



INDIA STEEL
WORKS LTD
Inner Vision. Global Action.

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001.
Date: 07-06-2024.

Scrip Code: 513361

Dear Sir/ Madam,

Sub: Submission of Financial Results & Outcome of the Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the captioned subject, please be informed that the Board of Directors of the Company at its meeting held today i.e., Friday, 7th June, 2024, have inter alia considered, approved and took on record, the following:

1. The Audited Financial Statements of the Company for the Financial year ended on 31st March, 2024 and the Audited Financial Results for the Quarter and Year ended March 31, 2024, along with Auditors Report (Modified opinion), Statements of Assets & Liabilities and Cash Flow statement duly reviewed and recommended by the Audit Committee and Statement on Impact of Audit Qualifications (for Audit Report with Adverse Qualification opinion);
2. Re-appointment of Mr. Sudhir H. Gupta (DIN-00010853), subject to approval of the shareholders at the ensuing General Meeting, as a Whole-time Director designated as "Executive Chairman" w.e.f 20 11 2024 for a period of 3 years.
3. Reappointment of Mr. Varun S. Gupta (DIN: 02938137) subject to approval of the shareholders at the ensuing General Meeting, as Managing Director of the Company w.e.f 20 11 2024 for a period of 3 years.
4. Appointment of Reena Modi-Parekh, proprietor Reena Modi & Associates Practicing Company Secretaries as the Secretarial Auditor to conduct Secretarial Audit for the FY 2024 - 25 and to issue Reconciliation of Share Capital Audit Report, Secretarial Compliance Report under Reg.24A(2) of LODR etc.


The Board Meeting commenced at 3:00 P.M. and concluded at 9:20 P.M.

Kindly take the same on Record.

Thanking You,

Yours sincerely,

For India Steel Works Limited


Dilip Maharana
Company Secretary (MNo.A2301)

Encl- as above

REGD. OFFICE & STEEL PLANT

Zenith Compound Khopoli,
Raigad - 410 203, Maharashtra, India
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CIN: L29100MH1987PLC043186

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INDIA STEEL WORKS LIMITED

[Formerly Known as ISIBARS LIMITED]

REGD. OFFICE: India Steel Works Complex, Zenith Compound, Khopoli, Raigad 410203.

Statement of Standalone Audited Results for the Quarter and Year ended 31st March 2024

PART - I		Rs. In Lacs					
Sr. No.		Particulars	Quarter ended			Year ended	
			31/Mar/2024	31/Dec/2023	31/Mar/2023	31/Mar/2024	31/Mar/2023
			Audited	Unaudited	Audited	Audited	Audited
1	(a)	Revenue from Operation	-	-	123.11	81.60	470.57
	(b)	Other Income	559.09	12.28	131.16	644.42	189.36
		Total Income	559.09	12.28	254.26	726.02	659.92
2		Expenses					
	(a)	Cost of Materials Consumed	-	-	139.87	71.82	287.94
	(b)	Purchases of Stock In Trade	-	-	-	-	-
	(c)	Changes In Inventories of Finished Goods, Work In Progress and Stock In Trade.	-	-	101.75	-	486.89
	(d)	Employees Benefits Expenses	28.17	11.21	42.11	73.37	444.98
	(e)	Finance Costs	238.43	269.53	189.25	1,014.57	822.32
	(f)	Depreciation and Amortisation Expenses	199.47	186.19	183.60	758.13	747.58
	(g)	Other Expenses	55.30	179.45	434.06	552.91	1,246.85
		Total Expenses	521.37	646.38	1,090.65	2,470.79	4,036.56
3		Profit/(Loss) before exceptional items (1-2)	37.73	-634.10	-836.39	-1,744.77	-3,376.64
4		Exceptional Items	577.30	5.00	-219.35	582.30	-219.35
5		Profit/(Loss) (3-4)	615.02	-629.10	-1,055.74	-1,162.47	-3,595.99
6		Tax Expenses					
		Current Tax	-	-	-	-	-
		Tax for earlier year	-	-	0.20	-	0.20
		Deferred Tax	-	-	-	-	-
7		Net Profit/(Loss) after tax (5-6)	615.02	-629.10	-1,055.54	-1,162.47	-3,595.80
8		Other Comprehensive Income (Net of Tax)					
	a)	Items that will not be reclassified to Statement of Profit and Loss	282.05	-	-116.63	282.05	-116.63
	b)	Items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-
		Total Other comprehensive Income (a+b)	282.05	-	-116.63	282.05	-116.63
9		Total comprehensive Income (7+8)	897.07	-629.10	-1,172.17	-880.43	-3,712.42
10		Paid-up Equity Share Capital [face value of Rs.1/- per share -	3,980.81	3,980.81	3,980.81	3,980.81	3,980.81
11		Other Equity excluding Revaluation Reserve				-6.46	873.97
12	(i)	Earnings per share face value @ Rs.1/- each.					
	a)	Basic (in Rs.) - (Before Exceptional Items)	0.01	-0.16	-0.21	-0.44	-0.85
	b)	Diluted (in Rs.) - (Before Exceptional Items)	0.01	-0.16	-0.21	-0.44	-0.85
	a)	Basic (in Rs.) - (After Exceptional Items)	0.15	-0.16	-0.27	-0.29	-0.90
	b)	Diluted (in Rs.) - (After Exceptional Items)	0.15	-0.16	-0.27	-0.29	-0.90



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Standalone Statement of Assets & Liabilities as at 31st March 2024	Rs. In lacs	Rs. In lacs
	31.03.2024	31.03.2023
	Audited	Audited
(A) ASSETS		
(1) NON CURRENT ASSETS		
(a) Property, Plant & Equipment	20,889.47	21,578.93
(b) Intangible assets	-	68.67
(c) Capital work-in-progress	-	-
(d) Financial assets		
(i) Investments	0.53	0.53
(ii) Other financial assets	1,120.27	1,120.27
(e) Other non-current assets	2,628.50	2,127.31
Sub-total - Non Current Assets	24,638.78	24,895.71
(2) CURRENT ASSETS		
(a) Inventories	13,535.30	13,607.12
(b) Financial assets		
(i) Trade receivables	-	22.50
(ii) Cash and cash equivalents	18.97	19.09
(iii) Deposits	25.55	24.78
(iii) Loans	60.65	60.65
(iv) Other financial assets	1,921.95	1,989.03
(c) Other current assets	32.78	32.15
Sub-total - Current Assets	15,595.20	15,755.32
TOTAL - ASSETS	40,233.98	40,651.03
(B) EQUITY & LIABILITIES		
(1) EQUITY		
(a) Equity Share capital	3,980.81	3,980.81
(b) Other Equity	-6.46	873.97
Sub Total - Total Equity	3,974.35	4,854.78
(2) LIABILITIES		
NON CURRENT LIABILITIES		
(a) Financial Liability		
(i) Borrowings	2,942.25	1,568.09
(ii) Trade Payable	-	-
(iii) Other Financial Liabilities	627.41	628.06
(b) Provisions	5.11	195.95
Sub Total - Non Current Liabilities	3,574.77	2,392.10
CURRENT LIABILITIES		
(a) Financial Liability		
(i) Borrowings	6,363.19	5,175.25
(ii) Trade payables	16,392.81	16,772.20
(iii) Other Financial Liabilities	6,755.98	7,270.21
(b) Other Current Liabilities	3,031.76	3,663.55
(c) Provisions	141.12	522.84
Sub-total - Current Liabilities	32,684.86	33,404.16
TOTAL - EQUITY & LIABILITIES	40,233.98	40,651.03

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STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	-1,162.47	-3,595.99
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Depreciation & Amortization	758.13	747.58
Finance Cost	1,014.57	822.32
Interest Income	-71.48	-4.36
Non-operating income	-572.94	-185.00
	1,128.27	1,380.55
Operating Profit Before Changes in Working Capital	-34.20	-2,215.44
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	22.50	4.87
(Increase) / Decrease in Inventories	71.82	3,411.47
(Increase) / Decrease in Other Current Financial Assets	67.08	-1,841.56
(Increase) / Decrease in Other Current Assets	-0.64	20.28
(Increase) / Decrease in Investment	-	5.00
(Increase) / Decrease in Other Non - Current Assets	-501.19	126.67
Increase / (Decrease) in Trade Payables	-379.49	-1,498.70
Increase / (Decrease) in Other Current Financial Liabilities	-514.23	56.35
Increase / (Decrease) in Other Current Liabilities	-631.78	1,798.47
Increase / (Decrease) in Provisions	-290.53	28.77
Increase / (Decrease) in Other Non - Financial Liabilities	-0.64	-0.58
	-2,157.11	2,111.03
Cash Generated from Operations	-2,191.32	-104.41
Less: Taxes Paid (Net of refund received)		0.20
NET CASH FLOW FROM OPERATING ACTIVITY (A)	-2,191.32	-104.22
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment & Intangible Assets	-	-
Interest Received	71.48	4.36
Movement in other bank balances	-72.25	2.27
	-0.77	6.63
NET CASH FLOW FROM INVESTING ACTIVITY (B)		
C CASH FLOW FROM FINANCING ACTIVITY		
Receipt of Long Term Borrowings	35.48	-
Repayment of Long Term Borrowings	1,338.68	26.39
Increase / (Decrease) in Short Term Borrowings	1,187.94	708.43
Finance Cost	-370.14	-632.97
	2,191.96	101.85
NET CASH FLOW FROM FINANCING ACTIVITY (C)		
NET CASH FLOW FOR THE YEAR (A + B + C)	-0.13	4.27
Add: Opening Balance of Cash & Cash Equivalents	19.09	14.82
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	18.97	19.09
RECONCILIATION OF CASH AND CASH EQUIVALENT		
TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET	18.97	19.09
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:		
Balance with banks in current accounts	10.93	12.06
Cash on Hand	8.03	7.03
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	18.97	19.09



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Notes :-

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors as its meeting held on June 07, 2024.
- 2 The financial statement have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013.
- 3 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 information is not applicable.
- 4 The manufacturing activities of the company have been severely effected post pandemic. The factory of the company has been closed. There are no production during the quarter and year ended 31st March 2024.
- 5 Exceptional Items for the quarter ended 31st March 2024 represents Diminution of Inventory, Security Deposit written off, Employee Benefits witten off, etc.
- 6 The figures for the quarter ended 31st March, 2024 and 31st March, 2023 are arrived at as the difference between Audited figures for the full financial year and the unaudited published figures for the nine month of the respective financial year.
- 7 Previous periods figure have been regrouped, rearranged, reclassified wherever necessary to correspond with those of the current period.

Date : 07th June 2024
Place : MUMBAI

For INDIA STEEL WORKS LIMITED



Varun S. Gupta
Managing Director
DIN: 02938137

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
INDIA STEEL WORKS LIMITED**

Report on the Audit of Financial Results

1. Adverse Opinion

We have audited the Annual Financial Results of INDIA STEEL WORKS LIMITED (hereinafter referred to as the 'Company') for the year ended March 31, 2024 and the Balance Sheet and the Statement of Cash Flows as at and for the year ended on that date, 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 and with reference to matters stated in the basis for adverse opinion and going concern paragraph, the Financials results:

- i. are not presented in accordance with the requirements of Regulation 33 and Regulation 52(4) of the Listing Regulations in this regard; and
- ii. does not 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, 2024, and the balance sheet and the statement of cash flows as at and for the year ended on that date.

2. Going Concern

The Company's current liabilities exceeded its current assets as of the previous year balance sheet date. Operations of the company has ceased since long and the company is not in the position to discharge its liabilities. These events or conditions, along with other matters indicate

that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the books of the company are still prepared on historical cost basis. In our opinion the accounts of the company should not be prepared on going concern basis i.e., the assets and liabilities of the company should be stated at net realizable value. The financial statements do not adequately disclose this fact. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

3. Basis for Adverse Opinion

- a. We have been informed that during the period, Kotak Mahindra Bank Limited has taken the possession of the factory premises of the company situated at Zenith Compound, Village Vihari, Kahalapur District, Raigad. The primary software used for bookkeeping, namely SAP, was not accessible due to the above. The company has prepared the books of accounts in **different software taking the balances of earlier year's audited financials. We were provided** with alternative sources and backup books of accounts to facilitate our audit procedures. Our conclusion is based on the information contained in the backup books that were made available to us. Due to the limited availability of sufficient and appropriate evidence, we are unable to definitively verify or comment on the accessibility of the books of accounts stored on SAP and their potential impact on the financial statements. Consequently, considering this limitation, we have conducted the audit using alternative procedures to the extent feasible.
- b. **Inventories amounting to ₹13,535.30 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 ₹10,609.92 Lakhs and Raw Material amounting to ₹1,705.78** Lakhs held by the company can only fetch scrap value. In the absence of quantitative information and supporting documents of Finished Goods, Stock in Trade and Stores and **Spares amounting to ₹1,219.60 lakhs, we are unable to comment** on carrying value of the same and its effect on the financial statements for the year. Accordingly, we believe that the Net-worth of the company is overstated by the said amount.

- c. Company has not done physical verification or valuation of inventories. On account of the same we are unable to comment on the physical status and/ or recoverable value of such inventories.
- d. During the period, the company recognized a reversal of Rs. 552.83 Lakhs in its financial statements, which pertains to an amount payable to the Maharashtra State Electricity Distribution Co. Ltd (MSEDCL). The company has submitted an application to the Consumer Grievances Redressal Forum of MSEDCL seeking the reversal of this amount. However, as of the date of this report, the application has not been approved. In our opinion, recognizing this reversal without approval does not present a true and fair view of the company's financial position. Consequently, the profit and net worth of the company have been overstated by Rs. 552.83 Lakhs.
- e. During the period, the company wrote off Rs. 594.36 Lakhs in its financial statements related to employee benefits, including salaries, wages, and statutory dues associated with these **salaries. The company's management holds the opinion that these dues are** no longer payable as they pertain to employees who have left the company without serving the required notice period. However, these dues were originally payable while the employees were still with the company and writing them off solely because the employees have left is incorrect. Furthermore, the statutory dues associated with these salaries were reversed without filing any claim with the appropriate department. In our opinion, recognizing this write-off as income does not present a true and fair view of the company's financial position. Consequently, the profit and net worth of the company have been overstated by Rs. 594.36 Lakhs.
- f. **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.**
- g. 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 .

- h. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities was not provided to us. As such we are unable to express any opinion as to the effect on the financial statements for the year.
- i. The company has not assessed the impact of various disputed statutory liabilities/ liabilities on account of lawsuits as per the requirement of Ind AS 37 “**Provision, Contingent Liabilities, Contingent Asset**” and hence the effect of the same, if any, on the financial results. The cases are pending with multiple tax authorities and the said claims have not been acknowledged as debt by the company.
- j. The company has not assessed the Fair Value of various Assets and Liabilities as per the requirement of Ind AS 103 “**Fair Value Measurement**”, the effect of the same, if any, on the financial results is not identifiable. Therefore, we are unable to comment on its impact on the financial results for the year ended March 31, 2024.
- k. The company has not reviewed the impairment of its tangible assets and other financial and non-financial assets as of March 31, 2024. Hence, no provision in the books of account has been made by the Company. In the absence of assessment of impairment/ provisions by the Company, we are unable to comment on the recoverable amount regarding said items.

4. **Emphasis of Matter**

- a. 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.
- b. The company does not have internal audit system to commensurate with the size and nature of its business. In absence of the same we are unable to comment whether an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2024.
- c. In absence of proper records maintained in India related to Foreign Branch, the Financial Statement of Foreign Branch is not audited by us. Our opinion is based on unaudited figures provided by the management.
- d. 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.

- e. Fire Insurance Policy of the company is pending renewal as on the date. The risk on account of the same is not ascertainable.
- f. Assessment of the Impairment of Assets has not been done by the company, which is inconsistent with Ind AS-36 "Impairment of Assets".

5. Board of Directors' Responsibilities for the Financial Results

These Financial Results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net loss 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 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 Financial Results by the Directors of the Company, as aforesaid.

In preparing the Financial Results, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 Company are responsible for overseeing the financial reporting process of the Company.

6. Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the 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 Financial Results.

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

- i. Identify and assess the risks of material misstatement of the 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.
- ii. 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- iv. **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 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.**
- v. Evaluate the overall presentation, structure and content of the Financial Results including the disclosures, and whether the 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.

7. Other Matter

The statement includes the results for the quarter ended March 31, 2024, being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024, and the published unaudited year-to-date figures up to the third quarter of the current financial year, which are subjected to a limited review by us, as required under the Listing Regulations.

For Laxmikant Kabra & Co LLP

Chartered Accountants

Firm Reg. No.: 117183W/ W100736



CA Laxmikant Kabra

Partner

Membership No.: 101839



Place: Thane

Date: 07th June 2024

UDIN: 24101839BKFPXP6238



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Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2024
(Vide Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations,2016).

Rs. In Lakhs

I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualification)
	1	Turnover / Total Income	726.02	726.02
	2	Total Expenditure	2470.79	2470.79
	3	Net Profit / (Loss)	-1162.47	-1162.47
	4	Earnings Per Share	-0.44	-0.44
	5	Total Assets	40233.98	40233.98
	6	Total Liabilities	36259.63	36259.63
	7	Net Worth	3974.35	3974.35
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II	Audit Qualifications: A. Details of Audit Qualifications: 1. Adverse Opinion We have audited the Annual Financial Results of INDIA STEEL WORKS LIMITED (hereinafter referred to as the 'Company') for the year ended March 31, 2024 and the Balance Sheet and the Statement of Cash Flows as at and for the year ended on that date, 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 and with reference to matters stated in the basis for adverse opinion and going concern paragraph, the Financials results: i. are not presented in accordance with the requirements of Regulation 33 and Regulation 52(4) of the Listing Regulations in this regard; and ii. does not 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, 2024, and the balance sheet and the statement of cash flows as at and for the year ended on that date.			

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2. Going Concern

The Company's current liabilities exceeded its current assets as of the previous year balance sheet date. Operations of the company has ceased since long and the company is not in the position to discharge its liabilities. These events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the books of the company are still prepared on historical cost basis. In our opinion the accounts of the company should not be prepared on going concern basis i.e., the assets and liabilities of the company should be stated at net realizable value. The financial statements do not adequately disclose this fact. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

3. Basis for Adverse opinion

- a. We have been informed that during the period, Kotak Mahindra Bank Limited has taken the possession of the factory premises of the company situated at Zenith Compound, Village Vihari, Kahalapur District, Raigad. The primary software used for bookkeeping, namely SAP, was not accessible due to the above. The company has prepared the books of accounts in different software taking the balances of earlier year's audited financials. We were provided with alternative sources and backup books of accounts to facilitate our audit procedures. Our conclusion is based on the information contained in the backup books that were made available to us. Due to the limited availability of sufficient and appropriate evidence, we are unable to definitively verify or comment on the accessibility of the books of accounts stored on SAP and their potential impact on the financial statements. Consequently, considering this limitation, we have conducted the audit using alternative procedures to the extent feasible.
- b. Inventories amounting to ₹13,535.30 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 ₹10,609.92 Lakhs and Raw Material amounting to ₹1,705.78 Lakhs held by the company can only fetch scrap value. In the absence of quantitative information and supporting documents of Finished Goods, Stock in Trade and Stores and Spares amounting to ₹1,219.60 lakhs, we are unable to comment on carrying value of the same and its effect on the financial statements for the year. Accordingly, we believe that the Net-worth of the company is overstated by

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the said amount.

- c. Company has not done physical verification or valuation of inventories. On account of the same we are unable to comment on the physical status and/ or recoverable value of such inventories.
- d. During the period, the company recognized a reversal of Rs. 552.83 Lakhs in its financial statements, which pertains to an amount payable to the Maharashtra State Electricity Distribution Co. Ltd (MSEDCL). The company has submitted an application to the Consumer Grievances Redressal Forum of MSEDCL seeking the reversal of this amount. However, as of the date of this report, the application has not been approved. In our opinion, recognizing this reversal without approval does not present a true and fair view of the company's financial position. Consequently, the profit and net worth of the company have been overstated by Rs. 552.83 Lakhs.
- e. During the period, the company wrote off Rs. 594.36 Lakhs in its financial statements related to employee benefits, including salaries, wages, and statutory dues associated with these salaries. The company's management holds the opinion that these dues are no longer payable as they pertain to employees who have left the company without serving the required notice period. However, these dues were originally payable while the employees were still with the company and writing them off solely because the employees have left is incorrect. Furthermore, the statutory dues associated with these salaries were reversed without filing any claim with the appropriate department. In our opinion, recognizing this write-off as income does not present a true and fair view of the company's financial position. Consequently, the profit and net worth of the company have been overstated by Rs. 594.36 Lakhs.
- f. 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.
- g. 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.
- h. Sufficient and appropriate documentary audit evidence in respect of Contingent liabilities was not provided to us. As such we are unable to express any opinion as to the effect on the financial statements for the year.



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- i. The company has not assessed the impact of various disputed statutory liabilities/ liabilities on account of lawsuits as per the requirement of Ind AS 37 "Provision, Contingent Liabilities, Contingent Asset" and hence the effect of the same, if any, on the financial results. The cases are pending with multiple tax authorities and the said claims have not been acknowledged as debt by the company.
- j. The company has not assessed the Fair Value of various Assets and Liabilities as per the requirement of Ind AS 103 "Fair Value Measurement", the effect of the same, if any, on the financial results is not identifiable. Therefore, we are unable to comment on its impact on the financial results for the year ended March 31, 2024.
- k. The company has not reviewed the impairment of its tangible assets and other financial and non-financial assets as of March 31, 2024. Hence, no provision in the books of account has been made by the Company. In the absence of assessment of impairment/ provisions by the Company, we are unable to comment on the recoverable amount regarding said items.

B. Type of Audit Qualification: Adverse Opinion.

C. Frequency of qualification:

Appeared for 1st time : 1. Adverse opinion 3.d: Reversal of MSEDCL expenses 3.e:Written off of employees benefits.

Repetitive: 2. Going Concern 3.a. Kotak Mahindra Bank Limited factory possession 3.b: Inventory 3.c. Physical Verification 3.f: Insurance claim 3.g:balance confirmation 3.h : Sufficient documentary Audit evidence 3.i: Disputed Statutory Liabilities 3.J: Fair value Assets & Liabilities 3.K: Impairment of Assets.

D. For Audit qualifications where the impact is quantified by the Auditor, Managements views:

-Inventories { Vide 3.b: Audit Qualifications}:

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.

Raw Material amounting to ₹1,705.78: The major Raw Material of the Company is Steel Scrap and as such the same has been valued at cost or market value w.e is lower.

-MSEDCL Claim { Vide 3.d: Audit Qualifications}: The management believes that the reversal amount will be approved by the Hon'ble CGRF. The Company has received Hon'ble CGRF Order in similar earlier claim.

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-Written off of Employee benefits { Vide 3.e: Audit Qualifications}:

Many employees have left the company without giving required notice. The Management has adjusted the salary in lieu of Notice against their pending Salary. Substantially this resulted in receivable from many outgoing / ex-employees. So it is decided not to account for unpaid salary /notice pay. As and when the Accounts of employees will be finalised on case to case basis this will be reflected in the accounts. Consequently the benefits against such employees are not accounted and the same will be accounted when considered on case to case basis.

- Insurance {vide 3.f. Audit Qualifications}: 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.

E. For Audit qualifications where the impact is not quantified by the Auditor:

No further comments other than the Audit Report.

i. Management's estimation on the impact of audit qualification.

- Adverse Opinion {vide 2. Audit Qualifications}: The Financial Results have been prepared on the basis of accrual Accounting Policy & uniform accounting practices adopted for all periods. The Balance Sheet, P&L Account gives a true and fair view.

- Basis for adverse opinion {vide 3. Audit Qualifications}:

The software used for book keeping up to 31/03/2023 was SAP. The balances shifted to different software namely tally prime edit log. The tally prime edit log report as on 31/03/2024 was provided.

- Going Concern Concept {vide 2. Audit Qualifications }:

The management believes that though the Current Liabilities of the Company exceeds Current Assets of the Company, the Company, having positive net worth will be able to revive business including exploring new business opportunities.

-Physical verification or valuation of inventories { vide 3.c . Audit Qualifications}:

The factory is under possession of Kotak Mahindra Bank Ltd , which do not allow physical verification.

-Confirmations { vide 3.g. Audit Qualifications }:

The Company has given balance confirmations from the parties having substantial claim.

-Sufficient documents { vide 3.h. Audit Qualifications}:

The Company is in process of getting documentary evidences with respect to

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	<p>contingent liabilities wherever pending.</p> <p>-Disputed Liabilities { vide 3.i. Audit Qualifications):</p> <p>It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the various pending disputed statutory liabilities/ liabilities on account of lawsuits as the same are determinable only on receipt of judgments/decisions pending with various forums/authorities.</p> <p>Most of the issues of litigation pertaining to Central Excise/Sales Tax/Customs are based on interpretation of the respective Law & Rules thereunder.</p> <p>The Management believes that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities.</p> <p>-Fair Value { vide 3.j. Audit Qualifications):</p> <p>The company has not assessed the Fair Value of various Assets and Liabilities as per the requirement of Ind AS 103 "Fair Value Measurement".</p> <p>-Impairment of tangible Assets { vide 3.k. Audit Qualifications):</p> <p>The company has not reviewed the impairment of its tangible assets and other financial and nonfinancial assets as of March 31, 2024. Hence, no provision in the books of account has been made by the Company. The management believes that the Company will succeed to get Insurance Claims & MSEDCL claims as per the order of the apt authorities.</p> <p>iii. If management is unable to estimate the impact, reasons for the same: N.A.</p> <p>iv. Auditors comment on (i) & (ii) above: N.A.</p>
III	<p>Signatories For India Steel Works Limited</p> <p></p> <p>Varun S. Gupta (Managing Director)</p> <p></p>

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For India Steel Works Limited

S.P. Bhosale

Mr. Santosh P. Bhosale
(Audit Committee Chairman)

For India Steel Works Limited

N. Matkar

Mr. Nilesh Matkar
(Chief Financial Officer)

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

L.K. Kabra

CA Laxmikant Kabra
(M. No.: 101839)
(Statutory Auditor)



Place: Mumbai
Date:07-06-2024



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