loss	0.45	(6.18)
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>108.45</b>	<b>90.16</b>
<b>(B) Changes in the Fair Value of Assets</b>		
	As at 31st March 2023	As at 31st March 2022
<b>Gratuity (Unfunded)</b>		
Fair Value of Plan Assets as at beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (gains)/loss	-	-
<b>Fair Value of Plan Assets as at end of the year</b>	<b>-</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**(C) Amount recognised in the Balance Sheet****(₹ in Lacs)**

	As at 31st March 2023	As at 31st March 2022
<b>Gratuity (Unfunded)</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	90.16	79.85
Fair value of Plan Assets as at end of the year	108.45	90.16
<b>Net Liability/(Assets) recognised in the Balance Sheet (Refer Note No. 18)</b>	<b>18.29</b>	<b>10.31</b>

**(D) Expense recognized in Statement of Profit and Loss****(₹ in Lacs)**

	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Gratuity (Unfunded)</b>		
Current Service Cost #	11.31	10.61
Interest cost	6.53	5.88
Expected Return on Plan Assets	-	-
<b>Total Expense recognized in Statement of Profit and Loss</b>	<b>17.84</b>	<b>16.48</b>

# Included in Employee Benefit Expenses.

**(E) Expense recognized in the Other Comprehensive Income (OCI) for Current Year****(₹ in Lacs)**

	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Gratuity (Unfunded)</b>		
(Gain)/Losses on Obligation For the Period- Due to changes in the financial assumptions	1.13	(4.10)
(Gain)/Losses on Obligation For the Period- Due to experience adjustment	(0.69)	(2.08)
Return on Plan Assets.	-	-
<b>Net (Income)/Expense For the Period Recognised in OCI</b>	<b>0.45</b>	<b>(6.18)</b>

**(F) The principal assumptions used in determining gratuity and leave encashment obligations for the company's plans are shown below:**

	For the year ended 31st March 2023	For the year ended 31st March 2022
Discount rate	7.25%	7.36%
Salary increase	6.00%	6.00%
Mortality table	IALM (2012-2014) ultimate table	IALM (2012-2014) ultimate table

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

(G) Amounts for the current and previous four periods are as follows:

	(₹ in Lacs)				
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019
<b>Gratuity</b>					
Defined benefit obligation	108.45	90.16	79.85	69.00	56.95
Plan assets	-	-	-	-	-
Surplus/(deficit)	(108.45)	(90.16)	(79.85)	(69.00)	(56.95)
Experience adjustments on plan liabilities (gains)/losses	0.45	(6.18)	(3.42)	(0.96)	1.46

**30. Segment Information**

The Company's business activity primarily falls within a single business segment i.e. Iron & steel business and hence there are no disclosures to be made under Ind AS-108, other than those already provided in the financial statements.

**31. Derivative instruments and unhedged foreign currency exposure**
**Forward Contract**

For minimizing the risk of currency exposure, the Forward Cover Contracts are of USD Nil (USD Nil) for trade receivables.

**32. Related Party Disclosures**
**a) Name of related parties and related party relationship**

<b>Directors / Key Management Personnel</b>	Mr. Rama Shankar Gupta (Chairman & Managing Director)
	Mr. Sanjay Kaloya (Director)
	Mr. Niket Agarwal (Director)
	Mr. Asit Baran Dasgupta (Independent Director)
	Mrs. Sonam Agarwal (Independent Director)
	Mrs. Shilpi Modi (Independent Director)
	Mr Amit Agrawal (Chief Financial Officer) (appointed w.e.f the conclusion of board meeting held on 07.12.2022)
	Mr. Ajay Kumar Bhuwania (Chief Financial Officer) (cessation w.e.f the conclusion of board meeting held on 07.12.2022)
	Mr. Bharat Agarwal (Company Secretary)
<b>Enterprises over which Directors, Key Management Personnel / Share Holders / Relatives have significant influence</b>	Adhunik Corporation Ltd.

**(b) Related party transactions**

Nature of Transactions	Subsidiary/ Step down Subsidiary Companies	Associate Company	Key Man- agement Personnel and their Relatives	Enterprises over which Directors, Key Management Personnel / Share Holders / Relatives have significant in- fluence	(₹ in Lacs)
					Total
<b>1. In relation to Statement of Profit and Loss</b>					
<b>Purchase of goods / services</b>					

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

Nature of Transactions	Subsidiary/ Step down Subsidiary Companies	Associate Company	Key Man- agement Personnel and their Relatives	Enterprises over which Directors, Key Management Personnel / Share Holders / Relatives have significant in- fluence	(₹ in Lacs)
					Total
Adhunik Corporation Ltd.	-	-	-	50,083.83	50,083.83
	-	-	-	(32,286.47)	(32,286.47)
<b>Revenue from Operations</b>					
Adhunik Corporation Ltd.	-	-	-	2,398.57	2,398.57
	-	-	-	(1,749.76)	(1,749.76)
<b>Directors Sitting Fees</b>					
Mr. Sanjay Kaloya	-	-	0.70	-	0.70
	-	-	(0.40)	-	(0.40)
Mr. Asit Baran Dasgupta	-	-	1.05	-	1.05
	-	-	(0.60)	-	(0.60)
Mr. Niket Agarwal	-	-	0.70	-	0.70
	-	-	(0.40)	-	(0.40)
Mrs. Shilpi Modi	-	-	1.05	-	1.05
	-	-	(0.60)	-	(0.60)
Mrs. Sonam Agarwal	-	-	1.05	-	1.05
	-	-	(0.60)	-	(0.60)
<b>Remuneration to Key Management Personnel</b>					
Mr. Rama Shankar Gupta	-	-	48.72	-	48.72
	-	-	(48.72)	-	(48.72)
Mr. Amit Agrawal	-	-	5.68	-	5.68
	-	-	-	-	-
Mr. Ajay Kumar Bhuwania	-	-	5.70	-	5.70
	-	-	(27.16)	-	(27.16)
Mr. Bharat Agarwal	-	-	15.28	-	15.28
	-	-	(10.22)	-	(10.22)
<b>2. In relation to Balance Sheet Items</b>					
<b>Advance against Raw Materials</b>					
Adhunik Corporation Ltd.	-	-	-	4,098.18	4,098.18
	-	-	-	(2,528.93)	(2,528.93)
<b>Balance outstanding as at the year end – Debit</b>					
Adhunik Corporation Limited	-	-	-	4,098.18	4,098.18
	-	-	-	(2,528.93)	(2,528.93)
<b>Balance outstanding as at the year end – Credit</b>					
Mr. Rama Shankar Gupta	-	-	1.14	-	1.14
	-	-	(0.64)	-	(0.64)
Mr. Amit Agrawal	-	-	0.94	-	0.94
	-	-	-	-	-
Mr. Ajay Kumar Bhuwania	-	-	-	-	-
	-	-	-	-	-
Mr. Bharat Agarwal	-	-	0.97	-	0.97
	-	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

**Note:**

- 1) Figures provided in brackets ( ) representing figures pertaining to FY 2021-22.
- 2) All transactions were carried out on arm's length basis and in the ordinary course of business.
- 3) Sales and purchase figures are inclusive of GST.

**33. Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

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

	(₹ in Lacs)	
	As at 31st March 2023	As at 31st March 2022
i) Equity share capital	4,676.38	4,676.38
ii) Other equity	7,986.57	7,496.14
<b>Total Equity (a)</b>	<b>12,662.95</b>	<b>12,172.51</b>
i) Borrowings	4,039.35	3,976.31
ii) Current Maturity of long term debt	-	-
<b>Total debt (b)</b>	<b>4,039.35</b>	<b>3,976.31</b>
i) Cash and cash equivalents	67.41	0.22
<b>Total cash (c)</b>	<b>67.41</b>	<b>0.22</b>
<b>Net debt {d=(b-c)}</b>	<b>3,971.94</b>	<b>3,976.09</b>
<b>Total capital (equity + net debt)</b>	<b>16,634.89</b>	<b>16,148.60</b>
<b>Net debt to equity ratio</b>	<b>0.31</b>	<b>0.33</b>

**34. Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist personnel's that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The sensitivity analysis have been prepared on the basis that the amount of debt and derivatives.

## NOTES TO FINANCIAL STATEMENTS as at and for the year ended 31st March 2023 (Contd.)

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

The sensitivity of equity is calculated by considering the effect of any associated derivatives at 31 March 2023 and 31 March 2022 for the effects of the assumed changes of the underlying risk.

### Interest rate risk

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

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of derivative instruments. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in Lacs)	
	Increase/ decrease in basis points	Effect on profit before tax
<b>31st March, 2023</b>		
₹ in Lacs	+ 100	(40.39)
₹ in Lacs	(-) 100	40.39
<b>31st March, 2022</b>		
₹ in Lacs	+ 100	(39.76)
₹ in Lacs	(-) 100	39.76

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

	(₹ in Lacs)	
	Change in USD rate	Effect on profit before tax
<b>31st March, 2023</b>		
₹ in Lacs	+ 10 %	-
₹ in Lacs	(-) 10 %	-
<b>31st March, 2022</b>		
₹ in Lacs	+ 10 %	(1.02)
₹ in Lacs	(-) 10 %	1.02

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

The movement in the post-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in, where the functional currency of the entity is a currency other than. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each divisions subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital limits from various banks. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, buyer's credit and other means of borrowings. The company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risk.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

	(₹ in Lacs)			
	On Demand	Less than 1 Year	1 to 5 Years	> 5 Years
<b>As at 31st March 2023</b>				
Borrowings	2,442.78	543.63	1,052.94	-
Outstanding dues of micro enterprises and small enterprises	-	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	-	1,678.90	-	-
Derivatives- Cross-currency interest rate swap	-	-	-	-
Lease Liabilities	-	419.55	455.90	-
Other financial liabilities	-	357.57	0.43	-
	<b>2,442.78</b>	<b>2,999.65</b>	<b>1,509.27</b>	<b>-</b>
<b>As at 31st March 2022</b>				
Borrowings	2,107.92	271.82	1,596.57	-
Outstanding dues of micro enterprises and small enterprises	-	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	-	1,568.39	-	-
Derivatives- Cross-currency interest rate swap	-	-	-	-
Lease Liabilities	-	154.23	629.69	-
Other financial liabilities	-	386.39	10.28	-
	<b>2,107.92</b>	<b>2,380.82</b>	<b>2,236.55</b>	<b>-</b>

**35. Financial Instruments**

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

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

	(₹ in Lacs)		
	Derivative instruments not in hedging relation- ship	Amortised cost	Total carrying value
<b>Assets:</b>			
Trade receivables	-	2,725.81	2,725.81
Bank balance other than Cash and cash equivalents	-	243.91	243.91
Cash and cash equivalents	-	67.41	67.41
Other financial assets	-	826.26	826.26
<b>Total</b>	-	<b>3,863.39</b>	<b>3,863.39</b>
<b>Liabilities:</b>			
Borrowings	-	4,039.35	4,039.35
Other financial Liabilities	-	358.00	358.00
Lease Liabilities	-	875.45	875.45
Trade payables	-	1,678.90	1,678.90
<b>Total</b>	-	<b>6,951.70</b>	<b>6,951.70</b>

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

	(₹ in Lacs)		
	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
<b>Assets:</b>			
Trade receivables	-	3,625.83	3,625.83
Bank balance other than Cash and cash equivalents	-	226.23	226.23
Cash and cash equivalents	-	0.22	0.22
Other financial assets	-	852.16	852.16
<b>Total</b>	-	<b>4,704.46</b>	<b>4,704.46</b>
<b>Liabilities:</b>			
Borrowings	-	3,976.31	3,976.31
Other financial Liabilities	-	396.67	396.67
Lease Liabilities	-	783.92	783.92
Trade payables	-	1,568.39	1,568.39
<b>Total</b>	-	<b>6,725.29</b>	<b>6,725.29</b>

**Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

there is a range of possible fair value measurements and the cost represents estimate of fair value within that range  
The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

	(₹ in Lacs)		
	Level 1	Level 2	Level 3
<b>As at March 31, 2023</b>			
<b>Financial Assets:</b>			
Investments in Equity Instruments at FVOCI	-	-	-
Derivative Financial Assets	-	-	-
<b>Total</b>	-	-	-
<b>Financial Liabilities:</b>			
Derivative Financial Liabilities	-	-	-
<b>Total</b>	-	-	-
<b>As at March 31, 2022</b>			
Investments in Equity Instruments at FVOCI	-	-	-
Derivative Financial Assets	-	-	-
<b>Total</b>	-	-	-
<b>Financial Liabilities:</b>			
Derivative Financial Liabilities	-	-	-
<b>Total</b>	-	-	-

**Notes:**

- i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- ii) Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.
- iii) Investments are stated at amortized cost which is approximately equal to their fair value.
- iv) There have been no transfers between level 1 and level 2 for the years ended March 31, 2023 and March 31, 2022.

**36. Tax Expenses**

	(₹ in Lacs)	
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Current Tax</b>		
In respect of the current year	312.99	263.60
In respect of the earlier year	2.11	35.65
<b>Total Current tax expense recognised in the current year</b>	<b>315.10</b>	<b>299.26</b>
<b>Deferred Tax</b>		
In respect of the current year	(91.92)	(63.33)
In respect of the earlier year	-	-
<b>Total Deferred tax expense recognised in the current year</b>	<b>(91.92)</b>	<b>(63.33)</b>
<b>Total Tax expense recognised in the current year</b>	<b>223.18</b>	<b>235.93</b>

**36.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

		(₹ in Lacs)	
		For the year ended 31st March 2023	For the year ended 31st March 2022
Profit before tax	(A)	713.91	592.03
Income tax expense rate #	(B)	33.384%	33.384%
Income tax expense	(A X B)	238.33	197.64
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit			
Deduction u/s 80		-	-
Effect of other adjustments in respect of earlier year		2.11	35.65
Add : Effect of expenses that are not deductible in determining taxable profit			
CSR Expenditure		2.94	2.94
Donation u/s 80-G		0.43	1.50
Effect of other adjustments		(20.63)	(1.81)
Effect of other adjustments in respect of earlier year		-	-
<b>Income tax expense recognised in profit and loss</b>		<b>223.18</b>	<b>235.93</b>

# The tax rate used for reconciliations above is as applicable for corporate entities on taxable profits under the Indian tax laws.

**36.2 Income tax recognised in other comprehensive income:**

		(₹ in Lacs)	
		For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Deferred Tax</b>			
Arising on income and expenses recognised in other comprehensive income:			
Remeasurement of defined benefit obligation		0.15	(2.06)
<b>Total income tax recognised in other comprehensive income</b>		<b>0.15</b>	<b>(2.06)</b>
Bifurcation of the income tax recognised in other comprehensive income into:-			
Items that will not be reclassified to profit or loss		0.15	(2.06)
Items that may be reclassified to profit or loss		-	-

**37. Additional Regulatory Information:**

1. **Additional Regulatory Information/disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.**

**a. Analytical Ratios**

Ratios	Numerator	Dinominator	As at 31st March 2023	As at 31st March 2022	% Variance
Current ratio (in times)	Current assets	Current liabilities	2.75	3.13	(12.17)
Debt equity ratio (in times)	Total borrowings	Total equity	0.32	0.33	(3.21)
Debt service coverage ratio (in times)	Earnings for Debt Service (Profit after tax+ Depreciation+finance cost)	Debt Service (Interest+ Principal repayments)	2.29	2.57	(11.07)
Return on equity ratio	Profit for the year	Average total equity	0.04	0.03	31.65 @



**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)

Ratios	Numerator	Dinominator	As at 31st March 2023	As at 31st March 2022	% Variance
Inventory turnover ratio	Cost of goods sold	Average Inventory	14.30	12.52	14.23
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	23.32	11.94	95.31#
Trade payables turnover ratio	Purchase + Other expenses	Average trade payables	44.10	43.24	2.00
Net capital turnover ratio	Revenue from operations	Working Capital (current assets - current liabilities)	7.04	5.10	38.04\$
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.66%	0.66%	0.40
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Total equity + Total borrowings)	7.50%	7.17%	4.56
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	-	-	-

@ Return on equity ratio is increased due to significant increase in the net profit.

# Trade receivable turnover ratio is jumped due to significant increase in the turnover of the current year.

\$ Net capital turnover ratio is increased due to increase in turnover / revenue from operation.

**b. Others**

Other than in the normal and ordinary course of business there are no funds that 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 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There have been no funds that 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 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 Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**38. Corporate Social Responsibility (CSR):**
**(₹ in Lacs)**

	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount required to be spent by the company during the year	8.49	8.08
Amount of expenditure incurred	8.80	8.80
Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Contribution to skill development and education.	Contribution to PM Cares Fund and contribution to skill development and education
Details of related party transactions	NA	NA
where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 (Contd.)**39. CIF Value of imports (including through canalizing agency) during the year:** (₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Raw materials	-	-
Components and Spare Parts	39.14	10.24
Capital Goods	-	-
	<b>39.14</b>	<b>10.24</b>

**40. Value of Raw Materials and Components, Stores and Spares consumed during the period (including charged to repairs and maintenance and capital)**

	% of total Consumption For the year ended 31st March 2023	Value (₹ in Lacs) For the year ended 31st March 2023	% of total Consumption For the year ended 31st March 2022	Value (₹ in Lacs) For the year ended 31st March 2022
<b>Raw Materials</b>				
Imported	-	-	-	-
Indigenously	100%	69,623.75	100%	48,751.54
	<b>100%</b>	<b>69,623.75</b>	<b>100%</b>	<b>48,751.54</b>
<b>Stores and Spares #</b>				
Imported	0%	-	2%	10.24
Indigenously	100%	566.62	98%	538.17
	<b>100%</b>	<b>566.62</b>	<b>100%</b>	<b>548.41</b>

# Including Stores and Spares included under Repairs and Maintenance.

**41. Earnings in foreign currency (accrual basis):** (₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
FOB Value of Exports	-	-

**42. Contingent Liabilities:** (₹ in Lacs)

	For the year ended 31st March 2023	For the year ended 31st March 2022
Bank Guarantees & Others	647.29	632.87

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

**NOTES TO FINANCIAL STATEMENTS** as at and for the year ended 31st March 2023 *(Contd.)*

44. The Company has a system of obtaining periodic confirmation of balances from banks and other parties. Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.
45. In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed.
46. The Company has a system of physical verification of Inventory on regular intervals and Property, Plant & Equipment in a phased manner to cover all items over a period of three years.
47. Previous year figures have been regrouped, wherever necessary, to confirm to the current year grouping.

Signatories to Schedules 1 to 47  
As per our report of even date

**For R GOPAL & ASSOCIATES**

Firm Regn No: 000846C  
Chartered Accountants  
Sd/-

**CA. Sandeep Kumar Sawaria**  
(Partner)  
Membership No. 061771

Place: Kolkata  
Date: The 29th Day of May 2023

For and on behalf of the Board of Directors

Sd/-  
**Rama Shankar Gupta**  
Chairman & Managing Director  
DIN : 07843716  
Sd/-

**Amit Agrawal**  
Chief Financial Officer

Sd/-  
**Sanjay Kaloya**  
Director  
DIN : 07970640  
Sd/-  
**Bharat Agarwal**  
Company Secretary





## **INCREDIBLE INDUSTRIES LIMITED**

**Corporate Office:** Lansdowne Towers 2/1A, Sarat Bose Road, Kolkata – 700020

**Registered Office:** 14, N.S. Road, 2nd Floor, Kolkata – 700001, West Bengal, India

**Telefax:** +91 33 2242 8551/53

**Works:** Raturia, Angadpur, Durgapur – 713215

**Web:** [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in), **Trade Enquiry :** +91 33 6638 4700



## INCREDIBLE INDUSTRIES LIMITED

CIN-L27100WB1979PLC032200

Regd. Office : 14, N. S. ROAD, 2ND FLOOR, KOLKATA-700001

Phone: 033-2243 4355, Fax- 033-2242 8551

Corporate office: "LANSLOWNE TOWERS", 2/1A, Sarat Bose Road, Kolkata- 700 020

Phone:033-6638 4700, Fax- 033-6638 4729

Website: www.incredibleindustries.co.in, E-mail- investorsail@adhunikgroup.co.in

**NOTICE IS HEREBY GIVEN THAT THE 44<sup>TH</sup> ANNUAL GENERAL MEETING OF INCREDIBLE INDUSTRIES LIMITED WILL BE HELD ON FRIDAY, THE 29<sup>TH</sup> DAY OF SEPTEMBER, 2023 AT 02:30 P.M THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS ("VC/OAVM") TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Niket Agarwal (DIN: 07233888) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **To consider the re-appointment of Mrs. Shilpi Modi (DIN: 02706881) as an Independent Woman Director for second term of five consecutive years.**

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

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board at their respective meetings held on 28<sup>th</sup> August, 2023, and the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Rules") and provisions of Regulation 16(1)(b) and 17 and other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded for re-appointment of Mrs. Shilpi Modi (DIN: 02706881), whose present term of office as Independent Woman Director expires on 5<sup>th</sup> December, 2023, being eligible for re-appointment and who has submitted a declaration confirming the criteria of Independence as provided under Regulation 16(1)(b) of the SEBI Listing Regulations') and sub-section (6) of Section 149 of the Act, as amended from time to time and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, as Non-Executive Independent Woman Director, not liable to retire by rotation and to hold office for second term of five (5) consecutive years, with effect from 6<sup>th</sup> December, 2023 to 5<sup>th</sup> December, 2028."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **To take approval of Material Related Party Transaction(s) for the FY-2024- 2025:**

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with relevant rules framed thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and other applicable laws including any amendments, modifications, variations or re-enactments thereof as may be required and the Company's policy on Related Party Transactions and pursuant to the recommendation & approval of Audit Committee and subsequent approval of the Board, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution ) to enter into and / or to carry out and / or to continue with material contract(s) / arrangement(s) / transaction(s) whether individually or taken together or series of transactions or otherwise) with Adhunik Corporation Limited, being a related party of the Company under Section 2(76) of the Act, whether by way of continuation(s) or

## Notice (Contd.)

renewal(s) or extension(s) or modification(s) of earlier contracts/arrangements/ transactions or as fresh and independent transaction(s) or otherwise for a sum not exceeding ₹ 8,00,00,00,000/- (Rupees Eight Hundred Crores only) during the Financial Year 2024-2025 as detailed in table forming part of the Explanatory Statement annexed to this notice on such terms and conditions as detailed and as may be considered appropriate by the Board of Directors (including any authorized Committee thereof).”

“**RESOLVED FURTHER THAT** any Director of the Company be and is hereby jointly or severally authorized to perform and execute all such acts, deeds and things, with power to alter and vary the terms and conditions of such contracts/ arrangements/transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit including delegation of such authority and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

“**RESOLVED FURTHER THAT** all actions taken by the Board in connection with matters referred to or contemplated in the foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects.”

### 5. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2024:

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 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Dipak Lal & Associates, Cost Accountants, 1, Kailash Bose Lane, Kalidash Apartment, Block- ‘A’, 1<sup>st</sup> Floor, Flat # 102, Post & Dist- Howrah- 711 101, appointed as Cost Auditor (Membership No. 28441), for a sum of ₹ 25,000/- (Rupees Twenty Five Thousand only) (plus Goods and Service Tax and out-of-pocket expenses), as approved by the Board of Directors of the Company based on the recommendation of the Audit Committee, to conduct the audit of the cost records maintained by the company for the Financial Year 2023-24, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution(s).”

**For and on behalf of the Board**

**Sd/-**

**Bharat Agarwal**

Company Secretary

(Membership No: FCS-11144)

**Regd. Office:**

14, N. S. Road, 2nd Floor

Kolkata- 700 001

Dated: 28<sup>th</sup> August, 2023

### NOTES:

1. The Ministry of Corporate Affairs, Government of India (“MCA”) had vide its Circular No. 10/2022 dated 28<sup>th</sup> December, 2022, Circular No. 02/2022 dated 5<sup>th</sup> May, 2022, Circular No. 19/2021 dated 8<sup>th</sup> December, 2021, Circular No. 21/2021 dated 14<sup>th</sup> December, 2021 read with Circular No. 02/2021 dated 13<sup>th</sup> January, 2021, Circular No.14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 and Circular No.20/2020 dated 5<sup>th</sup> May, 2020 (collectively refer to as ‘MCA Circulars’) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing Facility/ Other Audio Visual Means (“VC / OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The proceedings of the 44<sup>th</sup> AGM deemed to be conducted at the Registered Office of the Company situated at 14, N. S. Road, 2nd Floor, Kolkata-700 001.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars, the Company is providing facility

## Notice (Contd.)

of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement 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.

3. The Members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This limit will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel (KMP), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. 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 PURSUANT TO THE MCA CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. Accordingly, in terms of MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.
6. Members may note that in line with the MCA Circulars, the Notice of 44th AGM along with Annual Report for the financial year 2022-23, is being sent only through electronic mode to those shareholders whose e-mail addresses are registered with the company/depositories/ Registrar and Share Transfer Agent (RTA) of the Company. Members may note that the 44th Notice and Annual Report has been uploaded on the website of the Company at [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) in the 'Investors Corner' Section. The Notice as well as the Annual Report 2022-23 can also be accessed from the websites of the Stock Exchanges i.e. Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE) at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively.. The 44<sup>th</sup> AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) at [www.cdslindia.com](http://www.cdslindia.com).
7. The recorded transcript of the forthcoming AGM shall also be made available on the website of the Company [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) as soon as possible after the meeting is over.
8. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business as set out in Item Nos. 3, 4 and 5 of the AGM Notice, to be transacted at the Meeting are annexed hereto.
9. Details under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and SS-2 (Secretarial Standards on General Meetings) in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declaration for their appointment/re-appointment.
10. Members holding shares in physical mode are requested to register their E-mail Id with the Company's RTA and members holding shares in demat mode are requested to register their E-mail Id with their respective Depository Participants (DP) as explained in Point No. 25 below. If there is any change in the E-mail Id already registered with the Company, Members are requested to immediately notify such change to the RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
11. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are required to submit their PAN details to the Company's RTA as explained in Point No. 25 below.



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13. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2023 (Saturday) to 29<sup>th</sup> September, 2023 (Friday) (both days inclusive).
14. Members are requested to quote their folio number / DP ID, Client ID in all correspondences.
15. Members holding shares in physical form are requested to immediately notify change in their addresses, if any, to the Registrar and Transfer Agent of the Company, quoting their Folio Number (s) with a self-attested copy of address proof i.e. Voter Identity Card, Electric / Telephone (BSNL) Bill or Driving License or Bank Statement or Passport before 22<sup>nd</sup> September, 2023 (Friday).
16. Members are requested to address all correspondence to the Registrar and Share Transfer Agent (RTA), M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata-700001.
17. SEBI vide its notification dated 24<sup>th</sup> January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

The above amendment does not prohibit the members from holding the shares in physical form. They have an option of holding shares in physical form. However, any member who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April, 2019 can do so only after the shares are dematerialized.

18. Further, SEBI vide Press Release No. 12/2019 dated 27<sup>th</sup> March, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1<sup>st</sup> April, 2019.
19. The Ministry of Corporate Affairs, vide its circular No. 17/2012 dated 23<sup>rd</sup> July, 2012 have directed the companies to upload information regarding unpaid and unclaimed dividend on the company's website. There are no unpaid and unclaimed dividends in the books of the Company as on 31<sup>st</sup> March, 2023.
20. The shareholders whose dividend/ shares are transferred to the IEPF Authority can now claim their shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>. In case the Members have any query on the subject matter and the IEPF Rules, they may contact the RTA of the Company.
21. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated E-mail ID in its records. Members are thus requested to kindly submit their E-mail ID and other details as explained in point no. 25 below.
22. Members who have not registered their E-mail address so far are requested to register their E-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.
23. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN to the RTA.
24. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" in 2011 by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent to the shareholders in Electronic Mode.
25. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses, PAN and phone number are requested to follow the process mentioned below-
  - a) Members holding shares in physical mode are requested to update their e-mail addresses, PAN and phone number with the Company's Registrar and Share Transfer Agent (RTA) in order to receive notice of 44<sup>th</sup> Annual General Meeting, Annual Report (2022-23) and login credentials for e voting by uploading the same at:

Link for updation of e-mail ID- <https://mdpl.in/form>

Link for updation of PAN- <https://mdpl.in/form>

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- b) Members holding shares in dematerialized mode are requested to register/update their e-mail addresses, PAN and phone number with the relevant Depository Participants.

### 26. VOTING THROUGH ELECTRONIC MEANS (Instruction for remote e-voting):

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 44<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("**remote e-voting**") will be provided by Central Depository Services (India) Limited (CDSL).

- II. The instructions for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:

- (i) The remote e-voting period begins on Tuesday, 26<sup>th</sup> September, 2023 (09:00 a.m. IST) and ends on Thursday, 28<sup>th</sup> September, 2023 (5:00 p.m. IST). During this period, the shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22<sup>nd</sup> September, 2023, may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated 9<sup>th</sup> December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

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

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 Dated 9<sup>th</sup> December, 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> 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 &amp; voting during the meeting. Additionally, there is also links</p>

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Type of shareholders	Login Method
	<p>provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) Users who are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<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 &amp; 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.

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### **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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-2305 8542/43.
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders, holding shares in Demat form & physical shareholders.**
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - Click on “Shareholders” tab to cast your votes.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form other than individual and Physical Form</b>	
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"> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> 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’s records in order to login. <ul style="list-style-type: none"> <li>If both 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).</li> </ul>

- After entering these details appropriately, click on “**SUBMIT**” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 remote 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.
- For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

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- j) Click on the EVSN for the relevant **INCREDIBLE INDUSTRIES LIMITED** on which you choose to vote.
  - k) 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.
  - l) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
  - m) 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.
  - n) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
  - o) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
  - p) 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.
- vi) Facility for Non – Individual Shareholders and Custodians –Remote e-voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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; [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- vii) Process For Those Shareholders Whose E-Mail Addresses Are Not Registered For Obtaining Login Credentials For E-Voting For The Resolutions Proposed In This Notice:**
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 Aadhaar Card) by e-mail to **Company/RTA ‘s respective e-mail 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.

### 27. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

- i) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

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- iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
  - iv) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
  - v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - vi) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio and Video loss due to fluctuation in the respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as speaker by sending their request in advance at least 5 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days mentioning their name, demat account number/folio number, email id, mobile number at [bharatagarwal@adhunikgroup.co.in](mailto:bharatagarwal@adhunikgroup.co.in). These queries will be replied by the company suitably by e-mail.
  - viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  - ix) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
28. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of Friday, **22<sup>nd</sup> September, 2023**.
29. Members holding shares in dematerialized mode are requested to intimate the changes pertaining to their bank account details, NECS mandates, E-mail addresses, nominations, change of address, change of names etc. if any, to their Depository Participant (DP) only before 19<sup>th</sup> September, 2023. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
30. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting during the AGM.
31. The Board of Directors of the Company has appointed CS Mohan Ram Goenka failing him CS Sneha Khaitan Jalan, Partner, MR & Associates, Practicing Company Secretaries, Kolkata, as the Scrutinizer to scrutinize the e-voting process for AGM in a fair and transparent manner.
32. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut -off date i.e. **22<sup>nd</sup> September, 2023** may obtain the User Id and password by sending a request at [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in) or the Registrar at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com). However, if the member is already registered with CDSL for remote e-voting, then he can use his existing user ID and password for casting the vote through e-voting.
33. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
34. Further, in accordance with Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall submit to the Stock Exchange, details of the Voting results in the prescribed format within forty-eight hours of conclusion of the AGM.
35. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.incredibleindustries.co.in](http://www.incredibleindustries.co.in) and on the website of CDSL immediately after the declaration of result by the

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Chairman or a person authorized by him in writing and same shall simultaneously be communicated to the Stock Exchanges.

36. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to have been passed on the date of the Meeting i.e. 29<sup>th</sup> September, 2023.
37. As the 44<sup>th</sup> AGM is being held through VC/OAVM, the route map, attendance slip and proxy form is not annexed to this Notice.
38. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 44<sup>th</sup> Annual General Meeting. Members seeking to inspect such documents are required to send an email to [investorsail@adhunikgroup.co.in](mailto:investorsail@adhunikgroup.co.in).
39. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.incredibleindustries.co.in/download/21627289991.pdf>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form and to the RTA, in case the shares are held in physical form.
40. 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 advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
41. The Securities and Exchange Board of India ("SEBI") has recently mandated furnishing of PAN, KYC details (i.e. Postal Address with Pincode, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1<sup>st</sup> January, 2022, any service requests or complaints received from the member will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1<sup>st</sup> April, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company.
42. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, the Company's Registrar are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. In case the securities continue to remain frozen as on 31<sup>st</sup> December, 2025, such securities shall be referred by the Registrar/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or Prevention of Money Laundering Act, 2002.

## Notice (Contd.)

### EXPLANATORY STATEMENT

[STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“ACT”) AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“REGULATIONS”)]

The following statement sets out all material facts relating to ordinary / special business mentioned in the accompanying notice dated 28<sup>th</sup> August, 2023 and shall be taken as forming part of the notice.

#### ITEM NO. 3

In terms of Section 149(10) of the Companies Act 2013 (“Act”), an Independent Director shall hold office for a term up to five consecutive years on the Board of the company, but shall be eligible for re-appointment on passing of a special resolution by the company for a second term of up to five years, consent of the Members by way of a Special Resolution is required for continuation of the directorship.

Mrs. Shilpi Modi, aged about 34 years (DIN: 02706881), was appointed as an Independent Woman Director (Non-Executive) of the Company for a period of five (5) years from 6<sup>th</sup> December, 2018 to 5<sup>th</sup> December, 2023. So, her term as an Independent Director of the company will be going to end on 5<sup>th</sup> December, 2023. The Nomination and Remuneration Committee on the basis of evaluation of her performance, recommended for re- appointment of Mrs. Shilpi Modi as a Non-Executive Independent Woman Director for a second term of five consecutive years on the Board of the Company. The Board of Directors (“Board”), in its meeting held on 28<sup>th</sup> August, 2023 reviewed the declaration made by Mrs. Shilpi Modi that she meets the criteria of independence as provided in Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of opinion that she fulfills the conditions specified in the Act, the rules made there-under and in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is independent of the management. She is having vast expertise and experience of around 8 years in the field of Secretarial matters, Direct Tax and Indirect Tax matters and having sound knowledge of Finance & Accounts. She possess requisite skills which includes her technical knowledge, industrial knowledge and human behavioural knowledge and leadership capabilities. Her support to the Company justifies her re-appointment as an Independent Woman Director of the Company. In the opinion of the Board, Mrs. Shilpi Modi fulfills the conditions specified in the Act and the rules made thereunder and that she is independent of the management. Accordingly, the Board recommend her re-appointment as Non – Executive Independent Woman Director not liable to retire by rotation, for a further period of five years from 6<sup>th</sup> December, 2023 up to 5<sup>th</sup> December, 2028.

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

Except Mrs. Shilpi Modi (DIN: 02706881), none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

#### ITEM NO. 4

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 aims to ensure transparency in the transactions entered into by the Company with its related parties from time to time. The provisions of Section 188 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time states that no company shall enter transaction with a Related Party except with the consent of the Board and members of the Company provided that nothing shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm’s length basis. The transaction with the related parties as per the resolution as mentioned in Item no. 4 are at arm’s length basis and in the ordinary course of business of the Company.

Further, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company is required to enter into various contracts or arrangements with its “Related Party” as mentioned in Resolution in Item No.4 during the upcoming financial year i.e. FY-2024-2025 in the ordinary course of its operations at arm’s length basis. These transactions are estimated at ₹ 8,00,00,00,000/- (Rupees Eight Hundred Crores only) for Financial year 2024-2025 as detailed in the table forming part of this explanation which may likely to exceed 10%



## Notice (Contd.)

of the Annual Turnover of the Company as per the last audited financial statements of the Company. Thus, these transactions qualify under material related party transactions and since such transactions are repetitive in nature, the Company is required to obtain omnibus approval for material related party transactions from the shareholders of the Company. Accordingly approval of the shareholders of the Company is sought for omnibus approval for material related party transactions entered or to be entered with related parties for the financial year 2024-2025 by passing a Special Resolution.

The key details as envisaged under Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Boards and its Powers) Rules, 2014 including amendments thereto and Regulation 23 of SEBI Listing Regulations read with SEBI Circular Dated 22nd November, 2021 are as below:-

Sl. No.	Particulars	Details	Details
1.	Name of Related Party	Adhunik Corporation Limited	
2.	Name of Related Director/KMP (if any)	Mr. Rama Shankar Gupta- Chairman & Managing Director Mr. Sanjay Kaloya- Director Mr. Niket Agarwal- Director Mrs. Sonam Agarwal- Independent Director Mrs. Shilpi Modi- Independent Director All the above directors hold directorship in the Related Party.	
3.	Nature of Relationship including nature of its concern or interest (financial or otherwise);	Common Directorship between both the Company	
4.	Nature/Type and particulars of the Contract/Transaction	Purchase of Raw Materials	Sale of Finished Goods / By-product
5.	Material terms and particulars of the proposed transaction	Material terms and conditions are based on the contracts which inter alia includes the rates, delivery (Ex-Factory/FOR) and payment terms (Advance or on credit) which are based on prevailing market price and commercial terms as on the date of entering into the contract.	
6.	Item	Billets	Coal / Misroll / End Cutting
7.	Manner of price determination	Arm's Length Price basis only.	
8.	Tenure of the proposed transaction	During the Financial Year 2024-2025	
9.	Value of the proposed transaction	Maximum amount ₹ 7,50,00,00,000/- (Rupees Seven Hundred and Fifty Crores only)	Maximum amount ₹ 50,00,00,000/- (Rupees Fifty Crores only)
10.	Whether in Ordinary Course of Business	Yes	
11.	Whether at Arm's Length basis	Yes	
12.	The percentage of the listed entity's annual audited consolidated turnover, for the FY 2022-23, that is represented by the value of the proposed transaction	Approximately 108% The actual value of RPT as % of Company's audited consolidated annual turnover for the F.Y. 2022-23 was around 71%. The significant % increase in value terms of transaction is considered primarily due to inflation in recent period.	
13.	If the transaction relates to any loans, inter- corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Not Applicable.	

## Notice (Contd.)

Sl. No.	Particulars	Details	Details
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.		
14.	Justification as to why the proposed RPT is in the interest of the listed entity	Arrangement is beneficial and in the interest of the Company as it gets assurance of supply of continuous and good quality of raw materials for its production unit, so that the output is in line with Indian Standards as well as a regular buyer for its By-products. It is to be noted that these transactions are in the ordinary course of business of the Company and at arm's length basis.	
15.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable	
16.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Not Applicable	
17.	Any other information relevant or important for the members to take decision on the proposed resolution / Any other information that may be relevant	NIL.	

The Audit Committee and the Board of Directors have approved the said related party transaction which was placed before them in their meeting held on 28<sup>th</sup> August, 2023. Further, the said transactions qualify as material Related Party transactions under the Listing Regulations. Accordingly, the members' approval is sought for the same.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company and therefore, recommended the resolution(s) at Item No. 4 of the Notice for approval of Members as a Special Resolution in terms of the Act and the SEBI (LODR) Regulations, 2015.

The Members may please note that in terms of provisions of the SEBI (LODR) Regulations, no related party/ies shall vote to approve the Special Resolution at Item No. 4 of the accompanying Notice, whether the entity is related party to the transaction or not.

None of the Director(s) and Key Managerial Personnel(s) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice except Mr. Rama Shankar Gupta, Mr. Sanjay Kaloya, Mr. Niket Agarwal, Mrs. Sonam Agarwal and Mrs. Shilpi Modi who are directors in Adhunik Corporation Limited. In addition to the above, none of the promoters of the Company holds any shareholding interest in Adhunik Corporation Limited as per Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

### ITEM NO. 5

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors has, on the recommendation of Audit Committee, approved the appointment and remuneration of M/s. Dipak Lal & Associates, Cost Accountants, (Membership No. 28441) as cost auditor of the Company, for a remuneration of ₹ 25,000/- (plus Good and Service Tax and out-of-pocket expenses) to conduct the audit of the cost records maintained by the Company for the financial year ending on 31<sup>st</sup> March, 2024.

M/s. Dipak Lal & Associates, Cost Accountants have the necessary experience in the field of cost audit and have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time), the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**Notice (Contd.)**
**ANNEXURE TO ITEMS 2 & 3 OF THE NOTICE**

Details of Directors seeking re-appointment / appointment at the forthcoming Annual General Meeting [in pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2)]

Name of the Director	<b>Niket Agarwal</b>	<b>Shilpi Modi</b>
<b>DIN</b>	07233888	02706881
<b>Date of Birth / (Age in Years)</b>	29/08/1987 ( 36 Years)	01/01/1989 (34 years)
<b>Date of Appointment for present designation</b>	29/09/2020	16/09/2019
<b>Date of first appointment on Board</b>	14/11/2019	06/12/2018
<b>Brief Resume of Director</b>	Mr. Niket Agarwal is a Commerce Graduate from Calcutta University, a qualified Company Secretary and a practicing member of The Institute of Company Secretaries of India (ICSI). He is having knowledge in the field of Secretarial matters, Direct Taxation and Indirect Taxation matters and also having sound knowledge of Finance, Accounts and Audit. He is having an experience of around 9 years wherein he has handled important portfolios.	Mrs. Shilpi Modi is a graduate in Commerce and a qualified Company Secretary from The Institute of Company Secretaries of India and a qualified Chartered Accountants from The Institute of Chartered Accountants of India (ICAI) and having around 8 years of good experience in the field of Secretarial matters, Direct Tax and Indirect Tax matters and having sound knowledge of Finance & Accounts.
<b>Qualification</b>	Commerce Graduate from Calcutta University and Qualified Company Secretary	Graduate in Commerce, Qualified Company Secretary and Qualified Chartered Accountant
<b>Expertise in specific functional areas</b>	Over 9 years of experience in the field of Secretarial matters, Direct Tax and Indirect Taxation matters and having sound knowledge of Finance, Accounts and Audit.	Over 8 years of good experience in the field of Secretarial matters, Direct Tax and Indirect Tax matters and having sound knowledge of Finance & Accounts.
<b>Terms and conditions of Appointment / Re-appointment</b>	Tenure as a director is subject to the provisions of Companies Act, 2013 liable to retire by rotation.	Tenure as an Independent Director is subject to the provision of sub section 11 of Section 149 of the Companies Act, 2013.
<b>Details of remuneration sought to be paid</b>	Sitting Fees in compliance with the provisions of Section 197 of Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Sitting Fees in compliance with the provisions of Section 197 of Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
<b>Remuneration last drawn (2022-23)</b>	Sitting Fees- ₹ 70,000/-	Sitting Fees- ₹ 1,05,000/-
<b>Shareholding in the Company directly or on beneficial basis</b>	NIL	NIL
<b>No. of Board meetings attended during the F.Y. 2022-23</b>	7/7	7/7

**Notice (Contd.)**

<b>List of other Companies (including listed companies) in which holds directorship as on 31.03.2023</b>	1) Adhunik Corporation Limited 2) Makelife Portfolio Management Private Limited 3) Timberland Realty India Private Limited (Formerly known as Robinhood IT Outsourcing Private Limited)	1) Adhunik Corporation Limited
<b>Chairmanship / Membership of committees of Directors of other Companies (including listed companies) as on 31.03.2023*</b>	NIL	1. Adhunik Corporation Limited: a) Audit Committee- Member
<b>Name of Listed Companies from which the Director has resigned in last three years.</b>	NIL	NIL
<b>Skills and Capabilities required for the role and manner in which the proposed person meets the requirements.</b>	Not Applicable	As mentioned in item no. 3 of the Explanatory Statement
<b>Relationships between directors inter-se</b>	Not Applicable	Not Applicable
<b>Relationships with Manager and other Key Managerial Personnel</b>	Not Applicable	Not Applicable

\* Only Audit Committee and Stakeholder's Relationship Committee has been considered.

**Registered Office:**  
14, N. S. Road, 2<sup>nd</sup> Floor  
Kolkata-700 001.  
Dated: 28<sup>th</sup> August, 2023

**For and on behalf of the Board**

**Sd/-**  
**Bharat Agarwal**  
Company Secretary  
(Membership No: FCS 11144)