

# 35TH ANNUAL REPORT 2021-2022



**INDIA STEEL WORKS LTD**  
Inner Vision. Global Action.



**CORPORATE INFORMATION****CHAIRMAN**

Mr. Sudhir H. Gupta  
Executive-Chairman Since 15.11.2021.  
Mr. T. R. Bajalia Non  
Chairman up to 17.09.2021.

**MANAGING DIRECTOR**

Mr. Varun S. Gupta since 15.11.2021  
Mr. Sudhir H. Gupta up to 14.11.2021

**EXECUTIVE DIRECTOR**

Mr. Deepak Kumar Gaur  
up to 30.11.2021.

**NON - EXECUTIVE DIRECTOR**

Mr. Bimal Desai  
Non - Executive & Independent Directors -  
Mr. Santino Rocco Morea - Since 12.11.2021.  
Mr. Harpreet Baweja - Since 12.11.2021  
Mrs. Aastha Sharma - Since 12.11.2021 up to 18.04.2022.  
Mr. Karan Lamba – Since 13.11.2021 up to 18.04.2022.  
Mrs. Kavita R. Joshi up to 19.10.2021.  
Mrs. Bhavana B. Devda Since 20.08.2021 up to 21.10.2021.

**STATUTORY AUDITORS**

Laxmikant Kabra & Co LLP  
Chartered Accountants  
604, Centrum, Opp. Raila Devi Lake,  
Near Satkar Grande Hotel, Wagle Estate, Thane West 400 604.

**COST AUDITOR**

Vishesh Patani  
601, Madhur Pushpalata CHSL, Gokhale Road,  
Dahanukar wadi, Kandivali West, Mumbai 400 067.

**REGISTERED OFFICE**

Zenith Compound, Khopoli, Raigad-410203

**WORKS**

Zenith Compound, Khopoli, Raigad – 410203

**CORPORATE OFFICE**

304, Naman Midtown, Tower A,  
Senapati Bapat Marg, Elphinstone Road (W),  
Mumbai-400013

**BANKER**

Kotak Mahindra Bank Ltd  
Dombivli Nagari Sahakari Bank Ltd

**WEBSITE**

[www.indiasteel.in](http://www.indiasteel.in)

**REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Pvt Ltd  
C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai 400 083

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## **MESSAGE TO SHAREHOLDERS**

It gives me immense pleasure in presenting to you the 35th Annual Report of the Company and thanking you for your continued support and goodwill that is critical to the success of your Company.

I, on behalf of the India Steel Board of Directors would now like to highlight some key aspects of the year under review:

-Revenue generated during the FY 2021-22 of Rs.2,380.79 lakhs, the same in the last year was Rs. 14,385.76 Lakhs, so EBITDA has fallen to Rs.5,237.28 Lakhs.

-Net worth of the Company has reduced to Rs. 8567.20 Lakhs in F.Y. 2021-22 from Rs.13530 Lakhs in previous year, due to loss suffered by the Company for the year ended 31st March, 2022. The continuing scarcity of working capital needs has caused significant losses.

I would like to take this opportunity to thank you as the shareholders of the Company for your support & motivation to the Company during the year. I would also like to thank the lenders, customers, suppliers, various national & provincial governments with whom we have been working, further shall appreciate the employees, workers and Unions of India Steel group Companies who have stood by the Company & I look forward to their continuous dedication and support in the future.

**Place: Mumbai**

**Date: 14th November, 2022.**

**Yours Sincerely,  
Sudhir H. Gupta  
Executive Chairman  
DIN: 00010853**



## MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion & analysis Report provides a perspective of the management on the external environment and steel industry, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2021-22. The Report should be read along with the Company's financial statements, the schedules and notes thereto and other information provided in the Annual Report.

Management Discussion and Analysis Report for the year under review, as per regulation 34 (2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is as follows.

### EXTERNAL ENVIRONMENT GLOBAL ECONOMY & STEEL INDUSTRY

The global economy becomes weaker than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing tension between Russia and Ukraine have limited the growth prospects.

Global growth is projected to slow-down from an estimated 6.1% in 2021 to 3.6% in 2022—0.8 percentage-point lower than what was envisioned in the last World Economic Outlook (WEO) of January 2022, largely reflecting forecast markdowns in USA and China. In USA, a revised assumption of removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages have induced a downgrade in the outlook by 1.2 percentage-points. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down to 3.6% in 2023.

The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity, and significant change in retail consumer behaviour mainly in automotive and construction sectors. While China continued to be the largest global crude steel producer, there were moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying normalcy in operations during the pandemic.

India is estimated to grow by 8.2% in FY 22-23, in the world, mainly due to the improvements in vaccination rates and control on inflation. Several macro indicators have also implied the prospect of economic growth in India. But, to encourage inclusive growth, it is essential for the country to support private investments. It is likely to take the country closer to its target of becoming a \$ 5 trillion economy by 2025. Growth rates are, however, expected to moderate in 2023 due to the persistent threat from new variants of Covid-19. Besides, rising unemployment may delay prospects of recovery of household consumption in the medium term. India's crude steel production increased 25 per cent year-on-year to 66.91 million tonne during the April-October period of 2021-22, according to the Economic Survey.

### ECONOMIC SCENARIO: INDIA

leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23.

The Indian steel industry recorded crude steel production of 120.01 MnT in FY 2021-22, despite pandemic-induced disruptions in Q1 FY 2021-22. Led by a sharp recovery in demand in developed markets and production cuts in China, steel prices rose sharply in H1 FY



2021-22 in domestic as well as global markets. Prices moderated in Q3 FY 2021- 22 and have remained volatile following the start of the Russia-Ukraine crisis. Steel production showed a solid recovery and domestic finished steel consumption continued to grow. Finished steel consumption surpassed pre-pandemic levels and was supported by the government's improved infrastructure investments.

Real estate was a key contributor in demand revival. Infrastructure projects too picked up pace at the start of the second half. Demand from the auto sector was temporarily weak, due to the semi-conductor shortage. However, the industry closed the year on a positive note and recorded 11% growth in finished steel consumption. The demand from the engineering and capital goods segment remained robust. Orders from sectors like industrial goods, infrastructure, railways, construction and mining equipment are rising, while those from the power and heavy electrical sectors remained sluggish.

There was a fall in imports due to greater import substitution and development of comparable indigenous production lines in response to the government's call for building a self-reliant India. Imports are projected to decline even further as steel mills take advantage of the PLI scheme for specialty steel.

### **FINANCIAL PERFORMANCE**

During the year the company generated a revenue of Rs. 2,380.79 lakhs, the same in last year was Rs. 14385.76 Lakhs, EBITDA has fallen to (Rs. 5,237.28 Lakhs). Net worth of the Company has reduced to Rs.8567.20 lakhs from Rs. 13530.06 lakhs in F.Y. 2021-22, due to loss suffered by the Company for the year ended 31st March, 2022.

### **RISK, THREAT & OPPORTUNITIES**

#### Opportunities:

Due to structural changes brought out by the present government, more particularly by introduction of GST (Goods & Service Tax). The whole Country has become one market, due to this change in taxation; our company sees seamless growth in the market for our products. Our companies product namely billets, wire rods etc., has wide application in Infrastructure, automobile and other segments and same being the focus of our country for its growth, there is a lot of opportunity for the Company's products.

#### Risks & threats

The company has a Management framework that allows the organization to take certain risk in order to be competitive and to mitigate other risk to drive sustainable results. By identifying and proactively addressing risk and opportunities, stakeholder value is protected at all times. We do address the risk related to strategy, operational, financial and legal. The risks & threats which the Company may face are :

Present Pandemic Risk: updation of technologies to serve clients better & secure cost competitiveness, exposure to exchange rate fluctuations, Financing, Liquidity, Regulatory and Compliance Risks.

#### Financial Risks:

Inflation concerns have been mounting globally particularly in the US and Europe. The recent war in eastern Europe has also disrupted supply chains and led to heightened volatility in financial markets which has further exacerbated the inflation concerns. As the Company has large capital requirements, the cost of financing may be adversely affected by the rising rate environment.

#### Market risks:

Steel demand is affected by high inflation. Re-imposition of mobility restrictions amidst spread of new variants may also affect demand and supply chains potentially impacting sales. Technological changes and shifting customer preferences may necessitate adoption of newer grades of steel and alternate materials.

**Liquidity Risks:**

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time. The Company is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company has to monitor its liquidity risk and require to maintain a level of cash and cash equivalents deemed adequate by management to finance the Company's present operations and to mitigate the effects of fluctuations in cash flows. However, the liquidity crisis has led to defaults in repayments and interest payment to lenders, for which the Company has faced legal challenges. The Company is trying to mitigate the short fall by availing funds through various other avenues.

**Operational Risks:**

Disruption to Company's manufacturing processes caused due to various factors such as equipment failures, natural disasters, pandemics or extreme weather events, etc. adversely affect its operations and customer service levels.

**Safety Risks:**

Inconsistent adherence to process & workforce safety requirements, safety laws and regulation may have adverse impact on business continuity and operation.

**Regulatory and Compliance Risk:**

There are number of complex laws and regulations and multiple compliances to be complied with by the Company. Further, unstable political system and frequent changes in investment and economic policies are common and any unforeseen change can expose the Company's business. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements.

**INTERNAL CONTROLS/THEIR ADEQUACY:**

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The same is approved by the Audit Committee. The efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds & errors and timely preparation of reliable financial information etc., are evaluated. The scope and authority of the Internal Audit is laid down by the Audit Committee and accordingly the Internal Audit Plan is approved. An independent Internal Auditor is in place to check, audit & monitor the process as per the internal audit plan approved by the Audit Committee. In the opinion of the Board the Company has a process in place to continuously monitor the existing controls and identify gaps and to bridge the gaps having a material effect on the Company's operations.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

In the year under review, the overall industrial relations have been cordial and conducive to work. The Company recognizes the value and contribution of its employees and earnestly endeavors to create a responsive organization with emphasis on performance with responsibility and accountability. Continuous appraisal of the competencies of the personnel in line with job requirements is carried out to facilitate higher levels of output and productivity. As on 31st March 2022, the number of permanent employees in the Company are around 200 at various levels. The Company has continued to focus on various aspects like employee training, welfare and safety thereby maintaining a constructive relationship with employees. Required insurance policies were obtained for employees of the Company.



**DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

**Financial Ratios :-**

**Standalone - FY 21-22**

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.55	1.21
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.49	0.93
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-5.09	-0.03
Return on Equity Ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-45.86%	-13.66%
Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average Inventory	0.13	0.62
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	1.47	4.26
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.30	0.23
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.09	0.62
Net Profit Ratio (In %)	Net Profits After Taxes	Revenue from Operations	-212.83%	-13.76%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-15.73%	-2.16%
Net Worth Ratio (In %)	Net Profits After Taxes	Total Assets less Total Liabilities	-59.14%	-14.63%

**Consolidated - FY 21-22**

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.55	1.21
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.49	0.93
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-5.09	-0.04
Return on Equity Ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-45.90%	-13.67%
Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average Inventory	0.13	0.62
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	1.47	4.26
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.30	0.23
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.09	0.62
Net Profit Ratio (In %)	Net Profits After Taxes	Revenue from Operations	-212.89%	-13.77%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-15.74%	-2.16%
Net Worth Ratio (In %)	Net Profits After Taxes	Total Assets less Total Liabilities	-59.20%	-14.65%



The significant changes in the ratios and net worth was mainly on account of losses. The continuing scarcity of working capital needs has caused significant losses.

**STATUTORY COMPLIANCE:**

The Company has in place adequate systems and processes to ensure that it is in compliance with all applicable laws. The Managing Director, places before the Board, at each meeting, a certificate of compliance with the applicable laws.

**ACCOUNTING TREATMENT:**

The Company consistently follows a treatment that has been prescribed in Indian Accounting Standards (Ind AS) in the preparation of financial statements which shows true and fair view of the financial statements.

**OUTLOOK:**

IN FY 2023, we look better year than FY 2022 on account of control on the spread of Covid 19, the economic activity is expected to back to its normalcy and also due to long term initiatives by Government to take the National GDP to 5 trillion dollar economy by 2025.

India has consistently witnessed steel imports declining and exports and consumption increasing. The future looks bright for India's steel industry, with incremental growth expected across the core sectors. Domestic consumption will continue to be robust and consumption of steel will continue to grow. With the government's increased investments on public infrastructure, the real demand is also expected to be steady. Sectors such as appliances, housing and government projects are expected to contribute towards growth in steel demand in FY 2022-23. This growth will be driven largely by the government's enabling policy initiatives and supplemented by a very healthy revival in the country's domestic demand.

Strong positive trends are noticeable across real estate, infrastructure, automobiles, engineering goods, and the solar energy sector. Domestic demand will see further increase as more and more industries leverage the economic incentives offered under scheme to reduce the country's imports. Export demand is also likely to be robust, both in the short-term and in the long run, as India benefits from impact of the Russia-Ukraine crisis and moves up the steel value chain.

**DISCLAIMER**

This discussion and analysis have been provided with a view to enable shareholders with a better understanding of the performance of the Company. In certain areas the discussion may cover strategic decision and management expectations from the same. Such forecasts should not be construed as a guarantee of performance and actual results may differ significantly depending upon the operating conditions and external environment



**DIRECTORS REPORT**

Dear Members,

Your Directors present their 35th Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2022.

**1. FINANCIAL HIGHLIGHTS:**

The summarized financial results of the Company for the financial year 2021-22 are given hereunder:

(Amount Rs. In Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Sales including excise duty/Income including Job work operations	2,380.79	14,385.76	2,380.79	14,385.76
Operating Profit (EBITDA)	-5,237.28	-42.92	-5,238.73	-44.37
Finance Costs	789.70	899.77	789.70	899.83
Provision for Depreciation	755.17	759.65	755.17	759.65
Profit/(Loss) before tax & exceptional items	-6,782.15	-1,702.34	-6,783.60	-1,703.84
Exceptional Items	1,715.16	-277.01	1,715.16	-277.01
Current tax	0.00	0.00	0.00	0.00
Profit/(Loss) after tax	-5,066.99	-1,979.36	-5,068.44	-1,980.86
Items not to be classified to statement of				
Profit or Loss in subsequent years	104.13	56.40	104.13	56.40
Total comprehensive income	-4,962.86	-1,922.95	-4,964.31	-1,924.46

**2. OPERATIONS/COMPANY'S STATE OF AFFAIRS:**

During the year under review, the gross revenue has reduced to Rs.3277.75 Lakh as against Rs.17626.23 Lakh in the previous year. The performance of the Company was low during the year under review due to inadequate supply of raw material, working capital and COVID 19 Pandemic situation.

**3. CHANGE IN THE NATURE OF BUSINESS:**

There was no material change in the nature of business of the Company during the year.

**4. TRANSFER TO RESERVES:**

In view of losses incurred, your Company has not transferred any amount to its Reserves.

**5. DIVIDEND:**

Considering accumulated losses the Directors regret their inability to declare any dividend on Equity Shares of the Company during the year under review. However, your Directors are pleased to recommend a Dividend @ 0.01% on total paid up Preference share capital of the company for the financial year ended 31st March, 2022, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date for the Financial Year 2021-22. The final dividend amounting to Rs. 75,513/- on total paid up preference shares inclusive of tax on distributed profits.

**6. SHARE CAPITAL:**

The paid-up Equity Share Capital as on 31st March, 2022 was Rs. 3980.81 Lakh. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

During the current financial year there was no change in the Capital structure of the Company. The authorized share capital will be increased as per the resolution of the members to be passed at the ensuing AGM.



The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued to employees or Directors of the Company under any scheme (including Sweat Equity Shares).

**7. FIXED DEPOSITS:**

The Company has not accepted any deposits from the shareholders or public under applicable provisions of the Companies Act 2013 or rules made there under.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not provided any loan or guarantee directly or indirectly to any person or body corporate, during the year under review.

The details of Investment covered under section 186 of the Companies Act, 2013 are provided in the Financial Statements 31st March, 2022.

**9. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT:**

There are no material changes and commitments made which may affect financial position of the Company between the end of financial year and date of report.

**10. SUBSIDIARY:**

The Wholly Owned Subsidiary namely Indinox Steels Private Limited was incorporated on 16/06/2018. The Company has invested Rs. 5,00,000/- (50000 Equity Shares of Rs.10/-each) as on date. The Wholly Owned Subsidiary has not commenced any business since its incorporation.

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

A report on the financial position of the subsidiary company as per the Companies Act, 2013 ('the Act') is provided in Form AOC-1 (**Annexure-A**) which is attached to the financial statements.

**11. CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the provisions of Companies Act, 2013 and Regulation 33 of the Listing Regulations and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2021-22, together with the Auditors' Report, form part of this Annual Report.

**12. RELATED PARTY TRANSACTIONS:**

Related parties contracts or arrangements: The Company has made Related Party Transactions, as approved by the non-interested shareholders at the 34th Annual General meeting of the Company. Further the said related Party Transactions made during the year under review were on an arm's length basis and in the ordinary course of business. Required disclosures are made in **Annexure-B** in Form No. AOC-2. On the recommendation of the Audit Committee, the Board of Directors has a Policy on Materiality of Related Party Transaction and dealing with Related Party Transactions which is also uploaded on the website of the Company [www.indiasteel.in](http://www.indiasteel.in) under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the legal and accounting requirements.

All Related Party Transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned / repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related Party Transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. All the Related Party Transactions under Ind AS-24 have been disclosed at the standalone financial statements forming part of this Annual Report.

**13. KEY MANAGERIAL PERSONNEL ('KMP'):**

In terms of the provisions of Sections 2(51) and 203 of the Act, the following are the KMPs of the Company:

Mr. Sudhir H. Gupta, Executive Chairman.

Mr. Varun S. Gupta, Managing Director & Chief Financial Officer.

Mr. Deepak Gaur, Whole-time Director up to 30.11.2021.

Mr. Dilip Maharana, Company Secretary & Compliance officer.

**14. CORPORATE SOCIAL RESPONSIBILITY:**

The Company believes in development which is beneficial for the society at large and to practice the corporate values through commitment to grow in socially and environmentally responsible way while meeting the interest of our stake-holders. However, during the year, the Company has not undertaken any CSR initiatives due to losses.

**15. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has adopted a Whistle-Blower Policy, whereby employees are free to report violations of laws, rules, and regulations, or unethical conduct to the Audit Committee. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at [www.indiasteel.in](http://www.indiasteel.in) under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. During the year the Audit Committee has not received any reference under the policy.

**16. RISK MANAGEMENT POLICY:**

The Company has a risk management policy to identify, mitigate elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. The Board of Directors and senior management team assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**18. DIRECTORS:****i. Re-Appointment of Mr. Sudhir H. Gupta (DIN: 00010853) as a Director liable to retire by rotation:**

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company Mr. Sudhir H. Gupta retires from office by Rotation, and being eligible, offers himself for reappointment. The Board recommend the members his appointment as a Director of the Company liable to retire by rotation.

**ii. Appointment of Mr. Santosh P. Bhosale (DIN: 05117360) as a Non-Executive, Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Santosh P. Bhosale (DIN: 05117360) as an Additional Director of the Company with effect from September 20, 2022. He holds office as such up to this Annual General Meeting of the Company or the last date on which ensuing Annual General Meeting should have been held, whichever is earlier and within three months from the date of his appointment as per SEBI LODR. In the opinion of the Board, the integrity, expertise, efficiency of Mr. Santosh P. Bhosale (DIN: 05117360) are up to mark. The Board re-recommend the members his appointment as an Independent Director of the Company not liable to retire by rotation.

**iii. Appointment of Mr. Shivanand S. Bhalerao (DIN: 09263141) as a Non-Executive, Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. Shivanand S. Bhalerao (DIN: 09263141) as an Additional Director of the Company with effect from September 20, 2022. He holds office as such up to this Annual General Meeting of the Company or the last date on which ensuing Annual General Meeting should have been held, whichever is earlier and within three months from the date of his appointment as per SEBI



LODR. In the opinion of the Board, the integrity, expertise, efficiency of Mr. Shivanand S. Bhalerao (DIN: 09263141) are up to mark. The Board re-recommend the members his appointment as an Independent Director of the Company not liable to retire by rotation.

**iv. Resignation of Non-executive Independent Directors:**

Mr. T.R. Bajalia, Mrs. Riddhi Shah, Mrs. Kavita R. Joshi, Mrs. Bhavna Devda have resigned during the financial year. The Independent Directors have confirmed that they have resigned for due to their pre occupations / personal reasons and not for any other reason.

**v. Resignation of Mr. Deepak Kumar Gaur as Executive Director:**

Mr. Deepak Kumar Gaur (DIN: 07636636) has been resigned as executive director effective 30th November, 2021.

**vi. Resignation of Mrs. Priyanka V. Gupta (DIN: 08057096) as Non-Executive Director.**

The Board had appointed Mrs. Priyanka V. Gupta (DIN: 08057096) as an Additional Non-executive Woman Director of the Company with effect from 15th July, 2022. Due to personal reasons she has resigned w.e.f 14th November, 2022.

**19. DECLARATIONS BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulations 16 (1) (B) of SEBI (LODR), 2015. Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting seeking your approval to the aforesaid appointments.

**20. BOARD'S PERFORMANCE- ANNUAL EVALUATION:**

Board Evaluation In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination & Remuneration Committee. The manner in which the evaluation was been carried out has been explained in the Corporate Governance Report.

**21. BOARD MEETINGS:**

Board Meetings During the year, Eight (8) Board Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Circulars issued in this behalf.

**22. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Every new Independent Director of the Board attends an orientation program. To familiarize the new Independent Director with the strategy, operations and functions of our Company, the Executive Directors/ Senior Managerial Personnel make presentations to the new Independent Director about the company's strategy, operations, product and service and offerings, markets, organization structure, human resources, technology quality, facilities and risk management.

**23. NOMINATION & REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel in accordance with Section 178 of the Companies Act, 2013. More details of the same are given in the Corporate Governance Report.

**24. AUDIT COMMITTEE POLICY:**

The Board has, on the recommendation of the Audit committee, framed a policy for selection, appointment and remuneration of Statutory Auditors and internal Auditor in accordance with the Section 177 of the Companies Act, 2013. More details of the same are given in the Corporate Governance Report.

**25. DIRECTORS RESPONSIBILITY STATEMENT :**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 134(3)(c) of the Companies Act, 2013:

- I. That in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- II. That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2022 and of the Loss of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the annual financial statements have been prepared on a going concern basis;
- V. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- VI. That proper system's to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 26. AUDITORS

### I. STATUTORY AUDITORS & AUDIT REPORT:

The Company has received a letter from M/s Laxmikant Kabra & Co., Chartered Accountants (Firm Registration No. 117183W), regarding their eligibility for the continuing appointment as statutory Auditors of the Company. The said auditors were appointed effective Annual General Meeting held on 20th August, 2018 for a period of 5 years.

The qualification, reservation or adverse remark or disclaimer made by the auditor in the Statutory Audit Report issued by him to the members of the Company, are as follows:

- i. Inventories amounting to ₹ 17,018.59 Lakhs have not been valued at lower of cost or Net realisable value which is against the significant accounting policies of the company and is not consistent with Ind AS 2 "Inventories". These inventories held by the company include obsolete and non-moving stock which are valued at cost and is inconsistent with provisions of Ind AS 2. As per the information and documents provided to us, we are of the opinion that work-in-progress amounting to ₹11,753.23 Lakhs and Raw Material amounting to ₹3,665.42 Lakhs held by the company can only fetch scrap value. The estimated difference between the valuation of Work in progress and Raw Material at cost and present net realizable value is approx. ₹14,000.00 Lakhs. On account of the same the loss of the company has been understated by approx. ₹14,000.00 Lakhs. In the absence of quantitative information and supporting documents of Finished Goods, Stock in Trade and Stores and Spares amounting to ₹1,599.95 we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
- ii. Company has shown insurance claim receivable amounting to ₹1,120.27 Lakhs. The said claim is outstanding since long back and the same has not been approved by appropriate authority till date. In our opinion, showing the said insurance claim as receivable is not showing true and fair view. On account of the same assets of the company are overstated by ₹1,120.27 Lakhs.
- iii. Confirmations of the balances of sundry creditors and debtors, loans and advances, Advances given to suppliers have not been obtained and they are subject to reconciliations and subsequent adjustments if any. As such we are unable to express any opinion as to the effect on the financial statements for the year.
- iv. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities were not provided to us. As such we are unable to express any opinion as to the effect on the financial statements for the year.

### Managements Reply:

- i. The Company is planning to put up a slag recovery plant. This will enable recover the metal from slag and hence the value of stocks would not be eroded as pointed out by the auditors.
- ii. The Company has filed a consumer case for insurance claim before the NCDRC (National Consumer Dispute Redressal Commission) in the year 2014. The case is pending for final hearing.
- iii. The Company is in process of getting balance confirmations from the parties belonging to trade payables and trade receivables, loans and advances, advances to suppliers. However, pending confirmations from trade receivable and trade



payable, for loans and advances, advances to suppliers will not affect the financials of the Company.

- iv. The Company is in process of getting documentary evidences with respect to contingent liabilities wherever pending.

## II. SECRETARIAL AUDITOR & AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Reena T. Parekh, proprietor Reena S. Modi & Associates (ACS 25346 & CP No. 12621) Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as “Annexure - C”.

### QUALIFICATIONS/OBSERVATIONS:

1. The Company has not filed MGT-7 for the financial year ended 31st March, 2021.
2. The Company has not filed form SH-7 for increase in authorized share capital approved at the extra-ordinary general meeting of the Company held on 14.02.2022.
3. The Company has not filed CRA-4 cost audit report for the financial year ended 31st March, 2021.
4. The Company has not filed CRA-2 for the appointment of the Cost Auditor for the Financial Year 31.03.2022.
5. Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has submitted the Statement under Regulation 13(3) for March,2021 Quarter on 10/06/2021. For the delay in submission BSE has levied penalty Rs.48380/-including GST. The Company has paid the penalty levied for the non-compliance.
6. **Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
The Company has submitted the Shareholding Pattern under Regulation 31 for March,2021 on 11/06/2021. For the delay in submission BSE has levied penalty Rs.96760/-including GST. The Company has paid the penalty levied for the noncompliance.
7. **Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
The Company has submitted Financial Results for the Quarter ended 31.3.2021 on 20.08.2021, beyond the stipulated period i.e which should have been submitted on or before 30.06.2021. The Company has paid the penalty Rs.3,00,900/- including GST levied for the non-compliance.
8. **Regulation 24 A (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Secretarial compliance report for the year ended 31st March, 2021 should have been filed on or before 30th June, 2021 submitted on 25/08/2021. The Company has paid the penalty Rs. 89680 /- including GST levied for the non-compliance.
9. **Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Shareholding Pattern for the Quarter ended 30.09.2021 should have been filed on or before 21/10/ 2021. However It was submitted on 01.12.2021. For the delay in submission BSE has levied penalty Rs. 59000/-including GST. The Company has paid the penalty.
10. **Regulation 17(2) (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Company has hold the Board Meeting on 20/08/2021 which should have been held on or before 11.08.2021 and The Company has paid the penalty Rs.11800 /- including GST levied for the non-compliance.
11. **Regulation 76 SEBI (Depositories and Participants) Regulations, 2018:**
  - a. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.06.2021 on 09/08/2021 and there is a delay in the submission.
  - b. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2021 on 02/11/2021 and there is a delay in the submission.

### Managements Reply:

1. The Company is in process of filing form MGT-7.



2. The Company was required to file form SH-7 for increase in authorized share capital approved at the extra-ordinary general meeting of the Company held on 14.02.2022. However, the Board has recommended shareholders to increase authorised share capital in the ensuing Annual General Meeting in supersession to earlier Ordinary Resolution, after which SH-7 will be submitted.
3. The Company is in process of filing form CRA-4 cost audit report for the financial year ended 31st March, 2021.
4. The Company is in process of filing form CRA-2 for the appointment of the Cost Auditor for the Financial Year 31.03.2022.
5. **Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
Due to unavoidable reasons the Company was not submitted the Statement under Regulation 13(3) for March, 2021 Quarter on 10/06/2021. For the delay in submission penalty levied by BSE Rs.48380/-including GST was paid by the Company.
6. **Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
The Company has submitted the Shareholding Pattern under Regulation 31 for March,2021 on 11/06/2021. The Company for the delay in submission paid penalty Rs.96760/-including GST to BSE.
7. **Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
Due to unavoidable causes Board Meeting could not be held on or before 30.06.2021. The Company has submitted Financial Results for the Quarter ended 31.3.2021 on 20.08.2021, beyond the stipulated period i.e which should have been submitted on or before 30.06.2021. The Company has paid the penalty Rs.3,00,900/- including GST levied for the non-compliance.
8. **Regulation 24 A (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Secretarial compliance report for the year ended 31st March, 2021 should have been filed on or before 30th June, 2021 submitted on 25/08/2021. The Company has paid the penalty Rs. 89680 /- including GST levied for the non-compliance.
9. **Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Shareholding Pattern for the Quarter ended 30.09.2021 should have been filed on or before 21/10/ 2021. However It was submitted on 01.12.2021. For the delay in submission BSE has levied penalty Rs. 59000/-including GST. The Company has paid the penalty.
10. **Regulation 17(2) (Listing Obligations and Disclosure Requirements) Regulation, 2015**  
The Company has hold the Board Meeting on 20/08/2021 which should have been held on or before 11.08.2021 and The Company has paid the penalty Rs.11800 /- including GST levied for the non compliance.
11. **Regulation 76 SEBI (Depositories and Participants) Regulations, 2018:**
  - a. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.06.2021 on 09/08/2021 and there is a delay in the submission.
  - b. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2021 on 02/11/2021 and there is a delay in the submission.

### III. COST AUDITORS & COST RECORDS:

The Board has appointed Mr. Vishesh Naresh Patani (Membership No. 30328), cost Accountants, Mumbai under section 148 of the Companies Act, 2013 for conducting the audit of cost records of the Company for the financial year ending 31st March, 2023. Approval of the members by way of ordinary resolution ratifying the remuneration to be paid to the cost auditors is suitable included in the notice calling the Annual General Meeting of the Company. The Cost Auditor have further confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013.

The Company is maintaining the Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

**IV. BRANCH AUDITOR:**

The Company has branch outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches, subject to approval of shareholders.

**v. INTERNAL AUDITORS:**

The Internal Auditors reports are reviewed by the Audit Committee on periodical basis.

**27. REPORTING OF FRAUDS BY AUDITORS :**

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

**28. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has in place adequate internal financial controls with reference to financial statements. Risk management and internal control frameworks are designed and implemented to manage rather than completely eliminated the risk of failure to achieve business objectives. The Company has appointed internal Auditor to have check on the adequacy of controls in the overall operations and functioning of various departments.

**29. ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 will be made available on the Company's website at [www.indiasteel.in](http://www.indiasteel.in).

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return in Form MGT-7 is available on the website of the Company

**30. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds, being dividends lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has adopted the generally accepted technology for its products. Particulars regarding conservation of energy foreign exchange earnings and outgo are given in "Annexure – D" as required under The Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 and forms part of this report.

**32. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual harassment Policy in line with the requirements of the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2021-22.

**33. SECRETARIAL STANDARDS OF ICSI :**

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and that such systems were adequate and operating effectively.

During the Financial Year, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

**34. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.



**35. CORPORATE GOVERNANCE:**

The Company has implemented the provisions of Chapter IV of SEBI (LODR), 2015 relating to the Corporate Governance requirements. A Report on Corporate Governance, the Report of Auditors Certificates thereof is given as annexure to this report.

**36. MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 issued thereunder and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board of Directors has formulated the Nomination and Remuneration Policy on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

During the year under review, the Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as “Annexure -E”.

**37. OTHER MATERIAL INFORMATION:**

During the year under review, there is no other material information to report.

**38. GENERAL:**

- I) During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:
- details relating to deposits covered under Chapter V of the Act;
  - issue of equity shares with differential rights as to Dividend, voting or otherwise;
  - issue of shares (including sweat equity shares) to employees of the Company under any scheme, save and except Employee Stock Options Schemes referred to in this Report;
  - raising of funds through preferential allotment or qualified institutions placement;
  - instance of one-time settlement with any bank or financial institution;
  - fraud reported by Statutory Auditors; and change of nature of business.
- II) There are transactions requiring disclosure or reporting in respect of matters relating to pendency of any proceeding against the Company under the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT) Mumbai are as follows:

Sr No.	NCLT Mumbai Bench No.	Case No.	Party Details	Claim Amount	Date of Filing	Status
1	Bench 2	CP(IB)161/MB/2022	Kiran Kumar Mallegowda Vs. ISWL	Rs.74,87,527/-	23-09-2021	Pending for final argument
2	Bench 1	CP(IB)4027/MB/2019	IFGL Refractories Vs. ISWL	Rs. 15,00,000/-	14-11-2019	Disposed Off on 06/09/2022
3	Bench 4	CP(IB)1000/MB/2021	Kotak Mahindra Bank Vs. ISWL	Rs. 13,77,85,111/-	09-10-2021	Pending for Final Argument
4	Bench 1	CP(IB)3282/MB/2019	S. K. Traders Vs. ISWL	Rs. 11,62,198/-	11-09-2019	Disposed Off on 04/01 /2022



Sr No.	Bench No.	Case No.	Party Details	Claim Amount	Date of Filing	Status
5	Bench 4	CP(IB)1085/MB/2021	Sai Petroleum P. F Vs. ISWL	Rs. 4,92,530/-	25-10-2021	On last date of hearing on 18.10.2022 matter adjourned in view of the pending Supreme Court Judgement.

**III) INDUSTRIAL RELATIONS:**

During the year under review, industrial relations at the Company's unit continued to remain cordial and peaceful.

**IV) GREEN INITIATIVE:**

To minimize the impact on the environment, the Company has been circulating the copy of the Annual Report in electronic format to all those members whose email addresses are available with the Company.

**V) ACKNOWLEDGEMENTS:**

The Directors express their appreciation for co-operation and encouragement received from all the Shareholders, Business Associates, Dealers, and Insurers, vendors, investors and bankers during the year. The Directors also place on record their appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors of

**INDIA STEEL WORKS LIMITED****Sudhir H. Gupta**

Executive Chairman

(DIN: 00010853)

541/C, Ashok, Adenwala Road,

King Circle, Matunga,

Mumbai 400013.

**Varun S. Gupta**

Managing Director & CFO

(DIN: 02938137)

541/C, Ashok, Adenwala Road,

King Circle, Matunga,

Mumbai 400013.

Place: Mumbai

Date: 14th November, 2022

**Annexure-A**

Form No. AOC-1

[Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the year ended March 31, 2022]

Part "A":

Name of the Subsidiary: Indinox Steels Pvt. Limited

Date of incorporation of the Subsidiary: 16.06.2018

Sl. No.	Particulars	Amount (Rs. in Lakh)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
3	Share Capital	5.00
4	Reserves & Surplus	-5.82
5	Total Assets	3.28
6	Total Liabilities (excluding Share Capital and Reserves & Surplus)	4.11
7	Investments	-
8	Turnover	-
9	Profit/(Loss) before taxation	-1.45
10	Provision for taxation	0.00
11	Profit/(Loss) after taxation	-1.45
12	Proposed dividend	-
13	% of shareholding	100

1. Reporting period of the above subsidiaries is the same as that of the Company.
2. Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2022.

For and on behalf of the Board of Directors of  
**INDIA STEEL WORKS LIMITED**

**Sudhir H. Gupta**  
Executive Chairman  
(DIN: 00010853)

**Varun S. Gupta**  
Managing Director & CFO  
(DIN: 02938137)

Place: Mumbai

Date: 14th November, 2022

**Annexure-B**

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 Form for 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

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

(a)	Name of related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements / transactions	Nil
(c)	Duration of the contracts/ arrangements / transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

## 2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	Isinox Limited -Promoter Group Company KMPs have significant influence.
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the Financial Year 2021-22 the total transaction value of the contracts or arrangements are as under (Rs. In Lakhs) : i) Purchase by the Company : Rs.1177.75/- ii) Sale by the Company: Rs. 125.35/- iii) Services by the Company: Rs.9.78/- iv) Job Work Expenses: Rs.3.57/-
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	Nil

**Annexure-B**

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 Form for 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

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

(a)	Name of related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements / transactions	Nil
(c)	Duration of the contracts/ arrangements / transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

## 2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name of related party and nature of relationship	Leap India Brandhub Services Pvt. Ltd.-KMPs have significant influence.
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the Financial Year 2021-22 the total transaction value of the contracts or arrangements are as under (Rs. In Lakhs) : i) Purchase by the Company : Nil ii) Sale by the Company: Rs.426.73/- iii) Services by the Company: Rs.9.78/- iv) Job Work Expenses: Nil
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors of

**INDIA STEEL WORKS LIMITED****Sudhir H. Gupta**

Executive Chairman

(DIN: 00010853)

**Varun S. Gupta**

Managing Director &amp; CFO

(DIN: 02938137)

Place: Mumbai

Date: 14th November, 2022

**Annexure-C****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2022.**

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

**To,****The Members,****India Steel Works Limited**

India Steel Works Complex,

Zenith Compound,

Khopoli MH-410203.

Dear Sirs,

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. India Steel Works 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 my opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes 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, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2022, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and 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, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 (not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period), and;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period)
- (vi) For the other applicable laws, our Audit was limited to
- a. The Factories Act, 1948
  - b. The Minimum Wages Act, 1948
  - c. The employees Provident Funds and Misc. Provisions Act, 1952
  - d. The payment of Bonus Act, 1965
  - e. The payment of gratuity Act, 1972
  - f. The Contract labour (Regulation and Abolition) Act, 1952
  - g. The Industrial Employment (Standing Orders) Act, 1946
  - h. The Employees Compensation Act, 1923
  - i. The Apprentices Act, 1923
  - j. The Air (Prevention and control of pollution) Act, 1981

I have relied on the representation made by the Company, its Officers and authorized representatives during the conduct of the audit, and also on the review of Certificates by respective department Heads/ Company Secretary/ CEO.

In my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

I further report that, the compliance by the Company of applicable financial laws like Direct and Indirect Tax laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

I have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited. During the period under review, the Company has complied with the provisions of the Act, Rules, regulations, Guidelines, Standards etc. mentioned above subject to the above observations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Listing Agreement with Stock Exchanges, Guidelines, Standards, etc. mentioned above, except the followings:

1. **The Company has not filed form MGT-7 for the financial year ended 31.03.2021.**
2. **The Company has not filed form SH-7 for increase in authorized share capital approved at the extra-ordinary general meeting of the Company held on 14.02.2022.**
3. **The Company has not filed cost audit report CRA-4 for the financial year ended 31st March, 2021.**
4. **The Company has not filed Form CRA-2 for the appointment of cost Auditor to carry out cost Audit for the Financial Year 2021-22.**
5. **Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
The Company has submitted the Statement under Regulation 13(3) for March, 2021 Quarter on 10/06/2021. For the delay in submission BSE has levied penalty Rs.48380/-including GST. The Company has paid the penalty levied for the non-compliance.
6. **Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015:**  
The Company has submitted the Shareholding Pattern under Regulation 31 for March, 2021 on 11/06/2021. For the delay in submission BSE has levied penalty Rs.96760/-including GST. The Company has paid the penalty levied for the



noncompliance.

**7. Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:**

The Company has submitted Financial Results for the Quarter ended 31.3.2021 on 20.08.2021, beyond the stipulated period i.e which should have been submitted on or before 30.06.2021. The Company has paid the penalty Rs.3,00,900/- including GST levied for the non-compliance.

**8. Regulation 24 A (Listing Obligations and Disclosure Requirements) Regulation, 2015**

The Secretarial compliance report for the year ended 31st March, 2021 should have been filed on or before 30th June, 2021 submitted on 25/08/2021. The Company has paid the penalty Rs. 89680 /- including GST levied for the non-compliance.

**9. Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015**

The Shareholding Pattern for the Quarter ended 30.09.2021 should have been filed on or before 21/10/ 2021. However It was submitted on 01.12.2021. For the delay in submission BSE has levied penalty Rs. 59000/-including GST. The Company has paid the penalty.

**10. Regulation 17(2) (Listing Obligations and Disclosure Requirements) Regulation, 2015**

The Company has hold the Board Meeting on 20/08/2021 which should have been held on or before 11.08.2021 and The Company has paid the penalty Rs.11800 /- including GST levied for the non compliance.

**11. Regulation 76 SEBI (Depositories and Participants) Regulations, 2018:**

- a. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.06.2021 on 09/08/2021 and there is a delay in the submission.
- b. The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2021 on 02/11/2021 and there is a delay in the submission.

I further report that the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that the management is responsible for compliance of all business laws and other applicable laws. This responsibility includes maintenance of statutory register/files as required by the concerned authorities and internal control of the concerned department.

I Further report that during the year under review, the Company has no specific Public Issue/ Right Issue/Preferential issue of Shares/ Debentures/Sweat Equity/Redemption/ Buy-Back of Securities/ Merger/ Amalgamation/ Reconstruction/ Foreign Technical Collaborations.

This report is to be read with Annexure which forms an integral part of this report.

**For M/s. Reena S Mody & Associates**

**Practicing Company Secretary**

**Reena T Parekh**

Proprietor

ACS No.: A25346

C. P. No.:12621

UDIN: A025346D000792365

Place: Mumbai

Date: 13th August, 2022.





## Annexure-I

To,  
The Members,  
INDIA STEEL WORKS LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
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 M/s. Reena S Mody & Associates**

**Practicing Company Secretary**

**Reena T Parekh**

Proprietor

ACS No.: A25346 C. P. No.: 12621

UDIN: A025346D000792365

Place: Mumbai

Date: 13th August, 2022.

**Annexure-D****(A) Conservation of energy-**

Total energy consumption and energy consumption per unit of production is given in the table below:

	Particulars	2021-22	2020-21
<b>I</b>	<b>Power &amp; fuel Consumption</b>		
<b>a</b>	<b>Electricity:</b>		
	Purchase Units ('000 kwh)	3887	7712
	Total Amount ('000 Rs.)	54233	85741
	Average Rate/Unit (Rs./Kwh)	13.95	11.12
<b>b</b>	<b>Furnance Oil / CBFS / Diseal:</b>		
	Quantity (Kilo litres)	298	1050
	Total Amount (in '000 Rs.)	14623	31448
	Average Rate (Rs./Ltre)	49.15	29.95
<b>c</b>	<b>Others</b>		
	<b>LDO :</b>		
	Total Amount (in '000 Rs.)	-	366
	<b>Gases:-</b>		
	Total Amount (in '000 Rs.)	604	9323
<b>II</b>	<b>Consumption Per Unit Of Production</b>		
	<b>Electricity:</b>		
	Steel Billets	-	1346
	Hot Rolled/Bars/rods	991	461
	Cold Finish Bars	-	189
	<b>Furnance Oil / CBFS / Diseal:</b>		
	Steel Billets	-	21
	Hot Rolled/Bars/rods	113	117
	Cold Finish Bars	-	-

**(B) Technology absorption:**

In-house expertise has been used to develop various grades of special steels meeting international standards of quality. The fume-extraction system of the AOD converter has been upgraded to reduce consequent Air Pollution.

Quality System: To continue in pursuit of quality, Steel and Rolling Mill Division of your Company at Khopoli has been accredited with "TUV CERT" by RWTUV for compliance in accordance with AD-Merkblatt W0/W2/W10 manufacturing process. The Khopoli Plant as well as Purchase and Marketing Departments of your Company remains ISO 9001 certified by IRQS Mumbai.

**(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year is NIL and the Foreign Exchange outgo during the year in terms of actual outflows is Rs. NIL.

For and on behalf of the Board of Directors of

**INDIA STEEL WORKS LIMITED**

**Sudhir H. Gupta**  
Executive Chairman  
(DIN: 00010853)

**Varun S. Gupta**  
Managing Director & CFO  
(DIN: 02938137)

Place: Mumbai

Date: 14th November, 2022

**Annexure-E****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2021-22 (Rs.in Lakh)	% increase in Remuneration in the Financial Year 2021-22 (Rs.in Lakh)	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of Remuneration of KMP against the performance of the Company
1	Sudhir H. Gupta, Executive Chairman	6.79	--	8.70	Operating profit (EBITDA) decreased to Rs.5237.28 Lakh. There was a loss after tax Rs. 5066.99 Lakh.
2	Varun S. Gupta Managing Director & CFO	6.10	--	7.82	
3	Deepak Kumar Gaur (Whole-time Director)	3.48*	--	4.46	
4	Dilip Maharana Company Secretary & Compliance Officer	3.89	--	4.98	

\*For a part of the year.

- (ii) The median remuneration of employees of the Company during the financial year was Rs.78000 p.a.
- (iii) In the financial year, there was no increase in the median remuneration of employees.
- (iv) There were 150 permanent employees on the rolls of Company as on March 31, 2022.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was Nil.
- (vi) The Executive Chairman & Managing Director, have foregone their remuneration proportionately, so there is a change in the managerial remuneration as compared to last year.
- (vii) The remuneration is as per the policy of the Company.

For and on behalf of the Board of Directors of  
**INDIA STEEL WORKS LIMITED**

**Sudhir H. Gupta**  
Executive Chairman  
(DIN: 00010853)

**Varun S. Gupta**  
Managing Director & CFO  
(DIN: 02938137)

Place: Mumbai

Date: 14th November, 2022

**NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

To:

The Members

India Steel Works Limited

Regd. Off: India Steel Works Complex

Zenith Compound, Khopoli, MH 410203 IN.

CIN:L29100MH1987PLC043186.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of India Steel Works Limited CIN:L29100MH1987PLC043186 and having registered office at India Steel Works Complex, Zenith Compound, Khopoli, Raigad-4102033 Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2022, 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 Director	DIN	Date of appointment in the Company
1	Sudhir H. Gupta	00010853	01/09/2013
2	Varun S. Gupta	02938137	17/12/2009
3	Tilak Raj Bajalia Resigned on 17.09.2021	02291892	13/02/2015
4	Bimal Desai	00872271	12/12/2006
5	Deepak Gaur Resigned on 30.11.2021	60763663	09/11/2016
6	Kavita R. Joshi Resigned on 19.10.2021	07138704	30/05/2015
7	Riddhi Shah Resigned on 4.6.2021	07527966	25/05/2016
8	Harpreet Baweja	02742525	12/11/2021
9	Santino Roco Morea	01642189	12/11/2021
10	Karan Lamba	06533079	13/11/2021
11	Aastha Sharma	06595976	12/11/2021
12	Bhavana B. Devda Resigned on 21.10.2021	09287153	20/08/2021

responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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.

Place: Mumbai

Date:13/08/2022

UDIN: A025346D000792332

For Reena Modi &amp; Associates

Practicing Company Secretary

Reena T. Parekh

Proprietor

ACS No.: 25346

C. P. No.: 12621



## CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance :

Corporate Governance of the Company is demonstrated by fair business and corporate practices with all its stakeholders'. integrity, transparent dealings and ethical conduct of affairs of the Company is the basic norm of Corporate Governance practiced here. The Corporate Governance System includes the mechanisms and procedures required to prevent, identify, and resolve conflicts of competition and of interest, whether of an exceptional or structural and permanent nature. The Company seeks to assure, to the extent it is able to do so, the respectability, capability, expertise, competence, experience, qualifications, training, availability, and commitment to their duties of the directors and senior officers.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended is given below.

### 2. Board of Directors:

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. The Board of Directors of the Company is committed to the best practices for effective Corporate Governance. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company.

#### (a) Composition of the Board:

The Board composition is in conformity with Section 149 of the Act and Regulation 17 of the Listing Regulations. During financial year 2021-22, the Board consists of Twelve Directors comprising of:

- i. two executive Directors (Promoters)
- ii. One executive Director (Non-promoter)
- iii. One non-executive Director
- iv. Eight Non-Executive Independent Directors including five Women Directors.

During the Financial year five Directors resigned.

#### (b) Number of Board Meetings and dates:

During the Financial year Eight Board Meetings were held on 13th April, 2021, 20th August, 2021, 21st August, 2021, 12th November, 2021, 13th November, 2021, 11th January, 2022, 14th February, 2022 and 21st March, 2022. The maximum gap between any two meetings was not more than 120 days except interval between first and 2nd quarter which is not more than 180 days. As per MCA General Circular No.8/2021 dtd.03/05/2021 gap between two consecutive meetings of the Board during quarter-April to June and quarter-July to September may be extended to 180 days instead of 120 days.

#### (c) Details of Composition, attendance of Directors and their Directorship and membership in other Companies:

The composition and categories of Directors, attendance at Board Meetings and at the last Annual General Meeting, the number of Directorships/Chairpersonships and Committee positions held by them in other public limited companies during the year are given below:

Name of the Director	Category/ Inter-se relationship	Financial Year 2021-22 attendance in		No of other Directorship in Other Indian Public Ltd Companies @	No of Chairman ship/ Membership in other Indian Public Limited Companies #
		Board Meetings	Last AGM		
Mr. Sudhir H. Gupta (DIN: 00010853)	Executive Chairman from 15th November, 2021. (Promoter Director & Father of Mr. Varun Gupta, Managing Director & CFO.)	8	Yes	1	NIL



Name of the Director	Category/ Inter-se relationship	Financial Year 2020-21 attendance in		No of other Directorship in Other Indian Public Ltd Companies @	No of Chairman ship/ Membership in other Indian Public Limited Companies #
		Board Meetings	Last AGM		
Mr. Varun S. Gupta (DIN: 02938137)	Managing Director & CFO from 15th November, 2021. (Promoter Director) Son of Mr. Sudhir H. Gupta, Executive Chairman.	8	Yes	1	Nil
Mr. Bimal Desai (DIN: 00872271)	Non-Executive & Non-Independent Director.	7	Yes	Nil	Nil
Mr. Santino Roco Morea (DIN: 01642189) (from 12th November, 2022)	Non-Executive & Independent Director.	5	Yes	Nil	Nil
Mr. Harpreet Baweja (from 12th November, 2022)	Non-Executive & Independent Director	5	No	Nil	Nil
*Karan Lamba (From 13th November, 2021)	Non-Executive & Independent Director	4	Yes	Nil	Nil
*Aastha Sharma (From 12th November, 2021)	Non-Executive & Independent Director	5	Yes	Nil	Nil
Mr. T.R. Bajalia (DIN: 02291892)	Non-Executive Independent Chairman (up to 17th September, 2021)	2	No	1	2
Mr. Deepak Kumar Gaur (DIN: 07636636)	Executive Director (up to 30th November, 2021).	5	No	Nil	Nil
Mrs. Kavita R. Joshi (DIN: 07138704)	Non-Executive & Independent Director (up to 19th October, 2021).	3	No	Nil	Nil
Mrs. Riddhi Shah (DIN: 07527966)	Non-Executive & Independent Director (up to 4th June, 2021).	1	No	Nil	Nil
Mrs. Bhavna Devda (From 20/08/2021)	Non-Executive & Independent Director (up to 21st October, 2021).	1	No	Nil	Nil



@Directorship excludes Alternate Directorship, Foreign Company Directorship & Pvt Limited Companies.

#Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have been considered (Excluding committees of India Steel Works Limited) as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018.

\* Mr. Karan Lamba & Mrs. Aastha Sharma resigned effective 18th April, 2022.

Mr. T R. Bajalia is independent Director in Punjab Alkalies & Chemicals Limited a listed entity and also Chairperson of the Audit Committee.

The Independent Directors, before expiry of their term, have resigned for their personal reasons and there were no other material reasons other than those provided. Their confirmation to this effect, as and when received by the Company, have been informed to the Stock Exchange.

**(d) Independent Directors Directorship**

In accordance with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors do not serve in more than 7 listed companies.

**(e) Directorship and Committee membership in other companies**

None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 Committees (as specified in regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only Audit Committee and Stakeholders Relationship Committee are considered as per this regulation) across all companies in India, of which they are directors.

**(f) Number of shares and convertible instruments held by Non-Executive Directors:**

During the year the Non-Executive Directors do-not held any shares or convertible instrument.

**(g) Information supplied to the Board:**

The Board of Directors has complete access to any information within the Company. At the Board Meetings, directors are provided with all relevant information on important matters, working of the Company as well as all related details that require deliberations by the members of the Board, inter-alia include:

- Annual business plans,
- Production, sales & financial performance data;
- Business review;
- Quarterly and annual financial results;
- Minutes of the meetings of the Audit and other Committees as well as circular resolutions if any to be passed;
- Significant initiatives and developments relating to labour/human resource relation;
- Information on recruitment and remuneration of senior officers just below the Board level,
- Materially important show cause / demand / prosecution / penalty notices and legal proceedings by or against the Company;
- Any other information which is relevant for decision-making by the Board.

**(h) Directors Profile seeking appointment / re-appointment:**

As required, a brief profile and other particulars of the following Directors seeking appointment / re-appointment are given in the Notice of the 35th Annual General Meeting and form a part of this Report:

1. Mr. Sudhir H. Gupta, for re-appointment as Director of the Company.
2. Appointment of Mr. Santosh P. Bhosale (DIN: 05117360) as a Non-Executive, Independent Director of the Company.
3. Appointment of Mr. Shivanand S. Bhalerao (DIN: 09263141) as a Non-Executive, Independent Director of the Company.

Mrs. Priyanka V. Gupta, was appointed as an additional non-executive Woman Director of the Company by the Board w.e.f



15/07/2022. As she resigned from the said office of additional Director effective 14/11/2022, her brief profile is not provided.

**(i) Induction & Familiarization Programs for Independent Directors:**

The Directors on appointment are issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

The details of such familiarization programme have been displayed on the website and the weblink of the same is: <http://www.indiasteel.in/pdfs/Familiarisation%20programme.pdf>.

**(j) Confirmation:**

in the opinion of the board, the independent directors fulfill the conditions specified in the Listing Obligation & Disclosure Requirement regulations and are independent of the management.

**(k) Performance Evaluation:**

In compliance with the provisions of Section 134 of the Companies Act, 2013 ('the Act') read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on various parameters. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**(l) Independent Directors' Meeting:**

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchange, the Independent Directors met on 14th February, 2022, inter alia, to discuss:

(a) Evaluation of the performance of non-Independent Directors and the Board as a whole;

(b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors on the Board as on the date of the meeting were present at the meeting.

**(m) Policy on (Prohibition of Insider Trading) Regulations, 2015:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Internal Procedure and Code of Conduct for Prevention of Insider Trading. All the Directors, Employees at Senior Management and other Employees, who could have the access to the unpublished price sensitive information of the Company, are governed by this code. Pursuant to the amendment in provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 trading window is closed from the end of every quarter till 48 hours after the declaration of financial results and occurrence of any material events as per the code. The Company Secretary of the Company as Compliance Officer, is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

**(n) Code of Conduct:**

The Board of Directors of the Company has adopted Code of Business Conduct & Ethics and is applicable to all the Directors and senior management personnel. In terms of the requirements of Regulation 17(5) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.indiasteel.in](http://www.indiasteel.in), under the heading 'Investors





Relations’.

The weblink of the same is: <http://www.indiasteel.in/pdfs/Code of Conduct for Company Board of Directors Senior Management.pdf>. The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

This Code is available on the Company’s website [www.indiasteel.in](http://www.indiasteel.in). All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2022. A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

**(o) List of Board skills, expertise, competencies required in the context of business and sector:**

Skills, competencies	Description	Name of the Director possessing such skill/ expertise
Understanding of industry	Experience and knowledge of industry and changing trends in steel, wire rods, bars and other metals	Mr.Sudhir H. Gupta Mr.Varun S. Gupta Mr. Bimal Desai
Planning	Planning considering the industry trend and leading the management team so as to make decisions in uncertain environments	Mr. Sudhir H. Gupta Mr. Varun S. Gupta Mr.T.R Bajalia Mr. Bimal Desai
Technical updation	Consideration and acceptance of emerging trends in the technology and innovation for the betterment of industry	Mr.Sudhir H. Gupta Mr.Varun S. Gupta Mr.Deepak Gaur
Sales and marketing	Experience in developing market share and strategies to grow sales, build brand awareness at National and International level.	Mr.Sudhir H. Gupta Mr.Varun S. Gupta Mr. Santino Roco Morea Mr. Harpreet Baweja Mr.Karan Lamba Mrs. Aastha Sharma
Finance	Experience in banking, financial management	Mr.Sudhir H. Gupta Mr.Varun S. Gupta
Commercial /Legal	Experience in Commercial Laws/ legal matters pertaining to the business.	Mr.Sudhir H. Gupta Mr.Varun S. Gupta Mrs. Ridhi Shah Mrs.Kavita Joshi Mrs.Bhavna Devda

**3. Committees of the Board:**

The Board has constituted various mandatory and other Committees from time to time. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The minutes of the Committee meetings are circulated / tabled at the Board meetings.

**The Company has following committees:**

a) Audit Committee b) Nomination and Remuneration Committee. c) Stakeholders' Relationship Committee d) Internal complaint committee e) Management Committee f) Corporate Social Responsibility Committee

The Board of Directors has also adopted the following policies in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 viz.: a) Whistle Blower Policy (Vigil mechanism) b) Internal Financial Control; c) Related Party Transaction Policy; d) Risk Management Policy; e) Policy for determining materiality of events; f) Policy for preservation of documents; g) Archival Policy; and h) Nomination and Remuneration Policy.

**(a) Audit Committee****• Composition:**

During the financial year ended 31st March, 2022, the Audit Committee of Directors comprised of :

- i. Eight independent Directors
- ii. One non-executive Director
- iii. One Executive Director

During the financial year five Directors resigned.

**• Brief description of terms of reference:**

The terms of reference of this committee covers the matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018 as well as Section 177 of the Companies Act, 2013.

**• Brief description of terms of reference:**

The terms of reference of this committee covers the matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018 as well as Section 177 of the Companies Act, 2013 inter-alia includes :

1. Review of Company's financial reporting process and the disclosure to ensure that the financial statement is correct, sufficient and credible.
2. Recommending Appointment/Removal of External Auditors, Fixation of audit fees and payment for other services.
3. Reviewing with the management, Annual Financial statements and Auditors' Report before submission to the Board with focus on the matters required to be included in Director's Responsibility Statement to be included in Board's report, changes in accounting policies and practices, major accounting entries, disclosure of any related party transactions, qualifications in draft audit report, significant adjustments arising out of audit Accounting standards.
4. Statutory compliance and legal requirements.
5. Any related party transactions of material nature with promoters, managements, subsidiaries or relatives etc. that may have potential conflict with interest of the Company at large.
6. Reviewing and monitoring the auditor's independence, their performance and effectiveness of audit process.
7. Scrutinizing inter-corporate loans and investments.
8. Evaluating internal financial controls and risk management systems.
9. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit function.
10. Discussion with internal Auditors, any significant findings and follow-up thereon. Reviewing any suspected fraud, irregularity or failure of internal control system of material nature and reporting the matter to Board.
11. Discussion with external Auditor in respect of pre and post audit matters to ascertain any area of concern.
12. Reviewing the functioning of Whistle Blower Mechanism.



- **Meetings and attendance during the year:**

During the year, Six Audit Committee Meetings were held on 13th April, 2021, 20th August, 2021, 21st August, 2021, 13th November, 2021, 14th February, 2022 and 21st March, 2022.

The Composition of Audit Committee and the attendance at the meetings as given hereunder:

Name / category of the Director	Status	No. of meetings attended
Mr. Santino Roco Morea (Non-Executive Independent Director)	Chairman from 13.11.2021.	3
Mr. Harpreet Baweja (Non-Executive Independent Director)	Member from 13.11.2021.	3
Mr. Bimal Desai (Non-Executive Non-Independent Director)	Member from 04.06.2021.	4
Mr. T. R. Bajalia	Chairman up to 17.09.2021 Non-Executive Independent Director	2
Mr. Varun Gupta	Member up to 4.06.2021 Executive Director	1
Mrs. Kavita Joshi Non-Executive Independent Director	Member up to 21.10.2021	3
Mrs. Riddhi Shah Non-Executive Independent Director	Member up to 4.06.2021	1
Mrs. Bhavna Devda Non-Executive Independent Director	Member from 21.08.2021 up to 21.10.2021	1
Mr. Karan Lamba Non-Executive Independent Director	Member from 13.11.2021	3
Mrs. Aastha Sharma Non-Executive Independent Director	Member from 12.11.2021	3

- **Whistle Blower Policy**

The Company has been formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. This Policy covers misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. The vigil mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded



allegations against people in authority and/ or colleagues in general. It is affirmed that no personnel have been denied access to the Audit Committee. The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website, www.indiasteel.in

- **CFO Certification**

The Managing Director & CFO had issued a Certificate pursuant to the provisions of Clause 17 (8) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 certifying the Financial Statements, the Cash Flow Statements and the Internal Financial Control Systems for financial Year ended March 31st, 2022 and the same was placed before the Board of Directors at their meeting held on 29th July, 2022.

**(b) Nomination and Remuneration Committee:**

In accordance with Section 178 of the Act read along with the applicable Rules thereto and Regulation 19 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) (Amendments) Regulations, 2018, the Board has "Nomination and Remuneration Committee", the composition of which is as follows:

Name / category of the Director	Status	No. of meetings attended
Mr. Harpreet Baweja (Non-Executive Independent Director)	Chairman, (from 12.11.2021)	2
Mr. Santino Roco Morea(Non-Executive Independent Director)	Member, (from 12.11.2021)	2
Mr. Bimal Desai (Non-Executive & Non-Independent Director)	Member	3
Mr. Karan Lamba (Non-Executive Independent Director)	Member, (from 13.11.2021)	2
Mrs. Aastha Sharma (Non-Executive Independent Director)	Member, (from 12.11.2021)	2
Mrs. Kavita Joshi (Non-Executive Independent Director)	Chairman, (up to 19.10.2021)	1
Mr. T R Bajalia (Non-Executive Independent Director)	Member, (up to 17.09.2021 )	1
Mrs. Riddhi Shah (Non-Executive Independent Director)	Member, up to 04.06.2021	Nil
Bhavna B. Devda (Non-Executive Independent Director)	Member from 21.08.2021 to 19.10.2021	Nil

The terms of reference of the Committee inter alia, include the following:

- To form policy the objective of which is to lay down a framework and set standards in relation to nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and such other senior management personnel in the organization. a) To guide the Board in relation to appointment and removal of Directors, Key



- Managerial Personnel and senior management personnel;
- b. To evaluate the performance of the members of the Board as well as Key Managerial Personnel and senior management personnel and to provide rewards linked directly to their efforts, performance, dedication and achievement relating to Company's operations;
  - c. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
  - d. Assessing the independence of Independent Directors etc.

During the financial year 2021-22, the Nomination & Remuneration Committee met on 20th August,2021, 13th November,2021 and 21st March,2022.

**A. Policy for appointment and removal of directors, KMP and senior management personnel**

**i. Appointment Criteria and Qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management personnel and recommend to the Board his/her appointment.
- b) A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment.
- c) The Company shall not appoint or continue the employment of any person as Managing/ Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**ii. Term/Tenure**

**a) Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term subject to the provisions of the Companies act 2013 & rules made there under, not exceeding three years at a time for the time-being. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director**

-An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms of upto a maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that the Independent Director shall not, during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

-At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**iii. Evaluation**

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals.

**iv. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules & Regulations there under, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or senior management personnel subject to the provisions and compliance of the said Act, Rules & Regulations.

**v. Retirement**

The Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**B. Policy for remuneration to directors, KMP and senior management personnel**

- i. Remuneration to Managing/Whole-time Directors, KMP and senior management personnel The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time-being in force.
- ii. Remuneration to Non-Executive/ Independent Director The non-executive Independent /Non-Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Act. The amount of sitting fees shall be subject to ceiling/limits as provided under the Act and Rules made thereunder or any other enactment for the time being in force. The Nomination & Remuneration Policy of the Company has been uploaded and can be viewed on the Company's website, [www.indiasteel.in](http://www.indiasteel.in).

**C. Details of remunerations / sitting fees paid to the Directors during the financial year 2021-22:**

Name of the Director	Salary & Perquisites Rs.in Lacs	Contribution to PF	Commission	Sitting Fees Rs. in Lacs
Mr. Sudhir H. Gupta	6.79	Nil	Nil	Nil
Mr. Varun S. Gupta	6.10	Nil	Nil	Nil
Mr. Deepak Kumar Gaur	3.48	Nil	Nil	Nil
Mr. Bimal Desai	Nil	Nil	Nil	0.60
Mr. T R Bajalia	Nil	Nil	Nil	0.25
Mrs. Kavita Joshi	Nil	Nil	Nil	0.59
Mrs. Riddhi Shah	Nil	Nil	Nil	0.34
Mr. Harpreet Baweja	Nil	Nil	Nil	0.50
Mr. Santino Roco Morea	Nil	Nil	Nil	0.50
Mr. Karan Lamba	Nil	Nil	Nil	0.40
Mrs. Aastha Sharma	Nil	Nil	Nil	0.50
Mrs. Bhavna Devda	Nil	Nil	Nil	0.15

**(c) Stakeholders Relationship Committee:**

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) (Amendments) Regulations, 2018, the Board has renamed the existing Shareholders/Investors Grievance Committee as "Stakeholders Relationship Committee". This Committee ensures speedy disposal of all grievances/complaints relating to shareholders/investors.

The terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company;
- To oversee the performance of the Registrar and Transfer Agent of the Company;
- To recommend measures for overall improvement in the quality of services to the investors;

The Composition of the Committee and attendance of the members are as follows:

Name / category of the Director	Status	No. of meetings attended
Mr. Bimal Desai (Non-executive & Non-Independent)	Chairman	3
Mr. Harpreet Baweja Non-Executive Independent Director	Member (from 12.11.2021)	2
Mr. Santino Roco Morea (Non-Executive Independent Director)	Member (from 12.11.2021)	2
Mr. Karan Lamba (Non-Executive Independent Director)	Member (from 13.11.2021)	2
Mrs. Aastha Sharma (Non-Executive Independent Director)	Member (from 12.11.2021)	2
Mr. T R Bajalia (Non-Executive Independent Director)	Member (up to 17.09.2021)	1
Mrs. Kavita Joshi (Non-Executive Independent Director)	Member, (up to 19.10.2021)	1
Mrs. Riddhi Shah (Non-Executive Independent Director)	Member, (up to 04.06.2021)	Nil
Bhavna B. Devda (Non-Executive Independent Director)	Member from 21.08.2021 to 19.10.2021	Nil

Mr. Dilip Maharana, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and Listing Agreement with the Stock Exchanges in India.

His address and contact details are as given below:

Address : 304, Naman Midtown, Tower A, S B Marg, Mumbai 400 013 Phone : 022- 62 304 304 Fax : 022- 62 304 399 Email : cosec@indiasteel.in



Three meetings were held during the year i.e. on 20th August, 2021, 13th November, 2021 & 14th February, 2022. During the year 2021-22, the Company has resolved shareholders' complaints and there were no requests for dematerialization pending for more than 30 days as on 31st March, 2022.

During the year, the Company has not received any complaint from any shareholder and there was no outstanding complaint as on March 31, 2022.

Share Transfers in physical form can be lodged with Link-intime India Private Ltd. A summary of transfer / transmission of securities of the Company so approved as placed at every Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

**(d) Internal Complaint Committee:**

In compliance with the provisions of The Sexual harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013, the Board has formed an internal Complaints Committee. The constitution of this committee is as mentioned below:

The constitution of this committee is as mentioned below:

Name of the Director	Status	Contact Details
Mrs. Geeta Armerkar	Export Manager, Member	geeta@indiasteel.in
Milind Ghumare	Vice President Exports, Member	milind@indiasteel.in
Mrs. Jayasree Padikkal Varriam	Member	khopoliaccounts@iswl.in

The Committee will be considering the following issues also: • Sexual Harassment • Redressal of employee complaints • Safety and Job Security

The Committee has not received any Complaint during the year.

Disclosure in relation to the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013:

- i) Number of complaints filed during the year: NIL
- ii) Number of complaints disposed during the year: NA
- iii) Number of complaints pending as on end of financial year: NA

Appointment & Remuneration Policy:

**(e) Management Committee:**

Board of Directors has formed the Management Committee comprising Mr. Sudhir H. Gupta, Managing Director as Chairman, Mr. Varun S. Gupta, Executive Director, Mr. Deepak Gaur, Whole time Director (up to 30.11.2021) as members to look after the day-to-day administrative work of the Company and the matters related to Banking and legal. No meeting was held during the year under review.

**(f) Corporate Social Responsibility Committee (CSR):**

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rupees five hundred crore or more, or turnover of Rupees one thousand crore or more, or a net profit of Rupees five crore or more during the immediately preceding financial year shall constitute the CSR Committee. Considering the above threshold limit specified above, the Company is not required to constitute the CSR Committee. However, the Company has voluntarily constitute a committee comprising the following directors as on 31.03.2022 :





The Composition of the Committee and attendance of the members are as follows:

Name / category of the Director	Status
Mr. Bimal Desai (Non-executive & Non-Independent Director)	Chairman
Varun S. Gupta (Executive Director)	Member
Mr. Harpreet Baweja Non-Executive Independent Director (from 12.11.2021)	Member
Mr. Santino Roco Morea (Non-Executive Independent Director) (from 12.11.2021)	Member
Mr. Karan Lamba (Non-Executive Independent Director)	Member (from 13.11.2021)
Mrs. Aastha Sharma (Non-Executive Independent Director) (from 12.11.2021)	Member
Mr. T R Bajalia (Non-Executive Independent Director) (up to 17.09.2021)	Member
Mrs. Kavita Joshi (Non-Executive Independent Director) (up to 21.10.2021)	Member,
Mrs. Riddhi Shah (Non-Executive Independent Director) (up to 04.06.2021)	Member,

#### 4. General Body Meetings

a. The last three Annual General Meetings (AGM) of the Company were as under:

AGM	Date	Location	Time	Special Resolution passed
34th AGM	28.12.2021	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203. (through Video Conferencing ('VC') facility or other audio visual means ('OAVM'))	2:00 p.m. (IST)	<ol style="list-style-type: none"> <li>To appoint / regularize appointment of Mr. Karan Lamba (DIN: 06533079) as an Independent Director of the Company for a consecutive period of 5 years.</li> <li>To appoint / regularize appointment of Mr. Santino Rocco Morea (DIN: 01642189) as an Independent Director of the Company for a consecutive period of 5 years.</li> <li>To appoint / regularize appointment of Mr. Harpreet Baweja (DIN: 02742525) as an Independent Director of the Company for a consecutive period of 5 years.</li> <li>To appoint / regularize appointment of Mrs. Aastha Sharma (DIN: 06595976) as an Independent Director of the Company for a consecutive period of 5 years.</li> <li>Appointment of Mr. Varun S. Gupta (DIN: 02938137) as Managing Director of the Company for a period of 3 years.</li> </ol>



AGM	Date	Location	Time	Special Resolution passed
				<p>6. Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as the Chairman of the Company.</p> <p>7. Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as a Whole-time Director designated as "Executive- Chairman".</p> <p>8. Approval of arrangements/transactions with related Parties:</p>
33rd AGM	17.12. 2020	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203. through Video Conferencing ('VC') facility or other audio visual means ('OAVM')	11:30 a.m (IST)	<p>1. Re-appointment of Mr. Tilak Raj Bajalia (DIN: 02291892) as an Independent Director of the Company for a second term of 5(five) consecutive years.</p> <p>2. Re-appointment of Mrs. Kavita R. Joshi (DIN: 07138704) as an Independent Director of the Company for a second term of 5(five) consecutive years.</p> <p>3. Approval of arrangements / transactions with related Parties.</p>
32nd AGM	18.09. 2019.	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11:30 a.m	<p>1.Appointment of Sudhir H. Gupta as the Managing Director for a period of 3 years effective 1.10.2019.</p> <p>2.re-appointment of Mr. Deepak Kumar Gaur, as Whole Time Director for a period of 3 years effective 9.11.2019.</p> <p>3. Approval of arrangements / transactions with related parties.</p> <p>4.Appointment of T.R Bajalia as the Chairman of the Company.</p>

b. The last three Extra-Ordinary General Meetings (EGM) of the Company were as under:

EGM	Date	Location	Time	Special Resolution passed
01/2021-22 EGM	14.02.2022	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203. (through Video Conferencing ('VC') facility or other audio visual means ('OAVM')	2:00 p.m. (IST)	<b>Nil</b>

c. **Details of resolutions passed through Postal Ballot:**

During the year, no resolutions were passed through postal ballot.

**5. Disclosures**

- (i) There were no transactions of material nature with related party. The transactions were made during ordinary course of business on arm's length basis. The details of related party transactions have been reported in the Notes to Accounts. Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website and the weblink of the same is <http://www.indiasteel.in/pdfs/poicy-on-dealing-with-the-related-party-transaction.pdf>:
- (ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) :

Financial Year 2018-19			
Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc
1	BSE Limited (BSE)	Non Compliance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – pertaining to composition of Board	Fine of Rs. 10,85,600/- was imposed on the Company The company has paid fine to BSE.
Financial Year 2019-20			
1	BSE Limited (BSE)	Non Compliance. (Composition of Board of Director was not in accordance Regulations of 17(1). The Chairman of the Company was Executive Director. However the Independent Directors of the Company was less than 50%.	Fine was imposed on the company. and Demat accounts of the promoters are frozen. The company has complied with the provision and also paid as fine to BSE. The Demat Accounts of the Promoters were defrozeed later.
Financial Year 2020-21			
1	BSE Limited (BSE)	Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulations 2015 statement giving the number of investor complaints for the March 2021 quarter should have been submitted on or before 21/04/2021 submitted on 10/06/2021.	The Statement should have been filed on or before 21/04/ 2021. However It was submitted on 10.06.2021. For the delay in submission BSE has levied penalty Rs. 48380/-including GST. The Company has paid the penalty levied for the non-compliance.
2	BSE Limited (BSE)	The Company submitted the Shareholding Pattern under Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation 2015 for March Quarter on 11/06/2021	The Shareholding Pattern should have been filed on or before 21/04/ 2021. However It was submitted on 11.06.2021.For the delay in submission BSE has levied penalty Rs. 96760 /- including GST. The Company has paid the penalty levied for the noncompliance.



3	BSE Limited (BSE)	The Company has submitted Financial Results for the Quarter ended 31.3.2021 on 20th August, 2021 beyond the stipulated period i.e which should have been submitted on or before 30.06. 2021.	The Financial Results should have been filed on or before 30th June, 2021. The Company has paid the penalty Rs. 300900/- including GST levied for the non-compliance.
4	BSE Limited (BSE)	Secretarial compliance report for the year ended March, 2021 under Regulation 24A submitted on 25/08/2021.	The Secretarial compliance report should have been filed on or before 30th June, 2021. The Company has paid the penalty Rs. 89680 /- including GST levied for the non-compliance.
5	BSE Limited (BSE)	The Company has submitted the Shareholding Pattern under Regulation 31 for September Quarter on 01/12 /2021.	The Shareholding Pattern should have been filed on or before 21/10/ 2021. However It was submitted on 01.12.2021. For the delay in submission BSE has levied penalty Rs. 59000/- including GST. The Company has paid the penalty levied for the noncompliance.
6	BSE Limited (BSE)	The Company has a qualified Company Secretary who was appointed on 31/07/2020.	The Company received a mail from BSE regarding noncompliance of Regulation 6(1) pertaining to appoint of a qualified company secretary as the Compliance officer imposing a penalty of Rs. 108560/-including GST. The penalty was waived later.
7	BSE Limited (BSE)	Link-Intime India Private Limited is the Share transfer agent of the Company since long. There was no deviation as such.	The Company has a Share transfer Agent. However, BSE had imposed a penalty of Rs.108560/-including GST, was waived later.
8	BSE Limited (BSE)	The Board Meeting was held on 20/08/2021 which should have been held on or before 30/06/2021.	The Company has hold the Board Meeting on 20/08/2021 and The Company has paid the penalty Rs.11800 /- including GST levied for the non- compliance.
9	BSE Limited (BSE)	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.06.2021 on 09/08/2021 which should have been submitted on or before 30/07/2021	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.06.2021 on 09/08/2021 and there is a delay in the submission.
10	BSE Limited (BSE)	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2021 on 02/11/2021 which should have been submitted on or before 30/10/2021.	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2021 on 02/11/2021 and there is a delay in the submission.



- (iii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iv) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided elsewhere in this report. (iv) The Company has Risk Management Policies for the businesses, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- (v) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- (vi) The details of the equity shares of the Company held by the Directors as on 31st March, 2022 are as under:

Mr. Sudhir Kumar H. Gupta - 8945550

Mr. Varun S. Gupta - 654800

#### General Shareholders Information:

**A. Annual General Meeting:** Date: Friday, December 16, 2022

Time: 2:00 p.m. (IST)

Venue: India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203.

**B. Financial Year:** April 01, 2021 to March 31, 2022.

**C. Date of Book Closure and Dividend Payment:**

• Date of Book closure 10th December, 2022 to 16th December, 2022 (Both days inclusive).

• Dividend Payment Date: The Dividend of 0.01% on total paid up Preference share capital of the Company for the financial year ended 31st March, 2022 shall be deposited into the account of the shareholders by 15th December, 2022.

**D. Company Identification Number (CIN):** L29100MH1987PLC043186

**E. Stock Exchange Listing:** The Stock Exchange, Mumbai

**F. Stock Code:**

1. ISIN: INE072A01029

2. The Stock Exchange, Mumbai: 513361

**G. Stock Price Data:**

Month	High	Low
Apr-21	0.8	0.61
May-21	1.39	0.76
Jun-21	1.57	1.19
Jul-21	2.59	1.54
Aug-21	2.31	1.32
Sep-21	1.56	1.15
Oct-21	1.77	1.17
Nov-21	2.82	1.35
Dec-21	4.47	2
Jan-22	6.88	3.96
Feb-22	4.97	3.15
Mar-22	4.67	3.42

**H. Registrar & Share Transfer Agents**

Members are requested to correspond with the Company's Registrar & Transfer Agent:

LINK INTIME INDIA PVT LIMITED

Phone: 022 25946970, C 101,

247 Park, L B S Marg, Vikhroli West,

Mumbai 400 083. Tel No: +91 22 49186000 Fax: +91 22 49186060

Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) Mumbai-400 078

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**I. Compliance Officer**

Mr. Dilip Maharana

304, Tower A, Naman Midtown, Senapati Bapat Marg,

Elphinstone (West), Mumbai - 400013

**J. Share Transfer System**

Share Transfers in physical forms can be lodged with Link Intime India Pvt Ltd. The transfers are normally processed within a period of 15 days from the date of the receipt if the documents are complete in all respects. Requests for dematerialization if shares are processed and confirmation is given to the respective depositories. i.e. NSDL & CDSL within 15 days.

The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

**K. Distribution of shareholding based on nominal value as on 31st March, 2022.**

SHAREHOLDING OF NOMINAL VALUE (INR)	NUMBER OF SHAREHOLDERS	% OF TOTAL	SHARE AMOUNT (INR)	% OF TOTAL SHARE AMOUNT
1-500	28845	68.994	4560399	1.1456
501-1000	5008	11.9786	4355954	1.0942
1001-2000	3116	7.4531	4970970	1.2487
2001-3000	1348	3.2243	3540720	0.8894
3001-4000	571	1.3658	2078687	0.5222
4001-5000	826	1.9757	4008716	1.0070
5001-10000	1077	2.5761	8477732	2.1297
100001 & above	1017	2.4325	366087747	91.9631
<b>Total</b>	<b>41808</b>	<b>100</b>	<b>398080925</b>	<b>100</b>



L. Shareholding Pattern

Category Code	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total Shareholding		Number of Shares pledged or otherwise encumbered	
				as a % of (A+B)	as a % of (A+B+C)	No of Shares	as a % of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VIII)	(VIII)
(A)	Promoter & Promoter Group						
1	Indian						
(a)	Individuals / Hindu Undivided Family	6	11256110	2.83	2.83	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0
(d)	Any Other (Specify) Bodies Corporate	9	188214329	47.28	47.28	45487600	24.17
	<b>Sub Total (A)(1)</b>	<b>15</b>	<b>199470439</b>	<b>50.11</b>	<b>50.11</b>	<b>45487600</b>	<b>22.8</b>
2	Foreign						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>15</b>	<b>199470439</b>	<b>50.11</b>	<b>50.11</b>	<b>45487600</b>	<b>22.8</b>
B	Shareholding of the Public shareholder						
1	Institutions						
(a)	Mutual Fund	3	3600	0.00	0.00	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0
(f)	Financial Institutions / Banks	5	5001550	1.26	1.26	0	0
(g)	Insurance Companies	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0
(i)	Any Other (Specify)	5	274800	0.07	0.07	0	0
	<b>Sub Total (B)(1)</b>	<b>13</b>	<b>5279950</b>	<b>1.33</b>	<b>1.33</b>	<b>0</b>	<b>0</b>
2	Central Government/ State Government(s)/ President of India	1	15000	0	0	0	0
	<b>Sub Total (B)(2)</b>	<b>1</b>	<b>15000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	Non-Institutions						
(a)	Individuals					0	0
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	40595	58202330	14.62	14.62	0	0



Category Code	Category & Name of the shareholders	Nos. of shareholders	Total nos. shares held	Total Shareholding		Number of Shares pledged or otherwise encumbered	
				as a % of (A+B)	as a % of (A+B+C)	No of Shares	as a % of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VIII)	(VIII)
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	15	13171581	3.31	3.31	0	0
(b)	NBFCs registered with RBI	0	0	0	0	0	0
(c)	Employee Trust	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0
(c)	Any Other (Specify)	579	121941625	30.63	30.63	0	0
	Sub Total (B)(3)	41189	193315536	48.56	48.56	0	0
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>41203</b>	<b>198610486</b>	<b>49.89</b>	<b>49.89</b>	<b>0</b>	<b>0</b>
(C)	<b>Shareholding of the Non Promoter- Non Public shareholder</b>						
1	Custodian/DR Holder Name of DR Holders (If Available)	0	0	0.00	0.00	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0.00	0.00	0	0
	<b>Total (C)= (C)(1)+(C)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (A+B+C2)</b>	<b>41218</b>	<b>398080925</b>	<b>100</b>	<b>100</b>		
	<b>Total (A+B+C)</b>	<b>41218</b>	<b>398080925</b>	<b>100</b>	<b>100</b>	<b>45487600</b>	<b>11.43</b>

**M. Dematerialization of shares and liquidity**

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services(India) Ltd.(CDSL)for a demat facility, 99.72% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2022. The Company's shares are traded on the Stock Exchange, Mumbai.

**N. Plant Locations:** Special Steel and Rolling Mill Division Zenith Compound, Khopoli, Dist. Raigad, Maharashtra-410203 Tel. No. +91 21 92265812; Fax No. +91 21 92264061

**O. Financial Calendar of the Company relating to future immediate reporting:**

The Financial year covers the period from April 01, 2022 to March 31, 2023.

Financial Reporting:

Quarter ending June 30, 2022	Upto August 14, 2022.
Half Year ending September 30, 2022	Upto November 14, 2022.
Quarter ending December 31, 2022	Upto February 14, 2023.
Year ending March 31, 2023	Upto May 30, 2023.
Annual General Meeting for the year ended March 31, 2023.	Upto September 30, 2022



**P. Means of Communications:**

(i) Quarterly Results and Annual Financial Results: Quarterly and Annual Financial results of the Company are generally published in Newspaper i.e. Active in English and Mumbai Lakshadeep in vernacular language.

(ii) **Website:** The Securities and Exchange Board of India (SEBI) has made it mandatory for companies to maintain an updated website to post yearly and quarterly financial statements, shareholding pattern, details for shareholders, code of conduct, presentation made to institutional investors/analysts/press release etc. on the website. Accordingly, the Company has provided all such disclosures under "Investor Relations" section of the Company's website: www.indiasteel.in apart from filing the same to BSE for publishing the same on their website.

**Q. Address for correspondence:** India Steel Works Limited 304, Naman Midtown, Tower A, Senapati Bapat Marg, Elphinstone Road (W), Mumbai-400013 Tel: +91 22 62 304 361/364; Email: cosec@indiasteel.in Website: www.indiasteel.in

**R. Compliance under mandatory & non-mandatory requirements:**

i. The Company had complied with all the mandatory requirements of SEBI (LODR), Regulations, 2015 to the extent applicable except non-compliances mentioned elsewhere in the report.

ii. Compliance with Non-Mandatory requirements as detailed below:

1. Office of the Chairman of the Board and re-imburement of expenses by the Company.  
Mr. Sudhir H. Gupta is the Executive Chairman of the Company, entitled to remuneration.
2. Shareholders' Rights  
The Company's financial results are published in the newspapers and also posted on its own website.
3. Separate posts of Chairman and CEO  
The Company has a separate post of Chairman and CEO.

**S. Disclosure with respect to demat suspense account / unclaimed suspense account:**

The disclosures with respect to demat suspense account / unclaimed suspense account are as follows:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the beginning of the years	237	43600
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	237	43600
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	237	43600

**T. Reconciliation of Share Capital Audit:**

As stipulated under Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018, a qualified Practicing Company Secretary carried out an Audit to reconcile the total issued capital, listed capital and capital held in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in dematerialized form,. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors. The auditor confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares held in dematerialized.

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED

Sudhir H. Gupta                      Varun S. Gupta  
Managing Director                      Executive Director & CFO  
(DIN:00010853)                      (DIN:02938137)

Place: Mumbai

Dated: 14th November, 2022.



## CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

All the Directors and the Senior Management Personnel have affirmed Compliance of the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of Securities Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors of  
INDIASTEEL WORKS LIMITED

Sd/-

**Varun S. Gupta**  
**Managing Director & CFO**

Place: Mumbai

Dated: 14 November, 2022

## COMPLIANCE CERTIFICATE

*Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.*

We, Sudhir H. Gupta, Executive Chairman & Varun S. Gupta Managing Director & CFO of the Company hereby certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year 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 the 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 they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. 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.

For and on behalf of the Board of Directors of  
INDIASTEEL WORKS LIMITED

**Sudhir H. Gupta**                      **Varun S. Gupta**  
**Executive Chairman**                      **Managing Director & CFO**  
(DIN: 00010853)                      (DIN: 02938137)

Place: Mumbai

Dated: 14th November, 2022

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Shareholders of India Steel Works Ltd.

We have examined the compliance of conditions of Corporate Governance by India Steel Works Limited ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022 except for the matters stated below.

The company has delayed in submission of followings with the Stock Exchange-  
Financial results for the quarter & year ended 31st March 2021.

Statement giving the number of investor complaints under Regulation 13(3) of LODR for the quarter ended 31st March 2021.

Shareholding Pattern under Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 for quarter ended 31st March 2021 & 30th September 2021.

Secretarial compliance report for the year ended March 2021 under Regulation 24A

Reconciliation of share Capital audit Report for June & September quarter, 2022 under Regulation 7 of SEBI (Depositories & Participants Regulations) 2018.

Further the board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings. The time gap between board meetings held in the 1st Quarter & 2nd Quarter exceeds one hundred & twenty days.

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

For and on behalf of  
Lakshmikant Kabra & Co.

Chartered Accountants

Firm registration No. 117183W/W100736

Place: Thane

Dated: 13 August, 2022

UDIN: 22101839BDQCJE9072

CA Lakshmikant Kabra

Partner

Membership No. 101839

**INDEPENDENT AUDITORS' REPORT**

To the Members of

**INDIA STEEL WORKS LIMITED**

Report on the Audit of the Standalone Ind AS Financial Statements

**Qualified Opinion**

We have audited the annual Standalone Financial Results of **INDIA STEEL WORKS LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2022 which comprises the Balance Sheet, the Statement of Profit and Loss Account and Cash Flows, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the basis of qualified opinion section, the aforesaid Standalone Financial Results:

- i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2022 and the balance sheet and the statement of cash flows as at and for the year ended on that date.

**Basis for Qualified Opinion**

1. Inventories amounting to ₹ 17,018.59 Lakhs have not been valued at lower of cost or Net realisable value which is against the significant accounting policies of the company and is not consistent with Ind AS 2 "Inventories". These inventories held by the company include obsolete and non-moving stock which are valued at cost and is inconsistent with provisions of Ind AS 2. As per the information and documents provided to us, we are of the opinion that work-in-progress amounting to ₹11,753.23 Lakhs and Raw Material amounting to ₹3,665.42 Lakhs held by the company can only fetch scrap value. The estimated difference between the valuation of Work in progress and Raw Material at cost and present net realizable value is approx. ₹14,000.00 Lakhs. On account of the same the loss of the company has been understated by approx. ₹14,000.00 Lakhs. In the absence of quantitative information and supporting documents of Finished Goods, Stock in Trade and Stores and Spares amounting to ₹1,599.95 we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
2. Company has shown insurance claim receivable amounting to ₹1,120.27 Lakhs. The said claim is outstanding since long back and the same has not been approved by appropriate authority till date. In our opinion, showing the said insurance claim as receivable is not showing true and fair view. On account of the same assets of the company are overstated by ₹1,120.27.
3. Confirmations of the balances of sundry creditors and debtors, loans and advances, Advances given to suppliers have not been obtained and they are subject to reconciliations and subsequent adjustments if any. As such we are unable to express any opinion as to the effect on the financial statements for the year.
4. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities were not provided to us. As such we are unable to express any opinion as to the effect on the financial statements for the year.

**Key Audit Matters**

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

<b>Going Concern</b>	<b>Our audit procedures included</b>
<b>Going Concern Assessment</b> The Group has current liabilities of ₹ 32,438.79 Lakhs and current assets of ₹ 17,987.74 Lakhs as of March 31, 2022. Current liabilities exceed current assets as at the year end.	Our procedures, amongst others, included the following: <ul style="list-style-type: none"> <li>• Obtained an understanding of the process and tested the internal controls associated with the management's assessment of Going Concern assumption.</li> </ul>



Key Audit Matter	How the matter was addressed in our Audit
<p>Management has made an assessment of the Group's ability to continue as a Going Concern as required by Ind AS 1 "Presentation of Financial Statements" considering all the available information and has concluded that the going concern basis of accounting is appropriate.</p> <p>Going Concern assessment has been identified as a key audit matter considering the significant judgements and estimates involved in the assessment and its dependence upon management's ability to complete the planned divestments, raising long term capital and/or successful refinancing of certain current financial obligations.</p>	<ul style="list-style-type: none"> <li>• Discussed with management and assessed the assumptions, judgements and estimates used in assessment having regards to past performance and current emerging business trends affecting the business and industry.</li> <li>• Assessed the Group's ability to refinance its obligation based on the past trends, credit ratings, ability to generate cash flows and access to capital.</li> <li>• Assessed the adequacy of the disclosures in the consolidated Ind AS financial statements.</li> </ul>

#### Emphasis of Matter

1. In absence of information of investee company, we are unable to determine the value of the investments hence the same are carried at cost and no provision for diminution, if any in value of such investments is made.
2. In the absence of uncertainties of making profit in immediate future the company has decided not to create Asset/ Liability on account of Deferred Tax.
3. Fire Insurance Policy of the company is pending renewal as on the date. The risk on account of the same is not ascertainable.
4. Assessment of the Impairment of Assets has not been done by the company, which is inconsistent with Ind AS-36 "Impairment of Assets".

#### Other Information

The Parent Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Standalone Financial Results

These Standalone Financial Results have been prepared on the basis of the annual financial statements. The Parent Company's Board of Directors are responsible for the preparation and presentation of these Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the balance sheet and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. The Board of Directors of the Parent Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Standalone Financial Results by the Directors of the Company, as aforesaid.

In preparing the Standalone Financial Results, the Board of Directors of the Parent Company are responsible for assessing the ability



of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent Company are responsible for overseeing the financial reporting process of the Company.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- a. Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Standalone Financial Results including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) Except for the matters stated in basis of qualified opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) Expect for the matters stated in basis of qualified opinion, in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure 2” to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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; The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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
- Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
3. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act.
- In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/ provided by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any directors is not in excess of the limit laid down U/s 197 of the IT Act. The Ministry of Corporate Affairs has not prescribed other details U/s 197 (16) which requires to be commented by us.

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWGZZ3924**



## ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. The Company does not have a regular programme of physical verification of its property plant and equipment. Due to this we are unable to comment on the same.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, all immovable properties are held in the name of the Company.
  - d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended 31st March 2022.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
  - a. The management has not conducted physical verification of inventory during the year. Due to this we are unable to comment on the same.
  - b. During the year, the company no working capital limits has been sanctioned in excess of five crore rupees, in aggregate, from banks or financial institutions. Accordingly, clause 3(ii)(b) of the Order is not applicable to the company.
- iii. During the year the company has not made any investments in or 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 or to promoters or related parties. Accordingly, clause 3(iii) of the order is not applicable to the company.
- iv. The company has not granted any loans, or made any investments, guarantees, and security, to which the provisions of sections 185 and 186 of the Companies Act 2013 apply.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income-Tax, Sales Tax, Goods and Services Tax, Duty of Customs and other material statutory dues have not been deposited during the year by the Company with the appropriate authorities.
  - b. According to the information and explanations given to us, and on the basis of our examination of books of accounts following amount are outstanding as at the last day of the Financial Year concerned for a period of more than six months from the date, they become payable to-





Sr. No.	Particulars	Amount in ₹
1	TDS Payable	67,00,232
2	PF & ESIC & MLWF Payable	49,05,115
3	PT Payable	7,58,650
4	Property Tax/cess Payable	80,04,809
5	GST Payable	5,72,130
6	TCS Payable	4,12,570

- c. According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of Income Tax, Excise Duty and Value Added Tax:

Name of Status	Nature of dues	₹ in lakhs	Period	Forum where the dispute is pending
Sales Tax Act	Sales Tax	160.11	FY-2014/2015	Sales Tax Department
Central Excise Act	Excise	53.53	FY-2012/2013	Directorate General of Central Excise Intelligence
Central Excise Act	Excise	406.30	FY-2012/2013	CESTAT
Central Excise Act	Excise	37.99	FY-2005/2006	Com. of Central Excise
Central Excise Act	Excise	9.64	FY-2012/2013	Add. Com. of Central Excise

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix.

- a. In our opinion and according to the information and explanations given to us, details of defaults in repayment of dues to Banks is as under:

Particulars	Principal (₹ in Lakhs)
Kotak Manindra Bank Ltd. - Term Loan	16.11
DNSB - Term Loan	172.84
Kotak Manindra Bank Ltd. - Letter of Credit	614.35
Kotak Manindra Prime Ltd.	2.83
Sundaram Finance Ltd.	7.20
Total	813.33

Note - Overdue Amount does not includes unapplied interest if any due to classification loan as NPA by the lender.

- b. The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.
- c. During the year the company has not availed of or has been disbursed any term loans
- d. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.



- e. In our opinion, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f. The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- x.
- a. The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi.
- a. No fraud by the Company or no fraud on the Company has been noticed or reported during the year
- b. There is no instance, during the year that necessitates reporting in the form ADT-4
- c. There are no instances of whistle-blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv.
- a. We are unable to comment whether the Company has an internal audit system commensurate with the size and nature of its business as we have not received any documents or information in relation to the same.
- b. We have not received the internal audit reports of the Company issued till the date of the audit report. Due to this we are unable to comment on the same.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- a. The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company
- d. There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses in the current financial year and in the previous financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- xix. 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, we believe that there exists some material uncertainty as on the date of the audit report that Company is not 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. According to the information and explanation given to us provisions of section 135 of the Companies Act 2013 are not applicable to the company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.
- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWGZZ3924**



## ANNEXURE B

**Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members INDIA STEEL WORKS LIMITED on the financial statements for the year ended March 31, 2022**

### **Report on the internal financial controls under clause(i) of sub-section 3 of section 143 of the Act**

We have audited the internal financial controls over financial reporting INDIA STEEL WORKS LIMITED ('the Company') as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

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

#### **Auditor's responsibility**

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

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

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

#### **Meaning of internal financial controls over financial reporting**

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

A company's internal financial control over financial reporting includes those policies and procedures that:

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

**Inherent limitations of internal financial controls over financial reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWGZZ3924**



**BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	22,271.41	22,968.52
Capital Work - In - Progress	3	-	-
Other Intangible Assets	3	123.77	179.72
<b>Financial Assets</b>			
Investments	4	5.53	217.81
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	2,253.98	3,544.35
<b>Total Non - Current Assets</b>		<b>25,774.96</b>	<b>28,030.67</b>
<b>Current Assets</b>			
Inventories	7	17,018.59	23,799.82
<b>Financial Assets</b>			
Trade Receivables	8	27.37	1,030.15
Cash & Cash Equivalents	9	14.82	68.07
Bank Balance other than above	10	31.42	30.34
Loans	11	60.65	86.02
Other Financial Assets	12	147.47	334.06
Other Current Assets	13	662.43	101.01
<b>Total Current Assets</b>		<b>17,962.74</b>	<b>25,449.47</b>
<b>TOTAL ASSETS</b>		<b>43,737.70</b>	<b>53,480.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	4,586.39	9,549.25
<b>Total Equity</b>		<b>8,567.20</b>	<b>13,530.06</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,891.70	2,120.55
Trade Payable	17	121.46	16,103.31
Other Financial Liabilities	18	628.63	629.27
Provisions	19	89.92	140.44
<b>Total Non - Current Liabilities</b>		<b>2,731.71</b>	<b>18,993.57</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	10,885.41	10,425.18
Trade Payables	21	18,759.55	8,112.96
Other Financial Liabilities	22	795.28	708.12
Other Current Liabilities	23	1,515.08	1,313.60
Provisions	24	483.48	396.64
<b>Total Current Liabilities</b>		<b>32,438.79</b>	<b>20,956.50</b>
<b>Total Liabilities</b>		<b>35,170.50</b>	<b>39,950.07</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43,737.70</b>	<b>53,480.14</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	3-46		

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022** (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from Operations	25	2,380.79	14,385.76
Other Income	26	896.96	3,240.48
<b>Total Income</b>		<b>3,277.75</b>	<b>17,626.23</b>
<b>Expenses</b>			
Cost of Material Consumed	27	3,284.42	2,585.09
Purchase of Traded Goods	28	72.71	9,058.21
Changes in Inventories of Finished Goods / Stock in Trade	29	-802.90	3,797.08
Employee Benefit Expenses	30	457.36	584.97
Finance Cost	31	789.70	899.77
Depreciation and Amortization	3	755.17	759.65
Other Expenses	32	5,503.45	1,643.81
<b>Total Expenses</b>		<b>10,059.91</b>	<b>19,328.58</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>-6,782.15</b>	<b>-1,702.34</b>
<b>Exceptional Item</b>	35	<b>1,715.16</b>	<b>-277.01</b>
<b>Profit Before Tax</b>		<b>-5,066.99</b>	<b>-1,979.36</b>
<b>Tax Expenses</b>			
Previous Tax		-	-
<b>Profit After Tax</b>		<b>-5,066.99</b>	<b>-1,979.36</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		104.13	56.40
<b>Total Other Comprehensive Income for the year</b>		<b>104.13</b>	<b>56.40</b>
<b>Total Comprehensive Income for the year</b>		<b>-4,962.86</b>	<b>-1,922.95</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	36	<b>(1.27)</b>	<b>(0.50)</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	3-46		

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014



**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022** (Rs. in lakhs)

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before Tax		-5,066.99		-1,979.36
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>				
Depreciation & Amortization	755.17		759.65	
Finance Cost	789.70		899.77	
Interest Income	-10.12		-26.85	
Non-operating income	-886.84		-3,213.63	
		647.91		-1,581.05
<b>Operating Profit Before Changes in Working Capital</b>		<b>-4,419.08</b>		<b>-3,560.41</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / Decrease in Trade Receivables	1,002.78		358.12	
(Increase) / Decrease in Inventories	6,781.23		2,982.82	
(Increase) / Decrease in Other Current Financial Assets	211.96		534.48	
(Increase) / Decrease in Other Current Assets	-561.41		211.56	
(Increase) / Decrease in Investment	212.28		-	
(Increase) / Decrease in Other Non - Current Assets	1,290.37		-740.96	
Increase / (Decrease) in Trade Payables	-5,335.26		-4,164.09	
Increase / (Decrease) in Other Current Financial Liabilities	87.15		68.79	
Increase / (Decrease) in Other Current Liabilities	201.48		233.30	
Increase / (Decrease) in Provisions	140.45		75.45	
Increase / (Decrease) in Other Non - Financial Liabilities	-0.64	4,030.39	-0.77	-441.30
<b>Cash Generated from Operations</b>		<b>-388.69</b>		<b>-4,001.71</b>
Less: Taxes Paid (Net of refund received)		-		-
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		<b>-388.69</b>		<b>-4,001.71</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	-2.12		-0.00	
Sale of Property, Plant & Equipment & Intangible Assets	-		0.33	
Interest Received	10.12		26.85	
Movement in other bank balances	-11.20		78.61	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		<b>-3.20</b>		<b>105.79</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Receipt of Long Term Borrowings	35.48		935.06	
Repayment of Long Term Borrowings	-264.34		80.04	
Increase / (Decrease) in Short Term Borrowings	460.23		562.03	
Finance Cost	107.26		2,340.70	
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		<b>338.64</b>		<b>3,917.83</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		<b>-53.25</b>		<b>21.91</b>
Add: Opening Balance of Cash & Cash Equivalents		68.07		46.15
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>14.82</b>		<b>68.07</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT</b>				
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>		<b>14.82</b>		<b>68.07</b>
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>				
Balance with banks in current accounts		13.82		27.30
Cash on Hand		1.00		40.76
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>14.82</b>		<b>68.07</b>

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022****A. Equity Share Capital**

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
<b>Balance as the beginning of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>
Add: Changes in Equity Capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

**B. Other Equity**

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as on April 01, 2020</b>	500.00	18,019.38	4,451.30	2,040.00	-13,538.48	<b>11,472.21</b>
Profit / (Loss) for the year					-1,979.36	<b>-1,979.36</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	56.40	<b>56.40</b>
<b>As at March 31, 2021</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-15,461.43</b>	<b>9,549.25</b>
Profit / (Loss) for the year					-5,066.99	<b>-5,066.99</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					104.13	<b>104.13</b>
<b>As at March 31, 2022</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-20,424.29</b>	<b>4,586.39</b>



## Notes to Standalone Financial Statement as on March 31, 2022

### 1 CORPORATE INFORMATION

"India Steel Works Limited is a public limited incorporated and domiciled in India, under the Indian Companies Act, 1956. Its Equity shares are listed on BSE Limited. Its registered office is situated at India Steel Works Complex, Zenith Compound, Khopoli, Raigad 410 203, Maharashtra, India.

The Company is engaged in manufacturing and trading of steel products like hot rolled, bars and rods, bright bars, etc."

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 as amended time to time.

The financial statements are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 2.8 below
- Defined Benefit and other Long-term Employee Benefits - Refer note 2.11 below
- Derivative Financial instruments – Refer note 2.8 below

These standalone financial statements are approved for issue by the Company's Board of Directors on July 29, 2022.

#### 2.2 KEY ACCOUNTING ESTIMATES AND JUDGMENTS

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 underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any 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, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

#### 2.3 REVENUE RECOGNITION

##### a) Sale of Goods

"Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer."

##### b) Rendering of services

Revenue of services are recognized when the performance of agreed contractual obligation has been completed.

**Notes to Standalone Financial Statement as on March 31, 2022**

- c) Dividend  
Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.
- d) Interest Income  
Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
- e) Insurance Claims  
Insurance claims are accounted on acceptance of the claim and when it can be measured reasonably, and it is reasonable to expect the ultimate collection. The Shortfall in respect of final claim shall be accounted in the profit and loss account as an when finally settled.

**2.4 FOREIGN CURRENCY TRANSACTIONS**

- a) Functional and Presentation Currency  
The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.
- b) Initial Recognition  
Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.
- c) Measurement of foreign currency items at the Balance sheet date  
Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

**2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS**

- a) Property, plant and equipment (PPE)
  - i) Recognition and measurement  
Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
  - ii) Subsequent expenditure  
Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period  
Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.
- c) Intangible assets  
Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

**2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**Notes to Standalone Financial Statement as on March 31, 2022**

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**2.7 DEPRECIATION AND AMORTISATION**

Depreciation is provided on the Straight Line Method (SLM) applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

Useful lives of the items of Property, Plant and Equipment are as follows:

<b>Asset</b>	<b>Estimated Useful Life</b>
Building	30 Years
Plant & Machinery	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	5 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

<b>Asset</b>	<b>Amortisation period</b>
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

The Management believes that the useful life as given above the best represent the period over which the management expect to use these assets. The Company reviews the useful lives and residual value at each reporting date. Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded. Depreciation is not provided on Freehold Land. Gain/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit and loss.

**2.8 FINANCIAL INSTRUMENTS****I. Financial Assets**

## a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

## i) Debt instrument at amortised cost:

**Notes to Standalone Financial Statement as on March 31, 2022**

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

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income suing the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment.

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

The company does not have any equity investments designated at FVOCI or FVTPL

b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date,

**Notes to Standalone Financial Statement as on March 31, 2022**

i.e., the date that the company commits to purchase or sell the assets.

c) Derecognition of financial assets

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets."

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) 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 following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables"

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

**II. Financial Liabilities and equity instruments**

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities are classified as either's at FVTPL' or' other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

"All financial liability are recognised initially at fair value and for those instruments that are not



## Notes to Standalone Financial Statement as on March 31, 2022

Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments."

d) Derecognition

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

### III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- c) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

### IV. Accounting for day 1 differences

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, this if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows :

- i) If the fair value is evidence by a quoted price in an active market for an identical asset or liability (ie Level 1 input) or based on a valuation technique that uses data from observable market, the entire day 1 gain/loss is recorded immediately in the statement of profit and loss; or
- i) in all other cases, the difference between the fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the statement profit and loss only to the extent that arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

In case difference represents :

- i) deemed capital contribution - it is recorded as investment in subsidiary
- ii) deemed distribution - It is recorded in equity
- iii) deemed consideration for goods and services - it is recorded as an asset or liability. This amount is amortised / accredited to the statement of profit and loss as per the substance of the arrangement (generally straight line basis over the duration of the arrangement)

## 2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Stores and Consumables are valued at cost or net realizable value (NRV) whichever is lower.

Waste/ Scrap inventory is valued at Net Realisable Value (NRV).

NRV is estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.



## Notes to Standalone Financial Statement as on March 31, 2022

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

Residual products which earlier were considered as inventories have been transferred to non-current assets. They are not expected to be realized in ordinary course of business and hence are not classified as ordinary inventory. These products are regularly reviewed for impairment if any.

Non Moving Inventory are stated at the cost or market value whichever is lower.

### 2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted.

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

### 2.11 EMPLOYEE BENEFITS

#### a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### b) Other long term employee benefit obligations

##### i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the Company does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

##### Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the





## Notes to Standalone Financial Statement as on March 31, 2022

defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

### Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

## 2.12 ACCOUNTING FOR TAXES ON INCOME

### a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

"Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

### b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Accordingly, in the absence of certainty of sufficient future taxable income, net deferred tax asset has not been recognised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and



## Notes to Standalone Financial Statement as on March 31, 2022

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

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

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

"Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity."

### 2.13 PROVISIONS AND CONTINGENT LIABILITIES

#### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

### 2.14 EARNING PER SHARE

#### Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

### 2.15 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be cash equivalents.



## Notes to Standalone Financial Statement as on March 31, 2022

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

### 2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

### 2.17 DIVIDEND

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

### 2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

### 2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

### 2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### 2.21 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

### 2.22 SEGMENT REPORTING

The company has single business segment viz. Manufacturing & Trading of Stainless Steel & Allied Products, therefore in the context of Ind AS 108 disclosure of segment is not applicable.

### 2.23 LEASES

"At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it 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, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

**Notes to Standalone Financial Statement as on March 31, 2022**

- At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate nonlease components and account for the lease and non-lease components as a single lease component.

**a) Company as a Lessee**

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

**Right-of-use asset (ROU):**

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received

Right-of-use asset is depreciated using straightline method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

**Lease liability:**

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the rightof- use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**b) Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases are classified as Finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE****Indian Accounting Standards:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021.

**Notes to Standalone Financial Statement as on March 31, 2022****Schedule III of the Companies Act 2013:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

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

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



**Notes forming part of the financial statements**  
**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2021	Additions / Transfers	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 2022	As At March 31, 2021
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,565.44	2.12	-	7,567.56	-	-	-	7,567.56	7,565.44
Factory Buildings	2,519.86	-	-	2,519.86	618.78	63.13	-	1,837.96	1,901.08
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	4,551.81	596.54	-	12,559.72	13,156.26
Furniture & Fixture	190.33	-	-	190.33	79.67	15.45	-	95.20	110.66
Vehicles	181.37	-	-	181.37	81.63	16.84	-	82.90	99.74
Office Equipments	46.30	-	-	46.30	34.54	7.26	-	4.50	11.76
<b>Total - Tangible Assets</b>	<b>28,346.75</b>	<b>2.12</b>	<b>-</b>	<b>28,348.87</b>	<b>5,378.23</b>	<b>699.23</b>	<b>-</b>	<b>22,271.41</b>	<b>22,968.52</b>
<b>(B) Capital Work In Progress</b>									
Real estate Division	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-
<b>Total - Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(C) Intangible Assets</b>									
Software Licenses	358.81	-	-	358.81	179.09	55.95	-	123.77	179.72
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>179.09</b>	<b>55.95</b>	<b>-</b>	<b>123.77</b>	<b>179.72</b>
<b>(D) Intangibles Under Development</b>									
SAP ERP	-	-	-	-	-	-	-	-	-
<b>Total - Intangibles under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL(A)+(B)+(C)+(D)</b>	<b>28,705.56</b>	<b>2.12</b>	<b>-</b>	<b>28,707.67</b>	<b>5,557.32</b>	<b>755.17</b>	<b>-</b>	<b>22,395.18</b>	<b>23,148.24</b>
Previous Year's Total									

i. Motor Vehicle includes Rs. 10.98 lakhs in the name of one of the directors of the company

ii. Refer Note No.20 for assets provided as security.



**Notes forming part of the financial statements**  
**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 2021	As At March 31, 2020
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,541.92	23.52	-	7,565.44	-	-	-	7,565.44	7,541.92
Factory Buildings	2,519.86	-	-	2,519.86	555.65	63.13	-	1,901.08	1,964.21
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	3,955.22	596.59	-	13,156.26	13,752.86
Furniture & Fixture	190.33	-	-	190.33	63.95	15.72	-	110.66	126.38
Vehicles	187.01	-	5.64	181.37	67.26	19.68	5.31	99.74	119.75
Office Equipments	46.30	-	-	46.30	26.70	7.84	-	11.76	19.60
<b>Total - Tangible Assets</b>	<b>28,328.87</b>	<b>23.52</b>	<b>5.64</b>	<b>28,346.75</b>	<b>4,680.58</b>	<b>702.96</b>	<b>5.31</b>	<b>22,968.52</b>	<b>23,648.29</b>
<b>(B) Capital Work In Progress</b>									
Real estate Division	23.52	-	23.52	-	-	-	-	-	23.52
Plant & Machinery	-	-	-	-	-	-	-	-	-
<b>Total - Capital Work in Progress</b>	<b>23.52</b>	<b>-</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.52</b>
<b>(C) Intangible Assets</b>									
Software Licenses	358.81	-	-	358.81	122.40	56.69	-	179.72	236.41
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>122.40</b>	<b>56.69</b>	<b>-</b>	<b>179.09</b>	<b>236.41</b>
<b>(D) Intangibles Under Development</b>									
SAP ERP	-	-	-	-	-	-	-	-	-
<b>Total - Intangibles under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL(A)+(B)+(C)+(D)</b>	<b>28,711.20</b>	<b>23.52</b>	<b>29.16</b>	<b>28,705.56</b>	<b>4,802.98</b>	<b>759.65</b>	<b>5.31</b>	<b>23,148.24</b>	<b>23,908.22</b>

i. Motor Vehicle includes Rs. 10.98 lakhs in the name of one of the directors of the company

ii. Refer Note No.20 for assets provided as security.



Notes forming part of the financial statements

NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. in lakhs)

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Investment in Equity Instruments</b>				
<b>Others (Unquoted At Cost)</b>				
Sai Wradha Power Ltd.	21,22,764	212.28	21,22,764	212.28
DNSB	5,330	0.53	5,330	0.53
Indinox Steels Private Limited (Subsidiary)	50,000	5.00	50,000	5.00
Less:- Provision for Dilution of Investment		-212.28		
<b>TOTAL</b>		<b>5.53</b>		<b>217.81</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>217.81</b>		<b>217.81</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>-212.28</b>		-

NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance Claim Receivable	1,120.27	1,120.27
<b>TOTAL</b>	<b>1,120.27</b>	<b>1,120.27</b>

The company had filed insurance claim for Rs.77.24 cr for an incident in 2008. The survey assessed the claim at Rs.43.78 cr. The insurance company has paid 24.97 cr. The company has filed petition in NCDRC for the balance claim of Rs. 18.79 cr and applicable interest from 2008 onwards. As a matter of abundant caution the company has provided for 60% of the balance principal as assessed by the surveyor. Appropriate effect would be provided in the books upon final resolution of the claim by NCDRC.

NOTE 6: OTHER NON-CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	342.09	342.09
Others		
Balances with Govt. Authorities under litigation	332.19	332.19
Advance to Suppliers / Expenses	1,427.00	561.93
TDS Receivable	145.62	137.27
TCS Receivable	7.08	4.71
<b>TOTAL (A)</b>	<b>2,253.98</b>	<b>1,378.19</b>
<b>Trade Receivables***</b>		
Unsecured - Considered Good	-	2,166.16
Unsecured Considered for Doubtful	-	-
	-	2,166.16
Less :- Allowance for unsecured doubtful debts	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>2,166.16</b>
<b>TOTAL (A)+(B)</b>	<b>2,253.98</b>	<b>3,544.35</b>

\*\*\*Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.





Notes forming part of the financial statements

NOTE 7: INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	3,665.41	7,026.43
Work in Process	11,753.23	14,312.22
Finished Goods	319.60	844.33
Stock in Trade (Trading)	596.41	818.84
Stores and Spares	683.94	798.00
<b>TOTAL</b>	<b>17,018.59</b>	<b>23,799.82</b>

Notes :-

- i) Inventories have been pledged as security against certain bank borrowing, details relating to which has been described in Note No. 20.
- ii) Refer Note No. 1 (2.9) for method of valuation of inventories.

NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>		
Unsecured - Considered Good	27.37	1,030.15
Unsecured Considered for Doubtful	2,372.21	1,878.83
	2,399.57	2,908.98
Less :- Allowance for unsecured doubtful debts	-2,372.21	-1,878.83
<b>TOTAL</b>	<b>27.37</b>	<b>1,030.15</b>

Notes :-

- i. Trade Receivables have been given as collateral towards borrowing details relating to which has been described in Note No. 20.
- ii. Trade Receivables includes (also refer note 41).

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues from Private Companies in which any director is a director or member	1,091.70	1,080.51

- iii. Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.

(Rs. in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31st March 2022</b>							
Undisputed Trade Receivables – considered good	26.32	-	1.07	-	-	2,372.19	2,399.57
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>26.32</b>	-	<b>1.07</b>	-	-	<b>2,372.19</b>	<b>2,399.57</b>
Less: Allowance for doubtful trade receivables							-2,372.21
<b>TOTAL</b>							<b>27.37</b>



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31st March 2021</b>							
Undisputed Trade Receivables – considered good	134.97	-	16.99	9.45	5.56	2,742.01	2,908.98
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>134.97</b>	<b>-</b>	<b>16.99</b>	<b>9.45</b>	<b>5.56</b>	<b>2,742.01</b>	<b>2,908.98</b>
Less: Allowance for doubtful trade receivables							-1,878.83
<b>TOTAL</b>							<b>1,030.15</b>

NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in Current Accounts	13.82	27.30
Cash on Hand	1.00	40.76
<b>TOTAL</b>	<b>14.82</b>	<b>68.07</b>

NOTE 10: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits due to mature within 12 months of reporting date*	31.27	30.34
Margin Money for Letter of Credit	0.15	-
<b>TOTAL</b>	<b>31.42</b>	<b>30.34</b>

Notes : Fixed Deposit of Rs. 11.50 lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 11.50 lakhs ) have been earmarked by bank against guarantee issued for Maharashtra Pollution Control Board (MPCB).

NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to Employees	60.65	86.02
<b>TOTAL</b>	<b>60.65</b>	<b>86.02</b>

NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Receivable	10.61	13.38
Security Deposits	90.31	274.14
Deposit to Related Party	46.54	46.54
<b>TOTAL</b>	<b>147.47</b>	<b>334.06</b>



## Notes forming part of the financial statements

## NOTE 13: OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Advance to Suppliers / Expenses	615.34	43.31
Others		
Prepaid expenses	1.12	19.76
Balances with Excisem, VAT and GST Authorities	31.85	24.72
FMS / FPS / MEIS Licence	0.14	-
Job Work Charges Accrued on FG	13.10	11.78
TDS Receivable from NBFC	0.88	1.45
<b>TOTAL</b>	<b>662.43</b>	<b>101.01</b>

## NOTE 14: EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
42,00,00,000 Equity shares of Re 1/- each with voting rights	4,200.00	4,200.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>4,200.00</b>	<b>4,200.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
39,80,80,925 Equity shares of Re 1/- each with voting rights	3,980.81	3,980.81
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>3,980.81</b>	<b>3,980.81</b>

## a) Reconciliation of the number of shares outstanding :

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
Shares at the beginning	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Shares Issued	-	-	-	-
Less: Shares Forfeited / buyback	-	-	-	-
<b>Shares at the end</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

## b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value Re 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding



Notes forming part of the financial statements

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	%	No. of Shares	%
Equity shares with voting rights :-				
Indiasteel International P. Ltd.	4,56,34,150	11.46%	4,56,34,150	11.46%
TB Investments Ltd.	2,70,00,000	6.78%	2,70,00,000	6.78%
Metal Industrial Pte Ltd (Formerly known as ""UD Industrial Holding Pte Ltd."" )	9,04,58,196	22.72%	9,04,58,196	22.72%
Khamgaon Land Development and Trading Co. Pvt. Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
Yeotmal Land Development and Trading Co. Pvt. Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
<b>TOTAL</b>	<b>25,03,92,346</b>	<b>62.90%</b>	<b>25,03,92,346</b>	<b>62.90%</b>

d) Disclosure of Shareholding of Promoters is as follows

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
	No. of Shares	%	No. of Shares	%	
Sudhir Gupta	89,45,550	2.25%	44,41,825	1.12%	1.13%
Priya Gupta	11,86,060	0.30%	11,86,060	0.30%	0.00%
Varun Gupta	6,54,800	0.16%	6,54,800	0.16%	0.00%
Siddharth S Gupta	4,59,700	0.12%	4,59,700	0.12%	0.00%
Malika Siddharth Gupta	5,000	0.00%	5,000	0.00%	0.00%
Priyanka Varun Gupta	5,000	0.00%	5,000	0.00%	0.00%
India Steel International (P) Ltd	4,56,34,150	11.46%	4,56,34,150	11.46%	0.00%
Khamgaon Land Development & Trading Co (P) Ltd	4,36,50,000	10.97%	4,36,50,000	10.97%	0.00%
Yeotmal Land Development & Trading Co (P) Ltd	4,36,50,000	10.97%	4,36,50,000	10.97%	0.00%
Isiworld Steels Pvt Ltd	1,78,37,500	4.48%	1,78,37,500	4.48%	0.00%
Isisales (India) Pvt Ltd	1,74,00,400	4.37%	1,74,00,400	4.37%	0.00%
Isimetals (India) Pvt Ltd	1,74,00,350	4.37%	1,74,00,350	4.37%	0.00%
Isicom Traders Pvt Ltd	13,12,750	0.33%	13,12,750	0.33%	0.00%
Isinox Steels Limited	8,91,679	0.22%	8,91,679	0.22%	0.00%
Isistar Exports Pvt Ltd	4,37,500	0.11%	4,37,500	0.11%	0.00%
<b>TOTAL</b>	<b>19,94,70,439</b>	<b>50.11%</b>	<b>19,49,66,714</b>	<b>48.98%</b>	<b>1.13%</b>

NOTE 15: OTHER EQUITY

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as on April 01, 2021	500.00	18,019.38	4,451.30	2,040.00	-15,461.43	9,549.25
Profit for the period					-5,066.99	-5,066.99
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					104.13	104.13
<b>As at March 31, 2022</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-20,424.29</b>	<b>4,586.39</b>

**Notes forming part of the financial statements****Nature and Purpose of the Reserves:-****Capital Share Redemption Reserve**

Capital redemption reserve is created due to redemption of preference share capital in earlier years as per the requirement of the Companies Act.

**Securities Premium**

Security premium reserve is created when shares are issue at premium. The reserve is utilised in accordance with the provisions of the companies Act, 2013.

**Capital Reserve**

The Capital reserve was created to recognised the gain due to CDR scheme to the extent of Rs.44.51 cr approved by RCIL as on 31st March 2008 and gain due to increase in the value of Tangible asstes of Rs.74.13 cr as on 31st March 2015 and same was transferred to retained earning.

**General Reserve**

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013.

**NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>UNSECURED :</b>		
Loans from Related Party	1,891.70	2,120.55
<b>TOTAL</b>	<b>1,891.70</b>	<b>2,120.55</b>

**Notes :-****A Unsecured Loan :-**

- 1 Unsecured Loan from Related Parties does not have a definite repayment schedule. Interest rate for above loans are range between 0.00% to 12.00%.

**NOTE 17: NON-CURRENT TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Long term creditors**	121.46	16,103.31
<b>TOTAL</b>	<b>121.46</b>	<b>16,103.31</b>

\*\*Effect of settlement deed/ addendum to the settlement deed with a creditor resulting in reduction of liability is accounted for on a proportionate basis and the same is considered as other income. Considering the current Global Pandemic situation, negotiations are going on with the said creditor for a longer repayment schedule starting after 12 months hence the liability has been reclassified as "Non Current Financial Liability - Trade Payable" as per the Management Policy.

**Notes forming part of the financial statements****NOTE 18: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Interest accrued but not due on borrowings	628.63	629.27
<b>TOTAL</b>	<b>628.63</b>	<b>629.27</b>

**NOTE 19: PROVISIONS (NON-CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity	88.71	139.65
Compensated absences	1.21	0.79
<b>TOTAL</b>	<b>89.92</b>	<b>140.44</b>

**NOTE 20: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	2,940.25	2,512.51
Letter of Credit	614.35	614.35
Term Loan - FITL	225.35	188.94
Term Loan - ECLGS	88.24	81.59
Term Loan - Bank	6.56	13.00
Term Loan - Financial Institutions (NBFC)	7.07	11.19
	3,881.82	3,421.59
<b>UNSECURED :</b>		
Loans from Others	585.00	585.00
Preference Shares	6,418.59	6,418.59
	7,003.59	7,003.59
<b>TOTAL</b>	<b>10,885.41</b>	<b>10,425.18</b>

**A Loans Repayable on Demand / Term Loan (Banks) :-**

- 1 Kotak Mahindra Bank Ltd & DNS Bank Ltd. has sanctioned Cash Credit facilities against the security by way of first pari passu charge on the fixed assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company. This accounts become Non Performing Assets as on date of balance sheet and company has received recall notices from the banks.
- 2 Kotak Mahindra Bank Ltd. has sanctioned Letter of Credit facilities against the security by way of first pari passu charge on the fixed assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company.
- 3 FITL Loan from DNS Bank @ 15.75% p.a. interest are secured against Stock and Books Debts, Plant & Machinery and Factory Land & Building. This loan is repayable in 7 monthly installments. Said loan was to be repaid before 31.03.2021. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
- 4 FITL Loan from Kotak Mahindra Bank Ltd. @ 19.00% p.a. interest are secured against Stock and Books Debts, Plant & Machinery and Factory Land & Building. This loan is repayable in 7 monthly installments. Said loan was to be repaid before 31.03.2021. However the

**Notes forming part of the financial statements**

company has defaulted in repaying the same as per the agreed sanctioned terms.

- 5 The Company has during the year availed a loan of Rs. 80 lakhs from Kotak Mahindra Bank Ltd. under the Emergency Credit Line Guarantee Scheme (ECLGS) of National Credit Guarantee Trustee Company Ltd (NCGTC) in order to meet its working capital requirements. The tenure of the loan is 48 months (Including the 12 month moratorium period) carrying an interest rate of 8.00% p.a. repayable in 48 equated monthly installments. The said loan is secured by way of first and second charge on the entire present and future current and movable assets with DNS Bank, first and second charge moveable fixed assets Equitable/ Registered on immovable properties, i.e. Land and Building and structure and P&M located in Zenith Compound, Khopoli, District Raigad, Maharashtra - 410203 owned by the India Steel Works Limited. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
- 6 Loans from Yes Bank @ 7.20% p.a. interest are secured against hypothecation of motor vehicles. These loans are repayable in 60 equated monthly months installment of Rs.0.41 lakhs.

**B Term Loans Financial Institutions (NBFC) :-**

- 1 Loans from Sundaram Finance Ltd. @ 7.10% p.a. interest are secured against hypothecation of komatsu hydraulic excavator machine. However the company has defaulted in repaying the same as per the agreed sanctioned terms.

**C Unsecured Loan :-**

- 1 Unsecured Loan from other corporate are repayable on demand. Interest rate @ 8.00 % p.a.

**D Preference Shares :-****a) Details of Preference Shares**

Particulars	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
(a) Authorised Preference shares of Re 10/- each without voting rights	6,45,00,000	6,450.00	6,45,00,000	6,450.00
(b) Issued, Subscribed and fully paid up 14% Cumulative Redeemable Preference shares of Re 10/- each without voting rights	20,00,000	200.00	20,00,000	200.00
0.01% Cumulative Redeemable Preference shares of Rs.10/- each without voting rights	5,36,71,310	5,367.13	5,36,71,310	5,367.13
0.01% Cumulative Redeemable Preference shares (Option Series) of Re 10/- each without voting rights	85,14,574	851.46	85,14,574	851.46
<b>TOTAL</b>	<b>6,41,85,884</b>	<b>6,418.59</b>	<b>6,41,85,884</b>	<b>6,418.59</b>

**b) Terms of Issue of Preference Shares**

- i) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- ii) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iii) 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iv) The company is in the negotiations with the preference shareholders for revised terms of redemption and still not finalised.
- v) Subject to the approval of shareholders at the Annual General Meeting, board of directors have recommended dividend of 0.01% on @ 2,00,000 14% CRPS; 5,36,71,310 @ 0.01% CRPS without option and 85,14,574 @ 0.01% CRPS with option."



Notes forming part of the financial statements

c) Details of preference shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March , 2022		As at 31st March , 2021	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Preference shares without voting rights				
IDBI Ltd.	3,75,47,800	58.50%	3,75,47,800	58.50%
Punjab & Sind Bank	1,21,38,000	18.91%	1,21,38,000	18.91%
Oriental Bank of Commerce	56,98,413	8.88%	56,98,413	8.88%
<b>TOTAL</b>	<b>5,53,84,213</b>	<b>86.29%</b>	<b>5,53,84,213</b>	<b>86.29%</b>

NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	18,759.55	8,112.96
<b>TOTAL</b>	<b>18,759.55</b>	<b>8,112.96</b>

Notes :-

- Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, In view of the above outstanding as at 31st March 2022 the same has not been quantified relating to Micro and Small Enterprises referred to in the said Act.
- The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustment if any, may be made when the accounts are settled.
- Trade Payables Includes related party refer Note No. 41.
- Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	110.47	3,171.58	3,039.67	12,437.83	18,759.55
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>110.47</b>	<b>3,171.58</b>	<b>3,039.67</b>	<b>12,437.83</b>	<b>18,759.55</b>





**Notes forming part of the financial statements**

v. Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	186.23	7,185.92	622.24	118.57	8,112.96
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>186.23</b>	<b>7,185.92</b>	<b>622.24</b>	<b>118.57</b>	<b>8,112.96</b>

**NOTE 22: FINANCIAL LIABILITIES - OTHERS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued**	320.88	254.50
Others		
Creditors for Capital Goods	17.51	50.28
Employee Benefits payables	456.89	403.34
<b>TOTAL</b>	<b>795.28</b>	<b>708.12</b>

\*\* Includes related party refer Note No. 41.

**NOTE 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customer**	1,262.01	1,126.33
Statutory Liabilities***	253.07	187.27
<b>TOTAL</b>	<b>1,515.08</b>	<b>1,313.60</b>

\*\* Includes related party refer Note No. 41.

\*\*\* Includes payable towards TDS, GST, and Employee Related Statutory Obligation.

**NOTE 24: PROVISIONS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Bonus	43.48	37.49
Compensated absences	2.34	3.97
Gratuity	24.65	40.67
	70.47	82.13
<b>Others Provision</b>		
Others	413.01	314.51
	413.01	314.51
<b>TOTAL</b>	<b>483.48</b>	<b>396.64</b>

Refer Note 1 (2.11) for further reference on Employee benefits.



## Notes forming part of the financial statements

## NOTE 25: REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Revenue from Customers</b>		
Sale of Products	2,020.51	13,301.83
Sale of Services	351.04	1,048.30
<b>Other Operating Income</b>		
Sale of Scrap	9.25	35.63
<b>TOTAL</b>	<b><u>2,380.79</u></b>	<b><u>14,385.76</u></b>

## NOTE 26: OTHER INCOME

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income	10.12	26.85
Unclaimed liabilities written back	862.84	3,189.51
Other Income	24.00	24.12
<b>TOTAL</b>	<b><u>896.96</u></b>	<b><u>3,240.48</u></b>

## NOTE 27: COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventories at the beginning of the year	7,824.43	6,114.48
Add:- Purchases during the year	1,046.72	4,295.04
Less:- Inventories at the end of the year	4,349.35	7,824.43
Less:- Stock Write off (Exceptional)	1,237.37	-
<b>Cost of Materials Consumed</b>	<b><u>3,284.42</u></b>	<b><u>2,585.09</u></b>

## NOTE 28: PURCHASE OF STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Stock in Trade	72.71	9,058.21
<b>TOTAL</b>	<b><u>72.71</u></b>	<b><u>9,058.21</u></b>

## NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Stocks :</b>		
Finished Goods	844.33	958.47
Work in Progress	14,312.22	18,009.71
Stock In Trade	818.84	804.29
<b>Less : Closing Stocks :</b>		
Finished Goods	319.60	844.33
Work in Progress	11,753.23	14,312.22
Stock In Trade	596.41	818.84
Stock Write off (Exceptional)	4,109.06	-
<b>NET CHANGE IN INVENTORIES</b>	<b><u>-802.90</u></b>	<b><u>3,797.08</u></b>

**Notes forming part of the financial statements****NOTE 30: EMPLOYEE BENEFIT EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	354.34	436.21
Directors Remuneration	16.37	47.14
Contribution to Provident and Other Funds	11.35	13.37
Gratuity Expenses (Refer Note No. 40)	33.34	23.25
Leave Encashment Expenses (Refer Note No. 40)	2.63	7.28
Staff Welfare Expenses	39.33	57.73
<b>TOTAL</b>	<b>457.36</b>	<b>584.97</b>

**NOTE 31: FINANCE COST**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Expense		
On Borrowings	706.55	819.95
Others (Including Interest on delay / deferred payment)	82.35	73.15
Bank and other finance charges	0.80	6.67
<b>TOTAL</b>	<b>789.70</b>	<b>899.77</b>

**NOTE 32: OTHER EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power, Fuel and Utilities	694.60	1,268.77
Processing Charges	89.76	108.68
Water	1.30	2.24
Repairs to Building	0.33	-
Repairs to Plant and Machinery	4.78	10.72
Other Repairs	0.08	0.12
Packing Materials	0.07	4.50
Commission & Brokerage	-	5.75
Sales Promotion	1.85	0.42
Outward Freight Charges	13.26	5.92
Quality Claim	34.41	-
Bad Debts Written off net of provisions	4,396.47	237.43
Travelling and Conveyance	10.24	6.03
Communication Expenses	2.56	6.41
Insurance	20.91	88.05
Rates and Taxes	45.64	178.72
Legal and Professional Fees	36.68	83.93
Printing & Stationery	0.14	0.31
Service Charges	1.51	3.53
Directors Sitting Fees	3.68	1.90
Motor Vehicle Expenses	18.00	7.63
VAT / DBK / MEIS Expenses W.off	-	3.68

**Notes forming part of the financial statements****NOTE 32: OTHER EXPENSES (Contd...)**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss on Sale of Fixed Assets	-	-0.29
Payment to Auditors		
- Audit Fees	8.00	8.00
- Tax Audit Fees	-	-
- Other Services	-	-
Foreign Exchange Fluctuation (Net)	102.40	13.84
Miscellaneous Expenses	16.80	97.53
Less:- Insurance Claim	-	-500.00
<b>TOTAL</b>	<b>5,503.45</b>	<b>1,643.81</b>

**NOTE 33: CONTINGENT LIABILITIES AND COMMITMENTS AND ASSETS****A. CONTINGENT LIABILITIES****Claims against the company not acknowledged as debts**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the company/disputed liabilities but not acknowledged as debts	2,679.80	2,674.37
Excise/Customs Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	1,038.31	1,038.31
Sales Tax matters - Disputed	275.39	160.11
Income Tax matters - Disputed	214.58	214.58
Property Tax - Disputed	571.10	471.07
Bank Guarantee	1.40	1.40
Disputed Interest of bank	218.91	78.27
Disputed Liability of Suppliers	-	3,925.08
Disputed GST Liability	39.83	39.83
Material Claim	20.35	91.42

**Notes :-**

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) Most of the issues of litigation pertaining to Central Excise/Sales Tax/Customs are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention.
- (iv) The Company's pending litigation comprise of proceeding pending related to Property tax. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.



Notes forming part of the financial statements

**B. COMMITMENTS**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account & not provided for**	-	-
<b>Net Capital Commitments</b>	<u>-</u>	<u>-</u>

\*\* As certified by Management.

**NOTE 34: CORPORATE SOCIAL RESPONSIBILITY**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:		
Construction / Acquisition of any Asset	-	-
On purposes other than (1) above	-	-
<b>Total Paid</b>	<u>-</u>	<u>-</u>
<b>Gross Total</b>	<u>-</u>	<u>-</u>

**NOTE 35: EXCEPTIONAL ITEMS**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Insurance Claim written off	-	277.01
Investment written off	212.28	-
Diminution Value of Inventory	5,346.43	-
Creditors written off	(9,843.85)	-
Reversal of earliar year written back	2,126.06	-
Advances written off	443.92	-
	<u>(1,715.16)</u>	<u>277.01</u>

**NOTE 36: EARNINGS PER SHARE**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(5,066.99)	(1,979.36)
Weighted Average No. of Equity Shares for of Face Value ₹1 each	39,80,80,925	39,80,80,925
<b>Earnings Per Share - Basic</b>	<u>(1.27)</u>	<u>(0.50)</u>

**Notes forming part of the financial statements****NOTE 37: CAPITAL MANAGEMENT**

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Total interest bearing financial liabilities	13,726.61	13,429.51
Less : Cash and Cash Equivalents	14.82	68.07
<b>Adjusted Net Debt</b>	<b>13,711.79</b>	<b>13,361.44</b>
Total Equity	8,567.20	13,530.06
<b>Adjusted Equity</b>	<b>8,567.20</b>	<b>13,530.06</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>1.60</b>	<b>0.99</b>

**NOTE 38: FINANCIAL RISK MANAGEMENT AND POLICIES**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

**(a) Market Risk:-**

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

**(a) (i) Market Risk - Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

**Exposure to interest rate risk**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	12,777.11	12,545.73
<b>Total</b>	<b>12,777.11</b>	<b>12,545.73</b>

**Notes forming part of the financial statements****Sensitivity analysis to interest rate risk**

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(a)(ii) Market Risk - Price Risk**

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against guarantee issued by bank to company's trade payables. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**(a)(iii) Market Risk - Currency Risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible.

**Exposure to Currency risk**

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

Foreign Currency in lakhs

Particulars	Foreign Currency	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>			
Trade and other receivables	USD	9.33	47.86
<b>Financial Liabilities</b>			
Trade and other payables	USD	19.60	160.43
	EURO	-	27.20

**Sensitivity analysis to currency risk**

Foreign Currency	As at 31st March , 2022		As at 31st March , 2021	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	-23.39	23.39	-247.22	247.22
EURO	-	-	-69.92	69.92
<b>Total</b>	<b>-23.39</b>	<b>-305.06</b>	<b>-317.14</b>	<b>317.14</b>

**(b) Credit Risk**

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure.

**Trade Receivables**

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

**Notes forming part of the financial statements****Expected credit loss for trade receivable:**

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance of expected loss provision</b>	<b>1,878.83</b>	<b>1,678.83</b>
Add : Provisions made (net)	493.38	200.00
Less : Utilisation for impariment / de-recognition	-	-
<b>Closing balance</b>	<b><u>2,372.21</u></b>	<b><u>1,878.83</u></b>

**Other Financial Assets**

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**Expected credit loss on financial assets other than trade receivable:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

**Exposure to Liquidity Risk**

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

(Rs. in lakhs)

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	1,891.70	-	2,120.55
Interest accrued but not due on borrowings	628.63	-	629.27	-
Working Capital Loans from Banks	3,881.82	-	3,421.59	-
Loans from Others / Preference Share Capital	7,003.59	-	7,003.59	-
Trade Payables	18,759.55	121.46	8,112.96	16,103.31
Other Financial Liabilities	795.28	-	708.12	-
	<b><u>31,068.86</u></b>	<b><u>2,013.16</u></b>	<b><u>19,875.53</u></b>	<b><u>18,223.86</u></b>



**Notes forming part of the financial statements****(d) Collateral**

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 20 for the detailed terms and conditions of the collaterals pledged.

**NOTE 39: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT****A. Classification of Financial Assets and Liabilities**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>		
At amortised Cost		
Investments	5.53	217.81
Loans	60.65	86.02
Trade Receivables	27.37	1,030.15
Cash & Cash Equivalents	14.82	68.07
Other Bank Balances	31.42	30.34
Other Financial Assets	1,267.74	1,454.33
<b>Total Financial Assets</b>	<b>1,407.53</b>	<b>2,886.72</b>
Financial Liabilities		
At amortised Cost		
Borrowings	12,777.11	12,545.73
Trade Payable	18,881.00	24,216.26
Other Financial Liabilities	1,423.91	1,337.40
<b>Total</b>	<b>33,082.02</b>	<b>38,099.39</b>

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

**NOTE 40: EMPLOYEE BENEFITS****Retirement Benefits**

As per Ind AS 19 the Company has recognized "Employees Benefits" in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2022.

**(A) Details of defined benefit obligation and plan assets****(a) Retiring Gratuity****I Components of Employer Expenses**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Current Service Cost	23.06	13.21
Interest Cost	10.28	10.04
Actuarial (Gain)/Loss	-100.29	-4.31
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-66.95</b>	<b>18.94</b>

**Notes forming part of the financial statements****II Net Asset/ (Liability) recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Present value of Funded Obligation	113.36	180.32
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-113.36</b>	<b>-180.32</b>

**III Change in Defined Benefit Obligations (DBO)**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	180.32	161.38
Current Service Cost	23.06	13.21
Interest Cost	10.28	10.04
Actuarial (Gain)/Loss	-100.29	-4.31
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>113.36</b>	<b>180.32</b>

**IV Changes in the Fair Value of Plan Assets**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	-
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

**V Acturaial Assumption**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Discount Rate (Per Annum)	6.28%	5.70%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15%	Upto Age 45: 15%
	46 to 50: 10%	46 to 50: 10%
	51 and above: 5%	51 and above: 5%

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.

**VI Major Categories of plan assets as a percentage of total plan assets**

Not applicable since the company has Nil Plan assets



## Notes forming part of the financial statements

## VII Movement in net liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Net Opening Liability	180.32	161.38
Employer expenses as above	33.34	23.25
Contribution paid	-	-
Other Comprehensive Income (OCI)	-100.29	-4.31
<b>Closing Net Liability</b>	<b>113.36</b>	<b>180.32</b>

## VIII Gratuity - Sensitivity Analysis

(Rs. in lakhs)

Name of the Shareholder	31st March, 2022		31st March, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	118.29	108.79	188.90	172.41
Discount Rate (1% movement)	108.63	118.55	172.06	189.46

## (b) Compensated Absences

## I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Current Service Cost	2.36	4.19
Interest Cost	0.27	3.08
Actuarial (Gain)/Loss	-3.84	-52.09
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-1.21</b>	<b>-44.82</b>

## II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Present value of Funded Obligation	3.55	4.75
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-3.55</b>	<b>-4.75</b>

## III Change in Defined Benefit Obligations (DBO)

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	4.75	49.57
Current Service Cost	2.36	4.19
Interest Cost	0.27	3.08
Actuarial (Gain)/Loss	-3.84	-52.09
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>3.55</b>	<b>4.75</b>



## Notes forming part of the financial statements

## IV Changes in the Fair Value of Plan Assets

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	-
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

## V Actuarial Assumption

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Discount Rate (Per Annum)	6.28%	5.70%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

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.

## VI Major Categories of plan assets as a percentage of total plan assets

Not applicable since the company has Nil Plan assets

## VII Movement in net liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Net Opening Liability	4.75	49.57
Employer expenses as above	2.63	7.28
Contribution paid	-	-
Other Comprehensive Income (OCI)	-3.84	-52.09
<b>Closing Net Liability</b>	<b>3.55</b>	<b>4.75</b>

## VIII Compensated Absence (PL) - Sensitivity Analysis

(Rs. in lakhs)

Name of the Shareholder	31st March, 2022		31st March, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	3.62	3.48	4.80	4.71
Discount Rate (1% movement)	3.48	3.62	4.71	4.81

## (B) Defined Contribution Plans

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - 11.35 Lakhs (Previous year 13.37 Lakhs)

**Notes forming part of the financial statements****NOTE 41: RELATED PARTY****List of related parties****A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :**

01. Isinox Limited
02. ISL Global PTE Ltd.
03. Inoxware P.Ltd.
04. Indiasteel International P.Ltd.
05. Isiworld Steel (I) P.Ltd.
06. Isicom Traders P.Ltd.
07. Isistar Exports P.Ltd.
08. Isimetal (I) P.Ltd.
09. Isisales India Pvt. Ltd.
10. Level Construction Pvt.Ltd. (Emgee Homes)
11. Gupta Housing P.Ltd.
12. Yeotmal Land Development & Trading Co.P.Ltd.
13. India Steel Industries
14. Indiasteel International
15. LeapIndia Brandhub Services Pvt. Ltd.
16. LeapIndia Institute Pvt Ltd.
17. Level Enterprises LLP
18. SPV Family Trust

**B Key Managerial Personnel :****Executive Directors :**

01. Mr.Sudhir H Gupta
02. Mr.Varun S.Gupta
03. Mr.Dipak Gaur (Up to 04th June 2021)

**Independent Directors :**

01. Mr.T R Bajalia (Up to 17th Sept 2021)
02. Mrs.Kavita Joshi (Up to 19th Oct 2021)
03. Mrs.Riddhi Shah (Up to 04th June 2021)
04. Mrs.Bhavna Devda (from 21st Aug 2021 to 21st Oct 2021)
05. Mr. Karan Lamba (from 13th Nov 2021 to 18th April 2022)
06. Mr. Santino Roco Morea (from 12th Nov 2021)
07. Mr. Harpreet Baweja (from 12th Nov 2021)
08. Mrs. Aastha Sharma (from 13th Nov 2021 to 18th April 2022)

**Non Independent & Non Executive Directors :**

01. Mr.Bimal Desai

**Company Secretary :**

01. Mr.Dilip Maharana



Notes forming part of the financial statements

C Subsidiary :

01. Indinox Steels Private Limited

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	1,177.75	4,706.34	-	-	1,177.75	4,706.34
LeapIndia Brandhub Services Pvt. Ltd.	-	51.12	-	-	-	51.12
<b>Total</b>	<b>1,177.75</b>	<b>4,757.46</b>	<b>-</b>	<b>-</b>	<b>1,177.75</b>	<b>4,757.46</b>
<b>SALES</b>						
Sale of Goods						
Isinox Limited	125.35	4,228.16	-	-	125.35	4,228.16
LeapIndia Brandhub Services Pvt. Ltd.	426.73	412.49	-	-	426.73	412.49
<b>Total</b>	<b>552.08</b>	<b>4,640.65</b>	<b>-</b>	<b>-</b>	<b>552.08</b>	<b>4,640.65</b>
<b>LICENCE FEES</b>						
Licence Fees Paid						
Isinox Limited	14.16	169.92	-	-	14.16	169.92
<b>Total</b>	<b>14.16</b>	<b>169.92</b>	<b>-</b>	<b>-</b>	<b>14.16</b>	<b>169.92</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	17.15	566.77	-	-	17.15	566.77
LeapIndia Brandhub Services Pvt. Ltd.	9.78	36.90	-	-	9.78	36.90
<b>Total</b>	<b>26.93</b>	<b>603.66</b>	<b>-</b>	<b>-</b>	<b>26.93</b>	<b>603.66</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	3.57	26.04	-	-	3.57	26.04
<b>Total</b>	<b>3.57</b>	<b>26.04</b>	<b>-</b>	<b>-</b>	<b>3.57</b>	<b>26.04</b>
<b>Other Income</b>						
Isinox Limited	28.32	27.94	-	-	28.32	27.94
<b>Total</b>	<b>28.32</b>	<b>27.94</b>	<b>-</b>	<b>-</b>	<b>28.32</b>	<b>27.94</b>
<b>INTEREST EXPENSES</b>						
Isinox Limited	-	185.78	-	-	-	185.78
Gupta Housing Pvt. Ltd.	26.95	9.77	-	-	26.95	9.77
<b>Total</b>	<b>26.95</b>	<b>195.55</b>	<b>-</b>	<b>-</b>	<b>26.95</b>	<b>195.55</b>
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Sudhir H Gupta			6.79	11.97	6.79	11.97
Mr.Varun S.Gupta			6.10	11.13	6.10	11.13
Mr.Dipak Gaur			3.48	24.03	3.48	24.03
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mr.Dilip Maharana			8.72	5.91	8.72	5.91



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			1.00	6.60	1.00	6.60
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			0.60	0.25	0.60	0.25
Mr.T.R.Bajalia			0.25	0.72	0.25	0.72
Mrs. Kavita Joshi			0.59	0.60	0.59	0.60
Mrs. Riddhi Shah			0.34	0.34	0.34	0.34
Mr. Karan Lamba			0.40	-	0.40	-
Mr. Santino Roco Morea			0.50	-	0.50	-
Mr. Harpreet Baweja			0.50	-	0.50	-
Mrs. Aastha Sharma			0.50	-	0.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29.77</b>	<b>61.54</b>	<b>29.77</b>	<b>61.54</b>
<b>OUTSTANDING BALANCES</b>						
<b>RECEIVABLES</b>						
ISL Global PTE Ltd.	708.17	679.33	-	-	708.17	679.33
Isisales India Pvt. Ltd.	383.53	383.53	-	-	383.53	383.53
LeapIndia Brandhub Services Pvt. Ltd.	-	17.65	-	-	-	17.65
<b>Total</b>	<b>1,091.70</b>	<b>1,080.51</b>	<b>-</b>	<b>-</b>	<b>1,091.70</b>	<b>1,080.51</b>
<b>PAYABLES</b>						
Inoxware P.Ltd.	3.68	3.68	-	-	3.68	3.68
Isinox Limited	2,481.09	5,970.73	-	-	2,481.09	5,970.73
<b>Total</b>	<b>2,484.77</b>	<b>5,974.40</b>	<b>-</b>	<b>-</b>	<b>2,484.77</b>	<b>5,974.40</b>
<b>DEPOSITS</b>						
India Steel Industries	46.54	46.54	-	-	46.54	46.54
<b>Total</b>	<b>46.54</b>	<b>46.54</b>	<b>-</b>	<b>-</b>	<b>46.54</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,587.27	1,822.01	-	-	1,587.27	1,822.01
Gupta Housing Pvt. Ltd.	218.18	228.54	-	-	218.18	228.54
SPV Family Trust	39.00	50.00	-	-	39.00	50.00
Level Construction Pvt.Ltd. (Emgee Homes)	20.00	20.00	-	-	20.00	20.00
Siddharth Gupta	27.25	-	-	-	27.25	-
<b>Total</b>	<b>1,891.70</b>	<b>2,120.55</b>	<b>-</b>	<b>-</b>	<b>1,891.70</b>	<b>2,120.55</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	197.63	-	-	197.63	197.63
Gupta Housing Pvt. Ltd.	33.29	9.04	-	-	33.29	9.04
<b>Total</b>	<b>230.92</b>	<b>206.67</b>	<b>-</b>	<b>-</b>	<b>230.92</b>	<b>206.67</b>
<b>ADVANCE RECEIVED FROM CUSTOMER</b>						
Level Enterprises LLP	1,052.59	1,052.59	-	-	1,052.59	1,052.59
<b>Total</b>	<b>1,052.59</b>	<b>1,052.59</b>	<b>-</b>	<b>-</b>	<b>1,052.59</b>	<b>1,052.59</b>



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>ADVANCE TO SUPPLIERS</b>						
Indinox Steels Pvt. Ltd.	0.07	0.07	-	-	0.07	0.07
Isisales India Pvt. Ltd.	25.00	-	-	-	25.00	-
<b>Total</b>	<b>25.07</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>25.07</b>	<b>0.07</b>
<b>REMUNARATION PAYABLE</b>						
Mr.Sudhir H Gupta	-	-	12.28	12.28	12.28	12.28
Mr.Varun S.Gupta	-	-	11.57	11.57	11.57	11.57
Mr.Dipak Gaur	-	-	23.07	20.03	23.07	20.03
Mr.Dilip Maharana	-	-	10.43	2.59	10.43	2.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57.35</b>	<b>46.47</b>	<b>57.35</b>	<b>46.47</b>
<b>DIRECTOR SITTING PAYABLE</b>						
Mr. Bimal Desai	-	-	1.00	-	1.00	-
Mr. Karan Lamba	-	-	0.40	-	0.40	-
Mr. Santino Roco Morea	-	-	0.50	-	0.50	-
Mr. Harpreet Baweja	-	-	0.50	-	0.50	-
Mrs. Aastha Sharma	-	-	0.50	-	0.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.90</b>	<b>-</b>	<b>2.90</b>	<b>-</b>

Notes:-

- (a) Related party relationship is identified by the management and relied upon by the auditors.
- (b) Amount in respect of related parties have been made provisions for doubtful debts of Rs. 1091.70 lakhs.
- (c) Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key magement Personnel.
- (d) Mr. Sudhir Gupta (Executive Chairman) & Mr. Varun Gupta (Managing Director & CFO) have been provided the personal guarantee for the woring capital borrowing by the company from M/s. Kotak Mahindra Bank Ltd. & M/s Dombivali Nagari Sahakari Bank Ltd..

42 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

Party	Purpose of loan utilisation	Loan given during the year	Outstanding loan amount
India Steel Industry Deposit	Business Purpose	-	46.54
Others	Business Purpose	-	0.01
Loans to Employees	Staff Welfare	-	60.65

43 Segment Information :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.





## Notes forming part of the financial statements

## NOTE 44: ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	31st March 2022	31st March 2021
Current ratio (In times)	Total Current Assets	Total Current Liabilities	0.55	1.21
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.49	0.93
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-5.09	-0.03
Return on Equity ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-45.86%	-13.66%
Inventory Turnover ratio (In times)	Cost of Goods Sold	Average Inventory	0.13	0.62
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	1.47	4.26
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.30	0.23
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.09	0.62
Net Profit ratio (In %)	Net Profits After Taxes	Revenue from Operations	-212.83%	-13.76%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-15.73%	-2.16%

45 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

46 Figures in Brackets indicate previous years figures. Previous periods figure have been regrouped, rearranged, reclassified wherever necessary to correspond with those of the current period.

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of

**INDIA STEEL WORKS LIMITED**

Report on the Audit of Consolidated Financial Results

**Qualified Opinion**

We have audited the annual Consolidated Financial Results of **INDIA STEEL WORKS LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year ended March 31, 2022 which comprises the Balance Sheet, the Statement of Profit and Loss Account and Cash Flows, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the basis of qualified opinion section, the aforesaid Consolidated Financial Results:

- i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2022 and the balance sheet and the statement of cash flows as at and for the year ended on that date.

**Basis for Qualified Opinion**

1. Inventories amounting to ₹ 17,018.59 Lakhs have not been valued at lower of cost or Net realisable value which is against the significant accounting policies of the company and is not consistent with Ind AS 2 "Inventories". These inventories held by the company include obsolete and non-moving stock which are valued at cost and is inconsistent with provisions of Ind AS 2. As per the information and documents provided to us, we are of the opinion that work-in-progress amounting to ₹11,753.23 Lakhs and Raw Material amounting to ₹3,665.42 Lakhs held by the company can only fetch scrap value. The estimated difference between the valuation of Work in progress and Raw Material at cost and present net realizable value is approx. ₹14,000.00 Lakhs. On account of the same the loss of the company has been understated by approx. ₹14,000.00 Lakhs. In the absence of quantitative information and supporting documents of Finished Goods, Stock in Trade and Stores and Spares amounting to ₹1,599.95 we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
2. Company has shown insurance claim receivable amounting to ₹1,120.27 Lakhs. The said claim is outstanding since long back and the same has not been approved by appropriate authority till date. In our opinion, showing the said insurance claim as receivable is not showing true and fair view. On account of the same assets of the company are overstated by ₹1,120.27.
3. Confirmations of the balances of sundry creditors and debtors, loans and advances, Advances given to suppliers have not been obtained and they are subject to reconciliations and subsequent adjustments if any. As such we are unable to express any opinion as to the effect on the financial statements for the year.
4. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities were not provided to us. As such we are unable to express any opinion as to the effect on the financial statements for the year.

**Key Audit Matters**

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

<b>Key Audit Matter</b>	<b>How the matter was addressed in our Audit</b>
<b>Going Concern Assessment</b> The Group has current liabilities of ₹ 32,438.79 Lakhs and current assets of ₹ 17,987.74 Lakhs as of March 31, 2022. Current liabilities exceed current assets as at the year end.	Our procedures, amongst others, included the following: <ul style="list-style-type: none"> <li>• Obtained an understanding of the process and tested the internal controls associated with the management's assessment of Going Concern assumption.</li> </ul>



Key Audit Matter	How matter was addressed in Audit
<p>Management has made an assessment of the Group's ability to continue as a Going Concern as required by Ind AS 1 "Presentation of Financial Statements" considering all the available information and has concluded that the going concern basis of accounting is appropriate.</p> <p>Going Concern assessment has been identified as a key audit matter considering the significant judgements and estimates involved in the assessment and its dependence upon management's ability to complete the planned divestments, raising long term capital and/or successful refinancing of certain current financial obligations.</p>	<ul style="list-style-type: none"> <li>• Discussed with management and assessed the assumptions, judgements and estimates used in assessment having regards to past performance and current emerging business trends affecting the business and industry.</li> <li>• Assessed the Group's ability to refinance its obligation based on the past trends, credit ratings, ability to generate cash flows and access to capital.</li> <li>• Assessed the adequacy of the disclosures in the consolidated Ind AS financial statements.</li> </ul>

### Emphasis of Matter

1. In absence of information of investee company, we are unable to determine the value of the investments hence the same are carried at cost and no provision for diminution, if any in value of such investments in made.
2. In the absence of uncertainties of making profit in immediate future the company has decided not to create Asset/ Liability on account of Deferred Tax.
3. Fire Insurance Policy of the company is pending renewal as on the date. The risk on account of the same is not ascertainable.
4. Assessment of the Impairment of Assets has not been done by the company, which is inconsistent with Ind AS-36 "Impairment of Assets".

### Other Information

The Parent Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Consolidated Financial Results

These Consolidated Financial Results have been prepared on the basis of the annual financial statements. The Parent Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the balance sheet and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. The Board of Directors of the Parent Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the Board of Directors of the Parent Company are responsible for assessing the



ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent Company are responsible for overseeing the financial reporting process of the Company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- a. Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Consolidated Financial Results including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) Expect for the matters stated in basis of qualified opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- d) Expect for the matters stated in basis of qualified opinion, in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its Consolidated financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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; The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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

Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.

- 3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act.

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid/ provided by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any directors is not in excess of the limit laid down U/s 197 of the IT Act. The Ministry of Corporate Affairs has not prescribed other details U/s 197 (16) which requires to be commented by us.

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWHEP9238**

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT:**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. The Company does not have a regular programme of physical verification of its property plant and equipment. Due to this we are unable to comment on the same.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, all immovable properties are held in the name of the Company.
  - d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended 31st March 2022.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
  - a. The management has not conducted physical verification of inventory during the year. Due to this we are unable to comment on the same.
  - b. During the year, the company no working capital limits has been sanctioned in excess of five crore rupees, in aggregate, from banks or financial institutions. Accordingly, clause 3(ii)(b) of the Order is not applicable to the company.
  - iii. During the year the company has not made any investments in or 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 or to promoters or related parties. Accordingly, clause 3(iii) of the order is not applicable to the company.
  - iv. The company has not granted any loans, or made any investments, guarantees, and security, to which the provisions of sections 185 and 186 of the Companies Act 2013 apply.
  - v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
  - vi. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Goods and Services Tax, Duty of Customs and other material statutory dues have not been deposited during the year by the Company with the appropriate authorities.
  - b. According to the information and explanations given to us, and on the basis of our examination of books of accounts following amount are outstanding as at the last day of the Financial Year concerned for a period of more than six months from the date, they become payable to-



Sr. No.	Particulars	Amount in ₹
1	TDS Payable	67,00,232
2	PF & ESIC & MLWF Payable	49,05,115
3	PT Payable	7,58,650
4	Property Tax/cess Payable	80,04,809
5	GST Payable	5,72,130
6	TCS Payable	4,12,570

- c. According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of Income Tax, Excise Duty and Value Added Tax:

Name of Status	Nature of dues	₹ in lakhs	Period	Forum where the dispute is pending
Sales Tax Act	Sales Tax	160.11	FY-2014/2015	Sales Tax Department
Central Excise Act	Excise	53.53	FY-2012/2013	Directorate General of Central Excise Intelligence
Central Excise Act	Excise	406.30	FY-2012/2013	CESTAT
Central Excise Act	Excise	37.99	FY-2005/2006	Com. of Central Excise
Central Excise Act	Excise	9.64	FY-2012/2013	Add. Com. of Central Excise

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix.

- a. In our opinion and according to the information and explanations given to us, details of defaults in repayment of dues to Banks is as under:

Particulars	Principal (₹ in Lakhs)
Kotak Manindra Bank Ltd. - Term Loan	23.86
DNSB - Term Loan	201.49
Kotak Manindra Bank Ltd. - Letter of Credit	614.35
Kotak Manindra Prime Ltd.	88.24
Sundaram Finance Ltd.	7.07
Kotak Mahindra Bank Ltd. – CC	543.00
Dombivali Nagri Sahakari Bank Ltd. - CC	2,397.25
<b>Total</b>	<b>3,875.26</b>

Note - Overdue Amount does not includes unapplied interest if any due to classification loan as NPA by the lender.

- b. The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.
- c. During the year the company has not availed of or has been disbursed any term loans
- d. On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.



- e. In our opinion, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f. The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- x.
- a. The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi.
- a. No fraud by the Company or no fraud on the Company has been noticed or reported during the year
- b. There is no instance, during the year that necessitates reporting in the form ADT-4
- c. There are no instances of whistle-blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. In our opinion, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv.
- a. We are unable to comment whether the Company has an internal audit system commensurate with the size and nature of its business as we have not received any documents or information in relation to the same.
- b. We have not received the internal audit reports of the Company issued till the date of the audit report. Due to this we are unable to comment on the same.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- a. The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable to the Company
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company
- d. There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses in the current financial year and in the previous financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- xix. 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, we believe that there exists some material uncertainty as on the date of the audit report that Company is not 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. According to the information and explanation given to us provisions of section 135 of the Companies Act 2013 are not applicable to the company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.
- xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWHEP9238**



## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members INDIA STEEL WORKS LIMITED on the financial statements for the year ended March 31, 2022**

### **Report on the internal financial controls under clause(i) of sub-section 3 of section 143 of the Act**

We have audited the internal financial controls over financial reporting INDIA STEEL WORKS LIMITED ('the Company') as of March 31, 2022, in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

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

#### **Auditor's responsibility**

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

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

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

#### **Meaning of internal financial controls over financial reporting**

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

A company's internal financial control over financial reporting includes those policies and procedures that:

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

#### **Inherent limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or



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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Laxmikant Kabra & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No.: 117183W/ W100736**

**Place: Thane**  
**Date: 29th July 2022**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 22101839ANWHEP9238**



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	22,271.41	22,968.52
Capital Work - In - Progress	3	-	-
Other Intangible Assets	3	123.77	179.72
Financial Assets			
Investments	4	0.53	212.81
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	2,230.05	3,545.42
<b>Total Non - Current Assets</b>		<b>25,746.03</b>	<b>28,026.74</b>
<b>Current Assets</b>			
Inventories	7	17,018.59	23,799.82
<b>Financial Assets</b>			
Trade Receivables	8	27.37	1,030.15
Cash & Cash Equivalents	9	16.16	69.41
Bank Balance other than above	10	31.42	30.34
Loans	11	60.65	86.02
Other Financial Assets	12	147.47	334.06
Other Current Assets	13	688.31	101.60
<b>Total Current Assets</b>		<b>17,989.95</b>	<b>25,451.40</b>
<b>TOTAL ASSETS</b>		<b>43,735.98</b>	<b>53,478.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	4,580.57	9,544.88
<b>Total Equity</b>		<b>8,561.38</b>	<b>13,525.69</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,891.70	2,120.55
Trade Payable	17	121.46	16,103.31
Other Financial Liabilities	18	628.63	629.27
Provisions	19	89.92	140.44
<b>Total Non - Current Liabilities</b>		<b>2,731.71</b>	<b>18,993.57</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	10,885.41	10,425.18
Trade Payables	21	18,763.11	8,114.73
Other Financial Liabilities	22	795.28	708.12
Other Current Liabilities	23	1,515.08	1,313.60
Provisions	24	484.03	397.24
<b>Total Current Liabilities</b>		<b>32,442.90</b>	<b>20,958.87</b>
<b>Total Liabilities</b>		<b>35,174.61</b>	<b>39,952.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43,735.98</b>	<b>53,478.14</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	3-46		

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : THANE  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022** (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from Operations	25	2,380.79	14,385.76
Other Income	26	896.96	3,240.48
<b>Total Income</b>		<b>3,277.75</b>	<b>17,626.23</b>
<b>Expenses</b>			
Cost of Material Consumed	27	3,284.42	2,585.09
Purchase of Traded Goods	28	72.71	9,058.21
Changes in Inventories of Finished Goods / Stock in Trade	29	-802.90	3,797.08
Employee Benefit Expenses	30	457.36	584.97
Finance Cost	31	789.70	899.83
Depreciation and Amortization	3	755.17	759.65
Other Expenses	32	5,504.90	1,645.26
<b>Total Expenses</b>		<b>10,061.36</b>	<b>19,330.08</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>-6,783.60</b>	<b>-1,703.84</b>
<b>Exceptional Item</b>	35	<b>1,715.16</b>	<b>-277.01</b>
<b>Profit Before Tax</b>		<b>-5,068.44</b>	<b>-1,980.86</b>
<b>Tax Expenses</b>			
Previous Tax		-	-
<b>Profit After Tax</b>		<b>-5,068.44</b>	<b>-1,980.86</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		104.13	56.40
<b>Total Other Comprehensive Income for the year</b>		<b>104.13</b>	<b>56.40</b>
<b>Total Comprehensive Income for the year</b>		<b>-4,964.31</b>	<b>-1,924.46</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	36	<b>(1.27)</b>	<b>(0.50)</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	3-46		

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : THANE  
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For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014



**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022** (Rs. in lakhs)

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before Tax		-5,068.44		-1,980.86
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>				
Depreciation & Amortization	755.17		759.65	
Finance Cost	789.70		899.83	
Interest Income	-10.12		-26.85	
Non-operating income	-886.84		-3,213.63	
		647.91		-1,581.00
<b>Operating Profit Before Changes in Working Capital</b>		<b>-4,420.53</b>		<b>-3,561.85</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / Decrease in Trade Receivables	1,002.78		294.08	
(Increase) / Decrease in Inventories	6,781.23		2,982.82	
(Increase) / Decrease in Other Current Financial Assets	211.96		534.48	
(Increase) / Decrease in Other Current Assets	-586.70		208.30	
(Increase) / Decrease in Investment	212.28		-	
(Increase) / Decrease in Other Non - Current Assets	1,315.37		-676.92	
Increase / (Decrease) in Trade Payables	-5,333.47		-4,162.67	
Increase / (Decrease) in Other Current Financial Liabilities	87.15		68.79	
Increase / (Decrease) in Other Current Liabilities	201.48		236.38	
Increase / (Decrease) in Provisions	140.40		75.70	
Increase / (Decrease) in Other Non - Financial Liabilities	-0.64	4,031.84	-0.77	-439.81
<b>Cash Generated from Operations</b>		<b>-388.69</b>		<b>-4,001.66</b>
Less: Taxes Paid (Net of refund received)		-		-
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		<b>-388.69</b>		<b>-4,001.66</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	-2.12		-0.00	
Sale of Property, Plant & Equipment & Intangible Assets	-		0.33	
Interest Received	10.12		26.85	
Movement in other bank balances	-11.20		78.61	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		<b>-3.20</b>		<b>105.79</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Receipt of Long Term Borrowings	35.48		935.06	
Repayment of Long Term Borrowings	-264.34		80.04	
Increase / (Decrease) in Short Term Borrowings	460.23		562.03	
Finance Cost	107.26		2,340.65	
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		<b>338.64</b>		<b>3,917.78</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		<b>-53.25</b>		<b>21.91</b>
Add: Opening Balance of Cash & Cash Equivalents		69.41		47.50
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>16.16</b>		<b>69.41</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT</b>				
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>		<b>16.16</b>		<b>69.41</b>
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>				
Balance with banks in current accounts		14.65		28.14
Cash on Hand		1.51		41.27
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>16.16</b>		<b>69.41</b>

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : THANE  
Date : 29th July 2022

For and on behalf of the Board of Directors

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

**A. Equity Share Capital**

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
<b>Balance as the beginning of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>
Add: Changes in Equity Capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

**B. Other Equity**

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as on April 01, 2020</b>	500.00	18,019.38	4,451.30	2,040.00	-13,538.48	<b>11,469.34</b>
Profit / (Loss) for the year					-1,980.86	<b>-1,980.86</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans	-	-	-	-	56.40	<b>56.40</b>
<b>As at March 31, 2021</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-15,465.80</b>	<b>9,544.88</b>
Profit / (Loss) for the year					-5,068.44	<b>-5,068.44</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					104.13	<b>104.13</b>
<b>As at March 31, 2022</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-20,430.12</b>	<b>4,580.57</b>



## Notes to Consolidated Financial Statement as on March 31, 2022

### 1 CORPORATE INFORMATION

"India Steel Works Limited is a public limited incorporated and domiciled in India, under the Indian Companies Act, 1956. Its Equity shares are listed on BSE Limited. Its registered office is situated at India Steel Works Complex, Zenith Compound, Khopoli, Raigad 410 203, Maharashtra, India.

The Company is engaged in manufacturing and trading of steel products like hot rolled, bars and rods, bright bars, etc."

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 BASIS FOR PREPARATION OF ACCOUNTS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 as amended time to time.

The financial statements are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 2.8 below
- Defined Benefit and other Long-term Employee Benefits - Refer note 2.11 below
- Derivative Financial instruments – Refer note 2.8 below

These consolidated financial statements are approved for issue by the Company's Board of Directors on July 29, 2022.

#### 2.2 KEY ACCOUNTING ESTIMATES AND JUDGMENTS

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 underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any 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, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

#### 2.3 REVENUE RECOGNITION

##### a) Sale of Goods

"Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer."

##### b) Rendering of services

Revenue of services are recognized when the performance of agreed contractual obligation has been completed.



**Notes to Consolidated Financial Statement as on March 31, 2022**

- c) Dividend  
Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.
- d) Interest Income  
Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
- e) Insurance Claims  
Insurance claims are accounted on acceptance of the claim and when it can be measured reasonably, and it is reasonable to expect the ultimate collection. The Shortfall in respect of final claim shall be accounted in the profit and loss account as an when finally settled.

**2.4 FOREIGN CURRENCY TRANSACTIONS**

- a) Functional and Presentation Currency  
The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.
- b) Initial Recognition  
Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.
- c) Measurement of foreign currency items at the Balance sheet date  
Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

**2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS**

- a) Property, plant and equipment (PPE)
  - i) Recognition and measurement  
Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
  - ii) Subsequent expenditure  
Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period  
Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.
- c) Intangible assets  
Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

**2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**Notes to Consolidated Financial Statement as on March 31, 2022**

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**2.7 DEPRECIATION AND AMORTISATION**

Depreciation is provided on the Straight Line Method (SLM) applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

Useful lives of the items of Property, Plant and Equipment are as follows:

Asset	Estimated Useful Life
Building	30 Years
Plant & Machinery	20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Other equipment	5 Years

Intangible Assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the Company for its intended use. The useful life so determined is as follows:

Asset	Amortisation period
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

The Management believes that the useful life as given above the best represent the period over which the management expect to use these assets. The Company reviews the useful lives and residual value at each reporting date. Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded. Depreciation is not provided on Freehold Land. Gain/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit and loss.

**2.8 FINANCIAL INSTRUMENTS****I. Financial Assets**

## a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

## i) Debt instrument at amortised cost:

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

- The asset is held within a business model whose objectives is to hold assets for collecting contractual

**Notes to Consolidated Financial Statement as on March 31, 2022**

cash flow and

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

- ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

- iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment.

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

The company does not have any equity investments designated at FVOCI or FVTPL

- b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

- c) Derecognition of financial assets

**Notes to Consolidated Financial Statement as on March 31, 2022**

"A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets."

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) 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 following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables"

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

**II. Financial Liabilities and equity instruments**

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities are classified as either's at FVTPL' or' other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

"All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments."

d) Derecognition



## Notes to Consolidated Financial Statement as on March 31, 2022

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

### III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- c) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

### IV. Accounting for day 1 differences

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, this if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows :

- "i) If the fair value is evidence by a quoted price in an active market for an identical asset or liability (ie Level 1 input) or based on a valuation technique that uses data from observable market, the entire day 1 gain/loss is recorded immediately in the statement of profit and loss; or
- i) in all other cases, the difference between the fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the statement profit and loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability."

In case difference represents :

- i) deemed capital contribution - it is recorded as investment in subsidiary
- ii) deemed distribution - It is recorded in equity
- iii) deemed consideration for goods and services - it is recorded as an asset or liability. This amount is amortised / accredited to the statement of profit and loss as per the substance of the arrangement (generally straight line basis over the duration of the arrangement)

## 2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Stores and Consumables are valued at cost or net realizable value (NRV) whichever is lower.

Waste/ Scrap inventory is valued at Net Realisable Value (NRV).

NRV is estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.



## Notes to Consolidated Financial Statement as on March 31, 2022

Residual products which earlier were considered as inventories have been transferred to non-current assets. They are not expected to be realized in ordinary course of business and hence are not classified as ordinary inventory. These products are regularly reviewed for impairment if any.

Non Moving Inventory are stated at the cost or market value whichever is lower.

### 2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted.

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

### 2.11 EMPLOYEE BENEFITS

#### a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### b) Other long term employee benefit obligations

##### i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the Company does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

##### Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the



## Notes to Consolidated Financial Statement as on March 31, 2022

terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

### Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

## 2.12 ACCOUNTING FOR TAXES ON INCOME

### a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

"Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

### b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Accordingly, in the absence of certainty of sufficient future taxable income, net deferred tax asset has not been recognised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

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

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items



## Notes to Consolidated Financial Statement as on March 31, 2022

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

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

"Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity."

### 2.13 PROVISIONS AND CONTINGENT LIABILITIES

#### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

### 2.14 EARNING PER SHARE

#### Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

### 2.15 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be cash equivalents.

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

### 2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-





## Notes to Consolidated Financial Statement as on March 31, 2022

cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

### 2.17 DIVIDEND

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

### 2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

### 2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

### 2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### 2.21 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

### 2.22 SEGMENT REPORTING

The company has single business segment viz. Manufacturing & Trading of Stainless Steel & Allied Products, therefore in the context of Ind AS 108 disclosure of segment is not applicable.

### 2.23 LEASES

"At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it 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, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.
- At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate nonlease components and account for the lease and non-lease components as a single lease component."

#### a) Company as a Lessee

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

#### Right-of-use asset (ROU):



## Notes to Consolidated Financial Statement as on March 31, 2022

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received

Right-of-use asset is depreciated using straightline method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

### Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the rightof- use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### b) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases are classified as Finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## 2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE

### Indian Accounting Standards:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021.

### Schedule III of the Companies Act 2013:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Notes to Consolidated Financial Statement as on March 31, 2022****Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

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

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



**Notes forming part of the financial statements**  
**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2021	Additions / Transfers	Deductions	As At March 31, 2022	As At April 01, 2021	For The Year	On Deductions	As At March 31, 2022	As At March 31, 2021
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,565.44	2.12	-	7,567.56	-	-	-	7,567.56	7,565.44
Factory Buildings	2,519.86	-	-	2,519.86	618.78	63.13	-	1,837.96	1,901.08
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	4,551.81	596.54	-	12,559.72	13,156.26
Furniture & Fixture	190.33	-	-	190.33	79.67	15.45	-	95.20	110.66
Vehicles	181.37	-	-	181.37	81.63	16.84	-	82.90	99.74
Office Equipments	46.30	-	-	46.30	34.54	7.26	-	4.50	11.76
Computer									
<b>Total - Tangible Assets</b>	<b>28,346.75</b>	<b>2.12</b>	<b>-</b>	<b>28,348.87</b>	<b>5,378.23</b>	<b>699.23</b>	<b>-</b>	<b>22,271.41</b>	<b>22,968.52</b>
<b>(B) Capital Work In Progress</b>									
Real estate Division	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-
Factory Buildings	-	-	-	-	-	-	-	-	-
<b>Total - Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(C) Intangible Assets</b>									
Softwares	358.81	-	-	358.81	179.09	55.95	-	123.77	179.72
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>179.09</b>	<b>55.95</b>	<b>-</b>	<b>123.77</b>	<b>179.72</b>
<b>(D) Intangibles Under Development</b>									
SAP ERP	-	-	-	-	-	-	-	-	-
<b>Total - Intangibles under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)+(B)+(C)</b>	<b>28,705.56</b>	<b>2.12</b>	<b>-</b>	<b>28,707.67</b>	<b>5,557.32</b>	<b>755.17</b>	<b>-</b>	<b>22,395.18</b>	<b>23,148.24</b>
<b>Previous Year's Total</b>				<b>-</b>					

i. Motor Vehicle includes Rs. 10.98 lakhs in the name of one of the directors of the company  
ii. Refer Note No.20 for assets provided as security.



**Notes forming part of the financial statements**  
**NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 2021	As At March 31, 2020
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,541.92	23.52	-	7,565.44	-	-	-	7,565.44	7,541.92
Factory Buildings	2,519.86	-	-	2,519.86	555.65	63.13	-	1,901.08	1,964.21
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	3,955.22	596.59	-	13,156.26	13,752.86
Furniture & Fixture	190.33	-	-	190.33	63.95	15.72	-	110.66	126.38
Vehicles	187.01	-	5.64	181.37	67.26	19.68	5.31	99.74	119.75
Office Equipments	46.30	-	-	46.30	26.70	7.84	-	11.76	19.60
Computer									
<b>Total - Tangible Assets</b>	<b>28,328.87</b>	<b>23.52</b>	<b>5.64</b>	<b>28,346.75</b>	<b>4,680.58</b>	<b>702.96</b>	<b>5.31</b>	<b>22,968.52</b>	<b>23,648.29</b>
<b>(B) Capital Work in Progress</b>									
Real estate Division	23.52	-	23.52	-	-	-	-	-	23.52
Plant & Machinery	-	-	-	-	-	-	-	-	-
Factory Buildings	-	-	-	-	-	-	-	-	-
<b>Total - Capital Work in Progress</b>	<b>23.52</b>	<b>-</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.52</b>
<b>(C) Intangible Assets</b>									
Overseas Project		-	-	-	-	-	-	-	-
Softwares Licenses	358.81	-	-	358.81	122.40	56.69	-	179.72	236.41
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>122.40</b>	<b>56.69</b>	<b>-</b>	<b>179.09</b>	<b>236.41</b>
<b>(D) Intangibles Under Development</b>									
SAP ERP	-	-	-	-	-	-	-	-	-
<b>Total - Intangibles under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>28,711.20</b>	<b>23.52</b>	<b>29.16</b>	<b>28,705.56</b>	<b>4,802.98</b>	<b>759.65</b>	<b>5.31</b>	<b>23,148.24</b>	<b>23,908.22</b>

i. Motor Vehicle includes Rs. 10.98 lakhs is in the name of one of the directors of the company

ii. Refer Note No.20 for assets provided as security.



Notes forming part of the financial statements

NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Rs. in lakhs)

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Investment in Equity Instruments</b>				
<b>Others (Unquoted At Cost)</b>				
Sai Wradha Power Ltd.	21,22,764	212.28	21,22,764	212.28
DNSB	5,330	0.53	5,330	0.53
Indinox Steels Private Limited (Subsidiary)	50,000	-	50,000	-
Less:- Provision for Dilution of Investment		-212.28		
<b>TOTAL</b>		<b>0.53</b>		<b>212.81</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>212.81</b>		<b>212.81</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>-212.28</b>		-

NOTE 5: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance Claim Receivable	1,120.27	1,120.27
<b>TOTAL</b>	<b>1,120.27</b>	<b>1,120.27</b>

The company had filed insurance claim for Rs.77.24 cr for an incident in 2008. The survey assessed the claim at Rs.43.78 cr. The insurance company has paid 24.97 cr. The company has filed petition in NCDRC for the balance claim of Rs. 18.79 cr and applicable interest from 2008 onwards. As a matter of abundant caution the company has provided for 60% of the balance principal as assessed by the surveyor. Appropriate effect would be provided in the books upon final resolution of the claim by NCDRC.

NOTE 6: OTHER NON-CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	342.09	342.09
Others		
Preliminary Expenses	1.07	1.07
Balances with Govt. Authorities under litigation	332.19	332.19
Advance to Suppliers / Expenses	1,427.00	561.93
TDS Receivable	145.62	137.27
TCS Receivable	7.08	4.71
<b>TOTAL (A)</b>	<b>2,230.05</b>	<b>1,379.26</b>
<b>Trade Receivables***</b>		
Unsecured - Considered Good	-	2,166.16
Unsecured Considered for Doubtful	-	-
	-	2,166.16
Less :- Allowance for unsecured doubtful debts	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>2,166.16</b>
<b>TOTAL (A)+(B)</b>	<b>2,230.05</b>	<b>3,545.42</b>

\*\*\*Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.



Notes forming part of the financial statements

NOTE 7: INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials	3,665.41	7,026.43
Work in Process	11,753.23	14,312.22
Finished Goods	319.60	844.33
Stock in Trade (Trading)	596.41	818.84
Stores and Spares	683.94	798.00
<b>TOTAL</b>	<b>17,018.59</b>	<b>23,799.82</b>

Notes :-

- i) Inventories have been pledged as security against certain bank borrowing, details relating to which has been described in Note No. 20.
- ii) Refer Note No. 1 (2.9) for method of valuation of inventories.

NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivables</b>		
Unsecured - Considered Good	27.37	1,030.15
Unsecured Considered for Doubtful	2,372.21	1,878.83
	2,399.57	2,908.98
Less :- Allowance for unsecured doubtful debts	-2,372.21	-1,878.83
<b>TOTAL</b>	<b>27.37</b>	<b>1,030.15</b>

Notes :-

- i. Trade Receivables have been given as collateral towards borrowing details relating to which has been described in Note No. 20.
- ii. Trade Receivables includes (also refer note 41).

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from Private Companies in which any director is a director or member	1,091.70	1,080.51

- iii. Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.

(Rs. in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31st March 2022</b>							
Undisputed Trade Receivables – considered good	26.32	-	1.07	-	-	2,372.19	2,399.57
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>26.32</b>	<b>-</b>	<b>1.07</b>	<b>-</b>	<b>-</b>	<b>2,372.19</b>	<b>2,399.57</b>
Less: Allowance for doubtful trade receivables							-2,372.21
<b>TOTAL</b>							<b>27.37</b>



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31st March 2021</b>							
Undisputed Trade Receivables – considered good	134.97	-	16.99	9.45	5.56	2,742.01	2,908.98
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>134.97</b>	<b>-</b>	<b>16.99</b>	<b>9.45</b>	<b>5.56</b>	<b>2,742.01</b>	<b>2,908.98</b>
Less: Allowance for doubtful trade receivables							-1,878.83
<b>TOTAL</b>							<b>1,030.15</b>

NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks in Current Accounts	14.65	28.14
Cash on Hand	1.51	41.27
<b>TOTAL</b>	<b>16.16</b>	<b>69.41</b>

NOTE 10: FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits due to mature within 12 months of reporting date*	31.27	30.34
Margin Money for Letter of Credit	0.15	-
<b>TOTAL</b>	<b>31.42</b>	<b>30.34</b>

Notes : Fixed Deposit of Rs. 11.50 lakhs as at 31st March 2022 (Previous Year as at 31st March 2021 Rs. 11.50 lakhs ) have been earmarked by bank against guarantee issued for Maharashtra Pollution Control Board (MPCB).

NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to Employees	60.65	86.02
<b>TOTAL</b>	<b>60.65</b>	<b>86.02</b>

NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Receivable	10.61	13.38
Security Deposits	90.31	274.14
Deposit to Related Party	46.54	46.54
<b>TOTAL</b>	<b>147.47</b>	<b>334.06</b>





## Notes forming part of the financial statements

## NOTE 13: OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Advance to Suppliers / Expenses	640.34	43.24
Others		
Prepaid expenses	1.12	19.76
Balances with Excisem, VAT and GST Authorities	32.73	25.38
FMS / FPS / MEIS Licence	0.14	-
Job Work Charges Accrued on FG	13.10	11.78
TDS Receivable from NBFC	0.88	1.45
<b>TOTAL</b>	<b>688.31</b>	<b>101.60</b>

## NOTE 14: EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
42,00,00,000 Equity shares of Re 1/- each with voting rights	4,200.00	4,200.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>4,200.00</b>	<b>4,200.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
39,80,80,925 Equity shares of Re 1/- each with voting rights	3,980.81	3,980.81
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>3,980.81</b>	<b>3,980.81</b>

## a) Reconciliation of the number of shares outstanding :

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
Shares at the beginning	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Shares Issued	-	-	-	-
Less: Shares Forfeited / buyback	-	-	-	-
<b>Shares at the end</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

## b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value Re 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding



Notes forming part of the financial statements

c) Details of Shareholders holding more than 5% equity shares

Name of the Shareholder	As at 31st March , 2022		As at 31st March , 2021	
	No. of Shares	%	No. of Shares	%
Equity shares with voting rights :-				
Indiasteel International P. Ltd.	4,56,34,150	11.46%	4,56,34,150	11.46%
TB Investments Ltd.	2,70,00,000	6.78%	2,70,00,000	6.78%
Metal Industrial Pte Ltd (Formerly known as ""UD Industrial Holding Pte Ltd."" )	9,04,58,196	22.72%	9,04,58,196	22.72%
Khamgaon Land Development and Trading Co. Pvt. Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
Yeotmal Land Development and Trading Co. Pvt. Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
<b>TOTAL</b>	<b>25,03,92,346</b>	<b>62.90%</b>	<b>25,03,92,346</b>	<b>62.90%</b>

d) Disclosure of Shareholding of Promoters is as follows

Name of the Shareholder	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
	No. of Shares	%	No. of Shares	%	
Sudhir Gupta	89,45,550	2.25%	44,41,825	1.12%	1.13%
Priya Gupta	11,86,060	0.30%	11,86,060	0.30%	0.00%
Varun Gupta	6,54,800	0.16%	6,54,800	0.16%	0.00%
Siddharth S Gupta	4,59,700	0.12%	4,59,700	0.12%	0.00%
Malika Siddharth Gupta	5,000	0.00%	5,000	0.00%	0.00%
Priyanka Varun Gupta	5,000	0.00%	5,000	0.00%	0.00%
India Steel International (P) Ltd	4,56,34,150	11.46%	4,56,34,150	11.46%	0.00%
Khamgaon Land Development & Trading Co (P) Ltd	4,36,50,000	10.97%	4,36,50,000	10.97%	0.00%
Yeotmal Land Development & Trading Co (P) Ltd	4,36,50,000	10.97%	4,36,50,000	10.97%	0.00%
Isiworld Steels Pvt Ltd	1,78,37,500	4.48%	1,78,37,500	4.48%	0.00%
Isisales (India) Pvt Ltd	1,74,00,400	4.37%	1,74,00,400	4.37%	0.00%
Isimetals (India) Pvt Ltd	1,74,00,350	4.37%	1,74,00,350	4.37%	0.00%
Isicom Traders Pvt Ltd	13,12,750	0.33%	13,12,750	0.33%	0.00%
Isinox Steels Limited	8,91,679	0.22%	8,91,679	0.22%	0.00%
Isistar Exports Pvt Ltd	4,37,500	0.11%	4,37,500	0.11%	0.00%
<b>TOTAL</b>	<b>19,94,70,439</b>	<b>50.11%</b>	<b>19,49,66,714</b>	<b>48.98%</b>	<b>1.13%</b>

NOTE 15: OTHER EQUITY

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as on April 01, 2021	500.00	18,019.38	4,451.30	2,040.00	-15,461.43	9,549.25
Profit for the period					-5,066.99	-5,066.99
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					104.13	104.13
<b>As at March 31, 2022</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-20,424.29</b>	<b>4,586.39</b>

**Notes forming part of the financial statements****Nature and Purpose of the Reserves:-****Capital Share Redemption Reserve**

Capital redemption reserve is created due to redemption of preference share capital in earlier years as per the requirement of the Companies Act.

**Securities Premium**

Security premium reserve is created when shares are issue at premium. The reserve is utilised in accordance with the provisions of the companies Act, 2013.

**Capital Reserve**

The Capital reserve was created to recognised the gain due to CDR scheme to the extent of Rs.44.51 cr approved by RCIL as on 31st March 2008 and gain due to increase in the value of Tangible asstes of Rs.74.13 cr as on 31st March 2015 and same was transferred to retained earning.

**General Reserve**

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013.

**NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>UNSECURED :</b>		
Loans from Related Party	1,891.70	2,120.55
<b>TOTAL</b>	<b>1,891.70</b>	<b>2,120.55</b>

**Notes :-****A Unsecured Loan :-**

- 1 Unsecured Loan from Related Parties does not have a definite repayment schedule. Interest rate for above loans are range between 0.00% to 12.00%.

**NOTE 17: NON-CURRENT TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Long term creditors**	121.46	16,103.31
<b>TOTAL</b>	<b>121.46</b>	<b>16,103.31</b>

\*\*Effect of settlement deed/ addendum to the settlement deed with a creditor resulting in reduction of liability is accounted for on a proportionate basis and the same is considered as other income. Considering the current Global Pandemic situation, negotiations are going on with the said creditor for a longer repayment schedule starting after 12 months hence the liability has been reclassified as "Non Current Financial Liability - Trade Payable" as per the Management Policy.

**Notes forming part of the financial statements****NOTE 18: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
Interest accrued but not due on borrowings	628.63	629.27
<b>TOTAL</b>	<b>628.63</b>	<b>629.27</b>

**NOTE 19: PROVISIONS (NON-CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity	88.71	139.65
Compensated absences	1.21	0.79
<b>TOTAL</b>	<b>89.92</b>	<b>140.44</b>

**NOTE 20: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	2,940.25	2,512.51
Letter of Credit	614.35	614.35
Term Loan - FITL	225.35	188.94
Term Loan - ECLGS	88.24	81.59
Term Loan - Bank	6.56	13.00
Term Loan - Financial Institutions (NBFC)	7.07	11.19
	3,881.82	3,421.59
<b>UNSECURED :</b>		
Loans from Others	585.00	585.00
Preference Shares	6,418.59	6,418.59
	7,003.59	7,003.59
<b>TOTAL</b>	<b>10,885.41</b>	<b>10,425.18</b>

**A Loans Repayable on Demand / Term Loan (Banks) :-**

- Kotak Mahindra Bank Ltd & DNS Bank Ltd. has sanctioned Cash Credit facilities against the security by way of first pari passu charge on the fixed assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company. This accounts become Non Performing Assets as on date of balance sheet and company has received recall notices from the banks.
- Kotak Mahindra Bank Ltd. has sanctioned Letter of Credit facilities against the security by way of first pari passu charge on the fixed assets of the company, hypothecation of stock and book debts of the company and personal guarantees of some of the promoter directors of the Company.
- FITL Loan from DNS Bank @ 15.75% p.a. interest are secured against Stock and Books Debts, Plant & Machinery and Factory Land & Building. This loan is repayable in 7 monthly installments. Said loan was to be repaid before 31.03.2021. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
- FITL Loan from Kotak Mahindra Bank Ltd. @ 19.00% p.a. interest are secured against Stock and Books Debts, Plant & Machinery and Factory Land & Building. This loan is repayable in 7 monthly installments. Said loan was to be repaid before 31.03.2021. However the

**Notes forming part of the financial statements**

company has defaulted in repaying the same as per the agreed sanctioned terms.

5. The Company has during the year availed a loan of Rs. 80 lakhs from Kotak Mahindra Bank Ltd. under the Emergency Credit Line Guarantee Scheme (ECLGS) of National Credit Guarantee Trustee Company Ltd (NCGTC) in order to meet its working capital requirements. The tenure of the loan is 48 months (Including the 12 month moratorium period) carrying an interest rate of 8.00% p.a. repayable in 48 equated monthly installments. The said loan is secured by way of first and second charge on the entire present and future current and movable assets with DNS Bank, first and second charge moveable fixed assets Equitable/ Registered on immovable properties, i.e. Land and Building and structure and P&M located in Zenith Compound, Khopoli, District Raigad, Maharashtra - 410203 owned by the India Steel Works Limited. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
6. Loans from Yes Bank @ 7.20% p.a. interest are secured against hypothecation of motor vehicles. These loans are repayable in 60 equated monthly months installment of Rs.0.41 lakhs.

**B Term Loans Financial Institutions (NBFC) :-**

1. Loans from Sundaram Finance Ltd. @ 7.10% p.a. interest are secured against hypothecation of komatsu hydraulic excavator machine. However the company has defaulted in repaying the same as per the agreed sanctioned terms.

**C Unsecured Loan :-**

1. Unsecured Loan from other corporate are repayable on demand. Interest rate @ 8.00 % p.a.

**D Preference Shares :-****a) Details of Preference Shares**

Particulars	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
(a) Authorised Preference shares of Re 10/- each without voting rights	6,45,00,000	6,450.00	6,45,00,000	6,450.00
(b) Issued, Subscribed and fully paid up 14% Cumulative Redeemable Preference shares of Re 10/- each without voting rights	20,00,000	200.00	20,00,000	200.00
0.01% Cumulative Redeemable Preference shares of Rs.10/- each without voting rights	5,36,71,310	5,367.13	5,36,71,310	5,367.13
0.01% Cumulative Redeemable Preference shares (Option Series) of Re 10/- each without voting rights	85,14,574	851.46	85,14,574	851.46
<b>TOTAL</b>	<b>6,41,85,884</b>	<b>6,418.59</b>	<b>6,41,85,884</b>	<b>6,418.59</b>

**b) Terms of Issue of Preference Shares**

- i) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- ii) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iii) 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iv) The company is in the negotiations with the preference shareholders for revised terms of redemption and still not finalised.
- "v) Subject to the approval of shareholders at the Annual General Meeting, board of directors have recommended dividend of 0.01% on @ 2,00,000 14% CRPS; 5,36,71,310 @ 0.01% CRPS without option and 85,14,574 @ 0.01% CRPS with option."



Notes forming part of the financial statements

c) Details of preference shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March , 2022		As at 31st March , 2021	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
<b>Preference shares without voting rights</b>				
IDBI Ltd.	3,75,47,800	58.50%	3,75,47,800	58.50%
Punjab & Sind Bank	1,21,38,000	18.91%	1,21,38,000	18.91%
Oriental Bank of Commerce	56,98,413	8.88%	56,98,413	8.88%
<b>TOTAL</b>	<b>5,53,84,213</b>	<b>86.29%</b>	<b>5,53,84,213</b>	<b>86.29%</b>

NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	18,763.11	8,114.73
<b>TOTAL</b>	<b>18,763.11</b>	<b>8,114.73</b>

Notes :-

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, In view of the above outstanding as at 31st March 2022 the same has not been quantified relating to Micro and Small Enterprises referred to in the said Act.
- ii. The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustment if any, may be made when the accounts are settled.
- iii. Trade Payables Includes related party refer Note No. 41.
- iv. Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	111.08	3,174.49	3,039.70	12,437.83	18,763.11
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>111.08</b>	<b>3,174.49</b>	<b>3,039.70</b>	<b>12,437.83</b>	<b>18,763.11</b>



**Notes forming part of the financial statements**

v. Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	186.31	7,187.58	622.27	118.57	8,114.73
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>186.31</b>	<b>7,187.58</b>	<b>622.27</b>	<b>118.57</b>	<b>8,114.73</b>

**NOTE 22: FINANCIAL LIABILITIES - OTHERS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued**	320.88	254.50
Others		
Creditors for Capital Goods	17.51	50.28
Employee Benefits payables	456.89	403.34
<b>TOTAL</b>	<b>795.28</b>	<b>708.12</b>

\*\* Includes related party refer Note No. 41.

**NOTE 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customer**	1,262.01	1,126.33
Statutory Liabilities***	253.07	187.27
<b>TOTAL</b>	<b>1,515.08</b>	<b>1,313.60</b>

\*\* Includes related party refer Note No. 41.

\*\*\* Includes payable towards TDS, GST, and Employee Related Statutory Obligation.

**NOTE 24: PROVISIONS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Employee Benefits</b>		
Bonus	43.48	37.49
Compensated absences	2.34	3.97
Gratuity	24.65	40.67
	70.47	82.13
<b>Others Provision</b>		
Others	413.56	315.11
	413.56	315.11
<b>TOTAL</b>	<b>484.03</b>	<b>397.24</b>

Refer Note 1 (2.11) for further reference on Employee benefits.



## Notes forming part of the financial statements

## NOTE 25: REVENUE FROM OPERATIONS

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Revenue from Customers</b>		
Sale of Products	2,020.51	13,301.83
Sale of Services	351.04	1,048.30
<b>Other Operating Income</b>		
Sale of Scrap	9.25	35.63
<b>TOTAL</b>	<b><u>2,380.79</u></b>	<b><u>14,385.76</u></b>

## NOTE 26: OTHER INCOME

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income	10.12	26.85
Unclaimed liabilities written back	862.84	3,189.51
Other Income	24.00	24.12
<b>TOTAL</b>	<b><u>896.96</u></b>	<b><u>3,240.48</u></b>

## NOTE 27: COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventories at the beginning of the year	7,824.43	6,114.48
Add:- Purchases during the year	1,046.72	4,295.04
Less:- Inventories at the end of the year	4,349.35	7,824.43
Less:- Stock Write off (Exceptional)	1,237.37	-
<b>Cost of Materials Consumed</b>	<b><u>3,284.42</u></b>	<b><u>2,585.09</u></b>

## NOTE 28: PURCHASE OF STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Stock in Trade	72.71	9,058.21
<b>TOTAL</b>	<b><u>72.71</u></b>	<b><u>9,058.21</u></b>

## NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Stocks :</b>		
Finished Goods	844.33	958.47
Work in Progress	14,312.22	18,009.71
Stock In Trade	818.84	804.29
<b>Less : Closing Stocks :</b>		
Finished Goods	319.60	844.33
Work in Progress	11,753.23	14,312.22
Stock In Trade	596.41	818.84
Stock Write off (Exceptional)	4,109.06	-
<b>NET CHANGE IN INVENTORIES</b>	<b><u>-802.90</u></b>	<b><u>3,797.08</u></b>





## Notes forming part of the financial statements

## NOTE 30: EMPLOYEE BENEFIT EXPENSES

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, Wages and Bonus	354.34	436.21
Directors Remuneration	16.37	47.14
Contribution to Provident and Other Funds	11.35	13.37
Gratuity Expenses (Refer Note No. 40)	33.34	23.25
Leave Encashment Expenses (Refer Note No. 40)	2.63	7.28
Staff Welfare Expenses	39.33	57.73
<b>TOTAL</b>	<b>457.36</b>	<b>584.97</b>

## NOTE 31: FINANCE COST

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Expense		
On Borrowings	706.55	819.95
Others (Including Interest on delay / deferred payment)	82.35	73.20
Bank and other finance charges	0.80	6.68
<b>TOTAL</b>	<b>789.70</b>	<b>899.83</b>

## NOTE 32: OTHER EXPENSES

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Power, Fuel and Utilities	694.60	1,268.77
Processing Charges	89.76	108.68
Water	1.30	2.24
Repairs to Building	0.33	-
Repairs to Plant and Machinery	4.78	10.72
Other Repairs	0.08	0.12
Packing Materials	0.07	4.50
Commission & Brokerage	-	5.75
Sales Promotion	1.85	0.42
Outward Freight Charges	13.26	5.92
Quality Claim	34.41	-
Bad Debts Written off net of provisions	4,396.47	237.43
Travelling and Conveyance	10.24	6.03
Communication Expenses	2.56	6.41
Insurance	20.91	88.05
Rates and Taxes	46.84	179.94
Legal and Professional Fees	36.73	83.95
Printing & Stationery	0.14	0.31
Service Charges	1.51	3.53
Directors Sitting Fees	3.68	1.90
Motor Vehicle Expenses	18.00	7.63
VAT / DBK / MEIS Expenses W.off	-	3.68

**Notes forming part of the financial statements****NOTE 32: OTHER EXPENSES (Contd...)**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss on Sale of Fixed Assets	-	-0.29
Payment to Auditors		
- Audit Fees	8.20	8.20
- Tax Audit Fees	-	-
- Other Services	-	-
Foreign Exchange Fluctuation (Net)	102.40	13.84
Miscellaneous Expenses	16.80	97.53
Less:- Insurance Claim	-	-500.00
<b>TOTAL</b>	<b>5,504.90</b>	<b>1,645.26</b>

**NOTE 33: CONTINGENT LIABILITIES AND COMMITMENTS AND ASSETS****A. CONTINGENT LIABILITIES****Claims against the company not acknowledged as debts**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the company/disputed liabilities but not acknowledged as debts	2,679.80	2,674.37
Excise/Customs Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	1,038.31	1,038.31
Sales Tax matters - Disputed	275.39	160.11
Income Tax matters - Disputed	214.58	214.58
Property Tax - Disputed	571.10	471.07
Bank Guarantee	1.40	1.40
Disputed Interest of bank	218.91	78.27
Disputed Liability of Suppliers	-	3,925.08
Disputed GST Liability	39.83	39.83
Material Claim	20.35	91.42

**Notes :-**

- (i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) Most of the issues of litigation pertaining to Central Excise/Sales Tax/Customs are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention.
- (iv) The Company's pending litigation comprise of proceeding pending related to Property tax. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.



## Notes forming part of the financial statements

## B. COMMITMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account & not provided for**	-	-
<b>Net Capital Commitments</b>	<b>-</b>	<b>-</b>

\*\* As certified by Management.

## NOTE 34: CORPORATE SOCIAL RESPONSIBILITY

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:		
Construction / Acquisition of any Asset	-	-
On purposes other than (1) above	-	-
<b>Total Paid</b>	<b>-</b>	<b>-</b>
<b>Gross Total</b>	<b>-</b>	<b>-</b>

## NOTE 35: EXCEPTIONAL ITEMS

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Insurance Claim written off	-	277.01
Investment written off	212.28	-
Diminution Value of Inventory	5,346.43	-
Creditors written off	(9,843.85)	-
Reversal of earlier year written back	2,126.06	-
Advances written off	443.92	-
	<b>(1,715.16)</b>	<b>277.01</b>

## NOTE 36: EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(5,068.44)	(1,980.86)
Weighted Average No. of Equity Shares for of Face Value ₹1 each	39,80,80,925	39,80,80,925
<b>Earnings Per Share - Basic</b>	<b>(1.27)</b>	<b>(0.50)</b>

**Notes forming part of the financial statements****NOTE 37: CAPITAL MANAGEMENT**

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

(Rs. in lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Total interest bearing financial liabilities	13,726.61	13,429.51
Less : Cash and Cash Equivalents	16.16	69.41
<b>Adjusted Net Debt</b>	<b>13,710.46</b>	<b>13,360.10</b>
Total Equity	8,561.38	13,525.69
<b>Adjusted Equity</b>	<b>8,561.38</b>	<b>13,525.69</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>1.60</b>	<b>0.99</b>

**NOTE 38: FINANCIAL RISK MANAGEMENT AND POLICIES**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

**(a) Market Risk:-**

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

**(a) (i) Market Risk - Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits.

**Exposure to interest rate risk**

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	12,777.11	12,545.73
<b>Total</b>	<b>12,777.11</b>	<b>12,545.73</b>

**Notes forming part of the financial statements****Sensitivity analysis to interest rate risk**

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(a)(ii) Market Risk - Price Risk**

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company does make deposit with the banks to provide security against guarantee issued by bank to company's trade payables. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**(a)(iii) Market Risk - Currency Risk**

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company is exposed to currency risk on account of its trade payables in foreign currency. The functional currency of the company is Indian Rupees. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible.

**Exposure to Currency risk**

The summary quantitative data about the Company's exposure to currency risk are reported to management of the company are as follows:

Foreign Currency in lakhs

Particulars	Foreign Currency	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>			
Trade and other receivables	USD	9.33	47.86
<b>Financial Liabilities</b>			
Trade and other payables	USD	19.60	160.43
	EURO	-	27.20

**Sensitivity analysis to currency risk**

Foreign Currency	As at 31st March , 2022		As at 31st March , 2021	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	-23.39	23.39	-247.22	247.22
EURO	-	-	-69.92	69.92
<b>Total</b>	<b>-23.39</b>	<b>-305.06</b>	<b>-317.14</b>	<b>317.14</b>

**(b) Credit Risk**

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure.

**Trade Receivables**

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

**Notes forming part of the financial statements****Expected credit loss for trade receivable:**

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening balance of expected loss provision</b>	<b>1,878.83</b>	<b>1,678.83</b>
Add : Provisions made (net)	493.38	200.00
Less : Utilisation for impariment / de-recognition	-	-
<b>Closing balance</b>	<b><u>2,372.21</u></b>	<b><u>1,878.83</u></b>

**Other Financial Assets**

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

**Expected credit loss on financial assets other than trade receivable:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

The Company's maximum exposure to credit risk as at 31st March, 2022 and 31st March, 2021 is the carrying value of each class of financial assets.

**(c) Liquidity Risk**

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

**Exposure to Liquidity Risk**

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

**c) Details of preference shareholder holding more than 5% shares:**

(Rs. in lakhs)

Particulars	As at 31st March , 2022		As at 31st March , 2021	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	1,891.70	-	2,120.55
Interest accrued but not due on borrowings	628.63	-	629.27	-
Working Capital Loans from Banks	3,881.82	-	3,421.59	-
Loans from Others / Preference Share Capital	7,003.59	-	7,003.59	-
Trade Payables	18,763.11	121.46	8,114.73	16,103.31
Other Financial Liabilities	795.28	-	708.12	-
	<b><u>31,072.42</u></b>	<b><u>2,013.16</u></b>	<b><u>19,877.30</u></b>	<b><u>18,223.86</u></b>

**Notes forming part of the financial statements****(d) Collateral**

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 20 for the detailed terms and conditions of the collaterals pledged.

**NOTE 39: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT****A. Classification of Financial Assets and Liabilities**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets</b>		
At amortised Cost		
Investments	0.53	212.81
Loans	60.65	86.02
Trade Receivables	27.37	1,030.15
Cash & Cash Equivalents	16.16	69.41
Other Bank Balances	31.42	30.34
Other Financial Assets	1,267.74	1,454.33
<b>Total Financial Assets</b>	<b>1,403.86</b>	<b>2,883.05</b>
Financial Liabilities		
At amortised Cost		
Borrowings	12,777.11	12,545.73
Trade Payable	18,884.56	24,218.04
Other Financial Liabilities	1,423.91	1,337.40
<b>Total</b>	<b>33,085.58</b>	<b>38,101.16</b>

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

**NOTE 40: EMPLOYEE BENEFITS****Retirement Benefits**

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2022.

**(A) Details of defined benefit obligation and plan assets****(a) Retiring Gratuity****I Components of Employer Expenses**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Current Service Cost	23.06	13.21
Interest Cost	10.28	10.04
Actuarial (Gain)/Loss	-100.29	-4.31
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-66.95</b>	<b>18.94</b>

**Notes forming part of the financial statements****II Net Asset/ (Liability) recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Present value of Funded Obligation	113.36	180.32
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-113.36</b>	<b>-180.32</b>

**III Change in Defined Benefit Obligations (DBO)**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	180.32	161.38
Current Service Cost	23.06	13.21
Interest Cost	10.28	10.04
Actuarial (Gain)/Loss	-100.29	-4.31
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>113.36</b>	<b>180.32</b>

**IV Changes in the Fair Value of Plan Assets**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	-
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

**V Acturaial Assumption**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Discount Rate (Per Annum)	6.28%	5.70%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15%	Upto Age 45: 15%
	46 to 50: 10%	46 to 50: 10%
	51 and above: 5%	51 and above: 5%

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.

**VI Major Categories of plan assets as a percentage of total plan assets**

Not applicable since the company has Nil Plan assets





Notes forming part of the financial statements

VII Movement in net liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2022	31st March, 2021
Net Opening Liability	180.32	161.38
Employer expenses as above	33.34	23.25
Contribution paid	-	-
Other Comprehensive Income (OCI)	-100.29	-4.31
<b>Closing Net Liability</b>	<b>113.36</b>	<b>180.32</b>

VIII Gratuity - Sensitivity Analysis

(Rs. in lakhs)

Name of the Shareholder	31st March , 2022		31st March , 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	118.29	108.79	188.90	172.41
Discount Rate (1% movement)	108.63	118.55	172.06	189.46

(b) Compensated Absences

I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Current Service Cost	2.36	4.19
Interest Cost	0.27	3.08
Actuarial (Gain)/Loss	-3.84	-52.09
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-1.21</b>	<b>-44.82</b>

II Net Asset/ (Liability) recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Present value of Funded Obligation	3.55	4.75
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-3.55</b>	<b>-4.75</b>

III Change in Defined Benefit Obligations (DBO)

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	4.75	49.57
Current Service Cost	2.36	4.19
Interest Cost	0.27	3.08
Actuarial (Gain)/Loss	-3.84	-52.09
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>3.55</b>	<b>4.75</b>

**Notes forming part of the financial statements****IV Changes in the Fair Value of Plan Assets**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	-
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

**V Actuarial Assumption**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Discount Rate (Per Annum)	6.28%	5.70%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

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.

**VI Major Categories of plan assets as a percentage of total plan assets**

Not applicable since the company has Nil Plan assets

**VII Movement in net liability recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2022	31st March, 2021
Net Opening Liability	4.75	49.57
Employer expenses as above	2.63	7.28
Contribution paid	-	-
Other Comprehensive Income (OCI)	-3.84	-52.09
<b>Closing Net Liability</b>	<b>3.55</b>	<b>4.75</b>

**VIII Compensated Absence (PL) - Sensitivity Analysis**

(Rs. in lakhs)

Name of the Shareholder	31st March , 2022		31st March , 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	3.62	3.48	4.80	4.71
Discount Rate (1% movement)	3.48	3.62	4.71	4.81

**(B) Defined Contribution Plans**

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - 11.35 Lakhs (Previous year 13.37 Lakhs)

**Notes forming part of the financial statements****NOTE 41: RELATED PARTY****List of related parties****A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :**

01. Isinox Limited
02. ISL Global PTE Ltd.
03. Inoxware P.Ltd.
04. Indiasteel International P.Ltd.
05. Isiworld Steel (I) P.Ltd.
06. Isicom Traders P.Ltd.
07. Isistar Exports P.Ltd.
08. Isimetal (I) P.Ltd.
09. Isisales India Pvt. Ltd.
10. Level Construction Pvt.Ltd. (Emgee Homes)
11. Gupta Housing P.Ltd.
12. Yeotmal Land Development & Trading Co.P.Ltd.
13. India Steel Industries
14. Indiasteel International
15. LeapIndia Brandhub Services Pvt. Ltd.
16. LeapIndia Institute Pvt Ltd.
17. Level Enterprises LLP
18. SPV Family Trust

**B Key Managerial Personnel :****Executive Directors :**

01. Mr.Sudhir H Gupta
02. Mr.Varun S.Gupta
03. Mr.Dipak Gaur (Up to 04th June 2021)

**Independent Directors :**

01. Mr.T R Bajalia (Up to 17th Sept 2021)
02. Mrs.Kavita Joshi (Up to 19th Oct 2021)
03. Mrs.Riddhi Shah (Up to 04th June 2021)
04. Mrs.Bhavna Devda (from 21st Aug 2021 to 21st Oct 2021)
05. Mr. Karan Lamba (from 13th Nov 2021 to 18th April 2022)
06. Mr. Santino Roco Morea (from 12th Nov 2021)
07. Mr. Harpreet Baweja (from 12th Nov 2021)
08. Mrs. Aastha Sharma (from 13th Nov 2021 to 18th April 2022)

**Non Independent & Non Executive Directors :**

01. Mr.Bimal Desai

**Company Secretary :**

01. Mr.Dilip Maharana



Notes forming part of the financial statements

C Subsidiary :

01. Indinox Steels Private Limited

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	1,177.75	4,706.34	-	-	1,177.75	4,706.34
LeapIndia Brandhub Services Pvt. Ltd.	-	51.12	-	-	-	51.12
<b>Total</b>	<b>1,177.75</b>	<b>4,757.46</b>	<b>-</b>	<b>-</b>	<b>1,177.75</b>	<b>4,757.46</b>
<b>SALES</b>						
Sale of Goods						
Isinox Limited	125.35	4,228.16	-	-	125.35	4,228.16
LeapIndia Brandhub Services Pvt. Ltd.	426.73	412.49	-	-	426.73	412.49
<b>Total</b>	<b>552.08</b>	<b>4,640.65</b>	<b>-</b>	<b>-</b>	<b>552.08</b>	<b>4,640.65</b>
<b>LICENCE FEES</b>						
Licence Fees Paid						
Isinox Limited	14.16	169.92	-	-	14.16	169.92
<b>Total</b>	<b>14.16</b>	<b>169.92</b>	<b>-</b>	<b>-</b>	<b>14.16</b>	<b>169.92</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	17.15	566.77	-	-	17.15	566.77
LeapIndia Brandhub Services Pvt. Ltd.	9.78	36.90	-	-	9.78	36.90
<b>Total</b>	<b>26.93</b>	<b>603.66</b>	<b>-</b>	<b>-</b>	<b>26.93</b>	<b>603.66</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	3.57	26.04	-	-	3.57	26.04
<b>Total</b>	<b>3.57</b>	<b>26.04</b>	<b>-</b>	<b>-</b>	<b>3.57</b>	<b>26.04</b>
<b>Other Income</b>						
Isinox Limited	28.32	27.94	-	-	28.32	27.94
<b>Total</b>	<b>28.32</b>	<b>27.94</b>	<b>-</b>	<b>-</b>	<b>28.32</b>	<b>27.94</b>
<b>INTEREST EXPENSES</b>						
Isinox Limited	-	185.78	-	-	-	185.78
Gupta Housing Pvt. Ltd.	26.95	9.77	-	-	26.95	9.77
<b>Total</b>	<b>26.95</b>	<b>195.55</b>	<b>-</b>	<b>-</b>	<b>26.95</b>	<b>195.55</b>
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Sudhir H Gupta			6.79	11.97	6.79	11.97
Mr.Varun S.Gupta			6.10	11.13	6.10	11.13
Mr.Dipak Gaur			3.48	24.03	3.48	24.03
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mr.Dilip Maharana			8.72	5.91	8.72	5.91



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			1.00	6.60	1.00	6.60
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			0.60	0.25	0.60	0.25
Mr.T.R.Bajalia			0.25	0.72	0.25	0.72
Mrs. Kavita Joshi			0.59	0.60	0.59	0.60
Mrs. Riddhi Shah			0.34	0.34	0.34	0.34
Mr. Karan Lamba			0.40	-	0.40	-
Mr. Santino Roco Morea			0.50	-	0.50	-
Mr. Harpreet Baweja			0.50	-	0.50	-
Mrs. Aastha Sharma			0.50	-	0.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29.77</b>	<b>61.54</b>	<b>29.77</b>	<b>61.54</b>
<b>OUTSTANDING BALANCES RECEIVABLES</b>						
ISL Global PTE Ltd.	708.17	679.33	-	-	708.17	679.33
Isisales India Pvt. Ltd.	383.53	383.53	-	-	383.53	383.53
LeapIndia Brandhub Services Pvt. Ltd.	-	17.65	-	-	-	17.65
<b>Total</b>	<b>1,091.70</b>	<b>1,080.51</b>	<b>-</b>	<b>-</b>	<b>1,091.70</b>	<b>1,080.51</b>
<b>PAYABLES</b>						
Inoxware P.Ltd.	3.68	3.68	-	-	3.68	3.68
Isinox Limited	2,484.01	5,972.15	-	-	2,484.01	5,972.15
<b>Total</b>	<b>2,487.68</b>	<b>5,975.83</b>	<b>-</b>	<b>-</b>	<b>2,487.68</b>	<b>5,975.83</b>
<b>DEPOSITS</b>						
India Steel Industries	46.54	46.54	-	-	46.54	46.54
<b>Total</b>	<b>46.54</b>	<b>46.54</b>	<b>-</b>	<b>-</b>	<b>46.54</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,587.27	1,822.01	-	-	1,587.27	1,822.01
Gupta Housing Pvt. Ltd.	218.18	228.54	-	-	218.18	228.54
SPV Family Trust	39.00	50.00	-	-	39.00	50.00
Level Construction Pvt.Ltd. (Emgee Homes)	20.00	20.00	-	-	20.00	20.00
Siddharth Gupta	27.25	-	-	-	27.25	-
<b>Total</b>	<b>1,891.70</b>	<b>2,120.55</b>	<b>-</b>	<b>-</b>	<b>1,891.70</b>	<b>2,120.55</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	197.63	-	-	197.63	197.63
Gupta Housing Pvt. Ltd.	33.29	9.04	-	-	33.29	9.04
<b>Total</b>	<b>230.92</b>	<b>206.67</b>	<b>-</b>	<b>-</b>	<b>230.92</b>	<b>206.67</b>
<b>ADVANCE RECEIVED FROM CUSTOMER</b>						
Level Enterprises LLP	1,052.59	1,052.59	-	-	1,052.59	1,052.59
<b>Total</b>	<b>1,052.59</b>	<b>1,052.59</b>	<b>-</b>	<b>-</b>	<b>1,052.59</b>	<b>1,052.59</b>



Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
<b>ADVANCE TO SUPPLIERS</b>						
Indinox Steels Pvt. Ltd.	-	-	-	-	-	-
Isisales India Pvt. Ltd.	25.00	-	-	-	25.00	-
<b>Total</b>	<b>25.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.07</b>	<b>-</b>
<b>REMUNARATION PAYABLE</b>						
Mr.Sudhir H Gupta	-	-	12.28	12.28	12.28	12.28
Mr.Varun S.Gupta	-	-	11.57	11.57	11.57	11.57
Mr.Dipak Gaur	-	-	23.07	20.03	23.07	20.03
Mr.Dilip Maharana	-	-	10.43	2.59	10.43	2.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57.35</b>	<b>46.47</b>	<b>57.35</b>	<b>46.47</b>
<b>DIRECTOR SITTING PAYABLE</b>						
Mr. Bimal Desai	-	-	1.00	-	1.00	-
Mr. Karan Lamba	-	-	0.40	-	0.40	-
Mr. Santino Roco Morea	-	-	0.50	-	0.50	-
Mr. Harpreet Baweja	-	-	0.50	-	0.50	-
Mrs. Aastha Sharma	-	-	0.50	-	0.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.90</b>	<b>-</b>	<b>2.90</b>	<b>-</b>

Notes:-

- (a) Related party relationship is identified by the management and relied upon by the auditors.
- (b) Amount in respect of related parties have been made provisions for doubtful debts of Rs.408.53 lakhs.
- (c) Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key magement Personnel.
- (d) Mr. Sudhir Gupta (Executive Chairman) & Mr. Varun Gupta (Managing Director & CFO) have been provided the personal guarantee for the woring capital borrowing by the company from M/s. Kotak Mahindra Bank Ltd. & M/s Dombivali Nagari Sahakari Bank Ltd.

42 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

Party	Purpose of loan utilisation	Loan given during the year	Outstanding loan amount
India Steel Industry Deposit	Business Purpose	-	46.54
Others	Business Purpose	-	0.01
Loans to Employees	Staff Welfare	-	60.65

43 Segment Information :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

**Notes forming part of the financial statements**

(Rs. in lakhs)

**NOTE 44: ADDITIONAL REGULATORY INFORMATION**

Ratio	Numerator	Denominator	31st March 2022	31st March 2021
Current ratio (In times)	Total Current Assets	Total Current Liabilities	0.55	1.21
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.49	0.93
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-5.09	-0.04
Return on Equity ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-45.90%	-13.67%
Inventory Turnover ratio (In times)	Cost of Goods Sold	Average Inventory	0.13	0.62
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	1.47	4.26
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.30	0.23
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.09	0.62
Net Profit ratio (In %)	Net Profits After Taxes	Revenue from Operations	-212.89%	-13.77%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-15.74%	-2.16%

45 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation.

46 Figures in Brackets indicate previous years figures. Previous periods figure have been regrouped, rearranged, reclassified wherever necessary to correspond with those of the current period.

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP  
Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
Date : 29th July 2022

For and on behalf of the Board of Directors of  
INDIA STEEL WORKS LIMITED  
Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Varun S. Gupta  
Managing Director & CFO  
DIN: 02938137

Dilip Maharana  
Company Secretary  
ACS: 23014



## NOTICE

### Notice of the Thirty Fifth Annual General Meeting

**NOTICE** is hereby given that the **Thirty Fifth Annual General Meeting of the Members of India Steel Works Limited** (CIN: L29100MH1987PLC043186) will be held on **Friday, 16th day of December 2022**, at 2:00 p.m. (IST) through Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

#### ORDINARY BUSINESS:

**1. To receive, consider and adopt:**

(i) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon, and

(ii) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 together with the Report of the Auditors thereon.

**2.** To declare dividend @0.01% on the total paid up preference share capital of the Company for the financial year ended March 31, 2022.

**3.** To appoint a Director in place of Sudhir H. Gupta (DIN: 00010853), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following Resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sudhir H. Gupta (DIN: 00010853), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** the above-mentioned re-appointment of Mr. Sudhir H. Gupta (DIN: 00010853) as a Director, shall not in any way constitute a break in his existing office as the Executive Director (Designated as the Executive Chairman) of the Company."

#### SPECIAL BUSINESS:

**4. Appointment of Mr. Santosh P. Bhosale (DIN: 05117360) as a Non-Executive, Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** Mr. Santosh P. Bhosale (DIN: 05117360), who was appointed as an Additional Director of the Company with effect from September 20, 2022 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Santosh P. Bhosale, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from September 20, 2022, up to September 19, 2027, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Santosh P. Bhosale, shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.





**RESOLVED FURTHER THAT** the Board of Directors including any Committee thereof, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

**5. Appointment of Mr. Shivanand S. Bhalerao (DIN: 09263141) as a Non-Executive, Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** Mr. Shivanand S. Bhalerao (DIN: 09263141), who was appointed as an Additional Director of the Company with effect from September 20, 2022 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office as such up to this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (“the Act”) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Mr. Shivanand S. Bhalerao, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who is eligible for appointment, as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from September 20, 2022, up to September 19, 2027, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Shivanand S. Bhalerao, shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors including any Committee thereof, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

**6. Approval to close the subsidiary of the Company namely Indinox Steels Private Limited.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 read with rules made there under, if any, (including any statutory modification(s) or enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary, consent be and is hereby accorded to the Board of Directors of the Company or any Committee thereof, to close the wholly Owned Subsidiary of the Company namely Indinox Steels Private Limited.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof will have absolute discretion in deciding whether this resolution is required to be made effective or not and, in the event if it is decided by the Board of Directors of the Company or such Committee thereof that such resolution is to be made effective, shall determine the date on which such resolution shall become effective.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof, be and are hereby authorized to execute the documents, deeds or writings required to be executed in relation to close the subsidiary and to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard to give effect to this resolution.”

**7. Increase in Authorized Share Capital of the Company and consequent Alteration in Capital Clause of the Memorandum of Association of the Company:**

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

“**RESOLVED THAT** in accordance with the provisions of Sections 13, 61, 64 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the



time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs.107,00,00,000/- (Rupees One Hundred and seven crores) divided into 42,00,00,000 (Forty two crores) Equity Shares of Re. 1/- (Rupee One) each and 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and unclassified shares of the value of Rs.50,00,000 (Rupees Fifty Lacs) to Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crores) which shall be divided into 65,00,00,000 ( Sixty Five Crores) Equity Shares of Re. 1/- (Rupee One) each, 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and unclassified shares of the value of Rs.50,00,000 (Rupees Fifty Lacs) by creation of additional 23,00,00,000 (Twenty Three Crore) equity shares of 1/- (Rupees One only) each ranking pari-passu in all respect with the existing Equity Shares of the Company with the power to the Board to decide on the extent of variation in such rights and to classify and reclassify from time to time such shares into any class of shares."

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is here by altered by substituting the existing clause V thereof by the following Clause V:

"V. The Authorised Share Capital of the Company is Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crores) which shall be divided into 65,00,00,000 ( Sixty Five Crores) Equity Shares of Re. 1/- (Rupee One) each and 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and unclassified shares of the value of Rs.50,00,000 (Rupees Fifty Lacs) .

The Company shall have power from time to time to increase or reduce its capital and to divide the Shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

**RESOLVED FURTHER THAT** the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company."

#### 8. Approval of Material Related Party Transaction(s):

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 & such other Rules as may be applicable to the Company and in terms of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment thereof), the Company's Related Party Transaction Policy (as amended from time to time) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, the approval of the Members be and is hereby accorded to the Company for entering into and/or carrying out and/or continuing with contracts, arrangements and transactions (whether individually or taken together or series of transactions or otherwise), for the financial year 2022-23 and for the next financial year 2023-2024 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2023 (maximum validity of 15 (fifteen) months), with the below mentioned Related Parties of the Company as per the amended SEBI Listing Regulations, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise, provided that such contracts, arrangements and transactions be undertaken on the terms and conditions as may be mutually agreed between the Company and the said Related Parties on arm's length basis and in the ordinary course of business:



Sr. No.	Name of the Related Party	Relationship	Nature of transactions	Value per Annum for which approval is being sought
1.	Isinox Limited(IL)	Promoter Group Company. Shri Sudhir H. Gupta Executive Chairman & Shri Varun S. Gupta, Managing Director of the Company own & control the Company IL.	Job Work/ Purchase/Sale of goods, Rendering of services, Receipt of service, loan, intercorporate deposit, investment, purchase / sale of fixed assets, interest payment / receipt and other transactions for business purpose	Rs.200 Cr
2.	Leapindia brandhub Services Pvt Ltd (LIBSPL)	Key Managerial Personnel and their relatives have significant Influence/own & control the Company LIBSPL.	Job Work/Sale of goods, Rendering of services, Receipt of service, purchase / sale of fixed assets, interest payment / receipt and other transactions for business purpose	Rs.200 Cr

**RESOLVED FURTHER THAT** the Audit Committee and / or the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members;

**RESOLVED FURTHER THAT** the Audit Committee and / or the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred, to any Director or any other Officer(s) / Authorised Representatives of the Company, to do all such acts and take appropriate steps, as may be considered necessary or expedient, after taking necessary approvals, if required to give effect to this Resolution.”

#### 9. Appointment of Branch Auditors:

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Board of Directors be and is hereby authorised to appoint Branch Auditor(s) of any Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, any firm(s) and/or person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration, in consultation with the Statutory Auditors of the Company.”



**10. Ratification of Cost Auditor's Remuneration:**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Company hereby ratifies the remuneration of Rs. 65,000 plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to Mr. Vishesh Naresh Patani (Membership No. 30328), who has been appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2023.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Regd. Office:

**India Steel Works Complex,**  
Zenith Compound,  
Khopoli, Raigad-410203

Place: Mumbai

Date: 14th November, 2022.

By Order of the Board of Directors

**India Steel Works Limited**

Sd/-

**Sudhir H. Gupta**

Executive Chairman

DIN:00010853

**NOTES:**

1. pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No.2/2022 dated May 5, 2022 (collectively referred to as “MCA Circulars”) and the applicable circulars issued by Securities and Exchange Board of India (SEBI)(collectively referred to as “SEBI Circulars”) and all other relevant circulars issued from time to time, the 35th AGM of the Company is being held through video conferencing (VC) or other audio visual means (OAVM)without the physical presence of the members at the common venue. The deemed venue for the 35th AGM shall be the Registered Office of the Company.
2. Pursuant to abovementioned MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the body corporate can attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 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 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, 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 account of 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 Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-Voting agency. The facility of casting votes by a member using remote e-voting system as well as e-voting system on the date of the AGM will be provided by NSDL.
6. In line with the MCA and SEBI Circular dated May 13, 2022, the Notice calling the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice calling the AGM along with Annual Report has been uploaded on the website of the Company at [www.Indiasteel.in](http://www.Indiasteel.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
7. The members seeking any information with regards to accounts or any other matters to be placed at the AGM, are requested to write to the Company in advance through email at [cosec@indiasteel.in](mailto:cosec@indiasteel.in). The same will be replied by the Company suitably.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business above is annexed hereto and forms part of the Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”) and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the director proposed to be appointed is set out in the Explanatory Statement to this Notice.
9. All documents referred to in the accompanying notice and the explanatory statements are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. For obtaining these copies through electronic means Members may write to the Company Secretary by sending an email to [cosec@indiasteel.in](mailto:cosec@indiasteel.in) till the date of the AGM.
10. Members holding shares in physical form are requested to inform the Company’s Registrars and Transfer Agents, Link Intime India Private Limited (RTA), immediately of any change in their address and bank details. Members holding shares in



dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents, Link Intime India Private Limited (RTA).
12. The SEBI, vide its Circulars dated November 3, 2021, and December 14, 2021, has mandated the furnishing of PAN, address with PIN code, E-Mail address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities. Further, if any one of the cited documents / details as enunciated in the said circular is NOT registered with Company / RTA, within March 31, 2023, such folios shall be frozen by the Company / Registrar and Share Transfer Agent of the Company (RTA). The securities held in folios that have no PAN registered against the same/ have invalid PAN registered on our records, as on the notified cutoff date of March 31, 2023, or any other date specified by the CBDT, shall also be frozen.
13. The formats for Nomination and Updation of KYC details in accordance with the SEBI circular are available under "Investors Section" on the Website of the Company viz. [www.indiasteel.in](http://www.indiasteel.in). The duly filled in Forms may be submitted in hard copy to the RTA.
14. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.indiasteel.in](http://www.indiasteel.in). Members are requested to submit the said details to their Depository Participants in case the shares are held by them in dematerialised form.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, in view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrar and Transfer Agent Link Intime India Private Limited, for assistance in this regard.
16. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their email addresses to the Link Intime India Private Limited sending an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to the Company at [cosec@indiasteel.in](mailto:cosec@indiasteel.in)
17. In case of Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
19. The Company has appointed CS Reena Modi-Parekh of Reena S Modi & Associates, Practicing Company Secretary M. No: A25346 COP: 12621 as scrutinizer for conducting e-voting process for the Annual General Meeting in a fair & transparent manner.
20. The Scrutiniser shall, after scrutinising the votes, within two working days from the conclusion of the Meeting, submit a consolidated scrutiniser's report thereon to the Chairman or a person authorised by him in writing which will be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, December 13, 2022 at 9:00 A.M. (IST) and ends on Thursday, December 15, 2022 at 5:00 P.M. (IST).



The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, December 9, 2022, may cast their vote electronically.

The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Friday, December 9, 2022.

#### How do I vote electronically using NSDL e-Voting system?


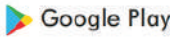


**The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:**

##### Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>     </div>



Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
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
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**



**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.



8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to reena.modi88@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Shri Amit Vishal, Sr. Manager, NSDL, 022-24994360 or email at amitv@nsdl.co.in, Ms. Pallavi Mhatre, Manager, NSDL, 022-24994545 or email at Pallavi@nsdl.co.in or at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cosec@indiasteel.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cosec@indiasteel.co.in..If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for AGM and will be available for Members on first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members facing any technical issue in login before / during the AGM can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
7. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [cosec@indiasteel.in](mailto:cosec@indiasteel.in) between Friday, 11th December, 2022 (9.00 a.m. IST) and 15th December, 2022 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Since the AGM will be held through VC/OAVM in accordance with the Circulars mentioned above, the route map, proxy form and attendance slip are not attached to this Notice.

**Regd. Office:**

India Steel Works Complex,  
Zenith Compound,  
Khopoli, Raigad-410203

By Order of the Board of Directors

**India Steel Works Limited**

Sd/-

**Sudhir H. Gupta**

Executive Chairman

DIN: 00010853

**Place: Mumbai**

**Date: 14th November, 2022.**



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

The following statement sets out all material facts relating to the Ordinary / Special business mentioned in the accompanying Notice dated 14th November, 2022 and shall be taken as forming part of the Notice.

### **Item No. 4. Appointment of Mr. Santosh P. Bhosale (DIN: 05117360), as an Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on September 20, 2022, appointed Mr. Santosh P. Bhosale (DIN: 05117360), as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five years i.e. from September 20, 2022, up to September 19, 2027 subject to the approval of the Members.

According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), Mr. Santosh P. Bhosale, shall hold office as Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Santosh P. Bhosale, are provided as Annexure to this Notice.

Mr. Santosh P. Bhosale, has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of the Board, Mr. Santosh P. Bhosale, is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Santosh P. Bhosale, has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Santosh P. Bhosale, on the Board of the Company and accordingly the Board recommends the appointment of Mr. Santosh P. Bhosale, as an Independent Director as proposed in the Resolution no. 4 for approval by the Members as a **Special Resolution**.

The terms and conditions of appointment of Mr. Santosh P. Bhosale shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working days, excluding Sundays. None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

### **Item No. 5. Appointment of Mr. Shivanand S. Bhalerao (DIN: 09263141), as an Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its meeting held on September 20, 2022, appointed Mr. Shivanand S. Bhalerao (DIN: 09263141), as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of five years i.e. from September 20, 2022, up to September 19, 2027 subject to the approval of the Members.

According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), Mr. Shivanand S. Bhalerao, shall hold office as Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Shivanand S. Bhalerao, are provided as Annexure to this Notice.

Mr. Shivanand S. Bhalerao, has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director.

In the opinion of the Board, Mr. Shivanand S. Bhalerao, is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Shivanand S. Bhalerao, has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Shivanand S. Bhalerao, on the Board of the Company and accordingly the Board recommends the appointment of Mr. Shivanand S. Bhalerao, as



an Independent Director as proposed in the Resolution no. 5 for approval by the Members as a **Special Resolution**.

The terms and conditions of appointment of Mr. Shivanand S. Bhalerao shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working days, excluding Sundays. None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**Item No. 6 : To close the subsidiary of the Company namely Indinox Steels Private Limited.**

Indinox Steels Private Limited (CIN: U27200MH2018PTC310835) was incorporated on 16/06/2018 as wholly-owned subsidiary (WOS) of the Company. The WOS Company is inoperative and does not carry any business in the preceding financial years and has not filed any application within such period for getting the status of a dormant Company, in view of which the Board of Directors of the Company, at its meeting held on November 14, 2022, has approved to close the said Company Viz Indinox Steels Private Limited.

Since, the aforesaid authorization involves striking off of the Company consent of the members of the Company is therefore being sought, as an enabling authorisation, for the proposed closure which results in cessation of Company's control over Indinox Steels Private Limited.

The Board recommend the Resolution at Item No. 6 of the accompanying Notice, for the approval of the members of the Company by way of an Ordinary Resolution.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution proposed in Item No. 6.

**Item No.7 : Increase in Authorised Share Capital of the Company.**

The Current Authorized Capital of the Company is Rs.107,00,00,000/- (Rupees One Hundred and seven crores) divided into 42,00,00,000 (Forty two crores) Equity Shares of Re. 1/- (Rupee One) each and 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and unclassified shares of the value of Rs.50,00,000 (Rupees Fifty Lacs). Considering the increased fund requirements of the Company, the Board at its Meeting held on 11th January, 2022 had proposed and the shareholders, at the Extra Ordinary General Meeting held on 14th February, 2022 had consented / approved to increase the Authorized Share Capital of the Company, from Rs.107,00,00,000/- (Rupees One Hundred and seven crores) to Rs. 127,00,00,000/- (Rupees One Hundred and Twenty Seven Crores). However, the said Resolution could not be acted upon. However, the said Resolution could not be effected / carried out resulting authorized share capital unaltered to the extent of Rs.20Cr. To set it right the Board proposed this resolution for approval of the members. In view of the same and considering the increased fund requirements of the Company, the Board at its Meeting held on 14th November, 2022 subject to the approval of the shareholders, and receipt of such other statutory/regulatory approvals, as may be required, had proposed to increase the Authorized Share Capital of the Company, from Rs.107,00,00,000/- (Rupees One Hundred and seven crores) to Rs. 130,00,00,000/- (Rupees One Hundred and Thirty Crores) which shall be divided into 65,00,00,000 (Sixty Five Crores) Equity Shares of Re. 1/- (Rupee One) each and 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and unclassified shares of the value of Rs.50,00,000 (Rupees Fifty Lacs) by creating additional 23,00,00,000 (Twenty three Crore) equity shares of 1/- (Rupees One only) each ranking pari-passu in all respect with the existing Equity Shares of the Company.

The proposed increase of Authorized Share Capital of the Company requires approval of the Members at a General Meeting.

Consequent upon the increase in Authorized Share Capital of the Company, Clause V of the Memorandum of Association of the Company will require alteration so as to reflect the increase in the Authorized Share Capital.

A copy of the Memorandum of Association of the Company along with the proposed amendments is available for inspection by the members at the Registered Office of the Company between 11:00 AM and 5:00 PM on all working days between Monday to Friday from the date of dispatch of the Annual General Meeting (AGM) Notice till 19th December, 2022.

None of the Director(s), Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the above referred resolutions except to the extent of their shareholdings.

Accordingly, the Board of Directors of your Company recommend the Resolution set out in item No. 7 of this Notice for the approval of the Members by way of passing an Ordinary Resolution.

**Item No. 8. Approval of Material Related Party Transaction(s):**

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("**SEBI Listing Regulations**"), effective April 1, 2022, mandate prior approval of the Members by means of an ordinary resolution for all material Related Party Transactions ("**RPT**"), even if such transactions are in the ordinary course of business



of the concerned company and at an arm's length basis.

A 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 the financial year, exceed(s) Rs. 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

The said limits are applicable even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

Further, SEBI, vide Circular dated 8th April, 2022 has clarified that the omnibus Members approval for material RPTs of the Company, shall be valid up to the date of the next AGM, for a period not exceeding 15 (fifteen) months (maximum validity of 15 months).

In the financial year 2022-2023 and in the next financial year 2023-2024 until the date of the Annual General Meeting of the Company, the transactions of the Company with the below-mentioned Related Parties, may exceed the applicable materiality thresholds, as provided under the SEBI Listing Regulations, as amended from time to time.

Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:

Sr. No.	Description	Details
1.	Details of summary of information provided by the Management to the Audit Committee	
a.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	<p><b>i. Isinox Limited (IL):</b> IL is a Promoter group company consequently a related party of the Company &amp; holds 8,91,679 equity shares ( 0.22 %) of India Steel Works Limited as on date of this Notice. Mr. Sudhir H. Gupta, Executive Chairman along with his relatives own &amp; control Isinox Limited.</p> <p><b>ii. Leap India Brandhub Services Pvt Limited (LIBSPL):</b> LIBSPL an Enterprise in which Key Managerial Personnel and their relatives have significant Influence is a related party of the Company. It is owned and controlled by the relatives of Mr. Sudhir H. Gupta, Executive Chairman of the Company.</p>
b.	Name of the director or key managerial personnel who is related, if any and nature of relationship	<p><b>i. Isinox Limited (IL):</b> Mr. Sudhir H. Gupta, Executive Chairman, Mr. Varun S. Gupta, Managing Director of the Company and Mr. Siddharth S. Gupta son of Executive Chairman are also the Directors of Isinox Limited.</p> <p><b>ii. Leap India Brandhub Services Pvt Limited (LIBSPL):</b> LIBSPL is wholly owned subsidiary of Leap India Institute Private Limited in which Mrs. Priya S. Gupta, Mrs. Priyanka V. Gupta, Mrs. Malika S. Gupta Directors as well as Shareholders (100%). Mrs. Priya S. Gupta, Mrs. Priyanka V. Gupta, Mrs. Malika S. Gupta are also Directors of the LIBSPL related to Directors of India Steel Works Limited.</p>



Sr. No.	Description	Details
c.	Nature, material terms, monetary value and particulars of contracts or arrangement	<p><b>i. Isinox Limited (IL):</b> The transaction involves Job Work/ Purchase/Sale of goods, Rendering of services, Receipt of service, loan, intercorporate deposit, investment, purchase / sale of fixed assets, interest payment / receipt and other transactions for business purpose from/to IL during FY 2022-23, 23-24 aggregating up to Rs.200 crore.</p> <p><b>ii. Leap India Brandhub Services Pvt Limited (LIBSPL):</b> The transaction involves Job Work/Sale of goods, Rendering of services, Receipt of service, purchase / sale of fixed assets, interest payment / receipt and other transactions for business purpose from/to LIBSPL during FY 2022-23, 23-24 aggregating up to Rs.200 crore.</p>
d.	Value of Transaction	Up to Rs.200 crore for each IL & LIBSPL.
e.	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year.	<p><b>i. IL: 840%</b></p> <p><b>ii. LIBSPL: 840%</b></p>
2. Justification for the transaction		The related party transactions are in the ordinary course of the business and at arms' length basis. Transactions for which approval is sought, are done at a price that is compliant with Inter- Company Transfer Pricing Guidelines.
3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: Not Applicable		

Accordingly, as per the SEBI Listing Regulations, the approval of the Members is sought for all such contracts/arrangements/ transactions to be undertaken (whether individually or taken together or series of transactions or otherwise), whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions or as fresh and independent transaction(s) or otherwise) with the above-mentioned Related Parties of the Company, during the financial year 2022-2023 and in the next financial year 2023-2024 until the date of the AGM of the Company.

The above transactions are in the ordinary course of business of the Company and on an arm's length basis and as such are exempt from the provisions of Section 188(1) of the Companies Act, 2013 and the Rules made thereunder.

The Audit Committee and the Board of Directors of the Company has granted its approval for the RPTs proposed to be entered into by the Company with the aforementioned Related Parties during the financial year 2022-23 and has also noted that the said transactions with the Related Parties are on arms' length basis and in the ordinary course of the Company's business.

Accordingly, your Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 8 of this Notice for the approval of the Members of the Company.

Members may please note that in terms of the provisions of the SEBI Listing Regulations, Related Parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the resolution under Item No.



8 of this Notice.

None of the other Related Parties like Directors, Key Managerial Personnel and their relatives have any conflict of interest with the RPTs for which approval of Members is sought.

None of these transactions has the effect of passing any direct/indirect benefit, personally to Directors, Key Managerial Personnel in any manner.

Except Mr. Sudhir H. Gupta, Mr. Varun S. Gupta none of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 8 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

**Item No.9: Appointment of branch Auditors:**

The Company has branch outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint existing Branch Auditor namely NATARAJAN & SWAMINATHAN, Chartered Accountants of Singapore, branch auditors or any other person in consultation with the Company's Auditors and fix their remuneration.

The Board recommends the Resolution at Item No.6 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.9 of the accompanying Notice.

**Item No.10: Approval /ratification of remuneration payable to the Cost Auditor:**

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of Mr. Vishesh Naresh Patani at a remuneration of Rs.65,000 plus applicable taxes and out-of-pocket expenses. Mr. Vishesh Naresh Patani has the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 10 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution at Item No.10 .

**Regd. Office:**

India Steel Works Complex,  
Zenith Compound,  
Khopoli, Raigad-410203

**Place: Mumbai**

**Date: 14th November, 2022.**

By Order of the Board of Directors

**India Steel Works Limited**

Sd/-

**Sudhir H. Gupta**

Executive Chairman

DIN: 00010853



**DETAILS OF DIRECTOR SEEKING APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS & SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:**

<b>Particulars</b>	<b>Sudhir H. Gupta (DIN:08057096) (Re-appointment- Retire by rotation)</b>
Date of birth and age	06.07.1961 & 60 Years
Date of appointment / re-appointment	19/02/1990
Qualifications	Degree in Science and Law from University of Mumbai.
Experience and expertise in specific functional areas	He is the Executive Chairman of the Company running the day to day affairs including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs, general administration, banking, finance, sales and purchases of the Company.
Remuneration last drawn (including sitting fees, if any)	Not applicable
Remuneration proposed to be paid	Not applicable
Disclosure of Relationships between Director Inter-se	Father of Mr. Varun S. Gupta, Father in law of Mrs. Priyanka V. Gupta
Directorships held in other (excluding foreign) Companies	Isinox Limited Yeotmall Land Development & Trading Co Pvt Ltd Khamgaon Land Development & Trading Co Pvt Ltd Level Constructions Pvt Ltd. Watertight Developers Pvt. Lyd. Isiworld Steels Pvt Ltd. Isimetals (India) Pvt. Ltd. Isicom Traders Pvt. Ltd. Isisales (India) Pvt. Ltd Isistar Exports Pvt. Ltd India Steel International Pvt Ltd. Gupta Housing Pvt Ltd. Harbour View Realty Pvt Ltd.
Membership / Chairmanship of committees across companies	Nil
No. of shares held in the Company including shareholding as beneficial owner	8945550
Listed Companies from which resigned from past three years	Nil
the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable



Particulars	Santosh Pandharinath Bhosale(DIN: 05117360 )	Mr. Shivanand Shesherao Bhalerao (DIN: 09263141)
Date of birth and age	10/06/1986 & 36 Years	02/10/1982 & 40 Years
Date of appointment / re-appointment	20/09/2022	20/09/2022
Qualifications	M.com, L.L.B.	M.A.
Experience and expertise in specific functional areas	A post graduate M.com, L.L.B, a practicing lawyer having experience around 5 years. He has good knowledge in taxation, Company Law, Mercantile law, Civil Law.	A post graduate M.A (Master of Arts), having more than 5 years of experience in the field of Consulting, marketing, making business strategies.
Remuneration last drawn (including sitting fees, if any)	Not applicable	Not applicable
Remuneration proposed to be paid	He shall be paid remuneration by way of sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board.	He shall be paid remuneration by way of sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board.
Disclosure of Relationships between Director Inter-se	Nil	Nil
Directorships held in other (excluding foreign) Companies	Nil	Okshanam Business Solution Pvt Limited Harbour View Realty Pvt Ltd.
Membership / Chairmanship of committees across companies	India Steel Works Limited: Audit Committee- Chairman Nomination & Remuneration Committee- Member Stakeholder Relationship Committee: Member Corporate Social Responsibility Committee: Member	India Steel Works Limited: Nomination & Remuneration Committee-Chairman Audit Committee -Member Stakeholder Relationship Committee: Member Corporate Social Responsibility Committee: Member
No. of shares held in the Company including shareholding as beneficial owner	Nil	Nil
Listed Companies from which resigned from past three years	Nil	Nil
the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Knowledge and experience of taxation, Company Law, Mercantile law, Civil Law.	Knowledge and experience of Consulting, marketing, making business strategies

**If undelivered Please Return to :**

**India Steel Works Limited**

Zenith Compound, Khopoli, Raigad-410203, Maharashtra

Ph.: 02192 266005/02192 266007 Fax : 02192 264061

Email : [info@indiasteel.in](mailto:info@indiasteel.in) • Website : [www.indiasteel.in](http://www.indiasteel.in)