



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

To,  
The Listing/ Compliance Department  
BSE Limited Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

Date: 06.09.2023.

Scrip: 513361

Dear Sir/Madam,

**Sub: Annual Report of the Company for the Financial Year 2022-23.**

**Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Please find enclosed herewith the Notice of the 36th Annual General Meeting (AGM) of the Company scheduled to be held on Friday, September 29, 2023 at 2:00 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) along with the Annual Report of the Company for the Financial Year 2022- 2023.

The AGM will be held without the physical presence of the Shareholders at a common venue.

Further, in accordance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depository Participants.

The aforesaid documents are also available on the website of the Company at [www.indiasteel.in](http://www.indiasteel.in)

Kindly take the same on record.

Thanking You,

Yours Faithfully,

**For India' Steel Works Limited**

  
**Dilip Maharana**  
**Company Secretary (ACS: 23014)**  
Encl.: As Above

**REGD. OFFICE & STEEL PLANT**

Zenith Compound Khopoli,  
Raigad - 410 203, Maharashtra, India  
T: +91 2192 265 812 F: +91 2192 264 061  
CIN: L29100MH1987PLC043186

**OFFICE**

304, Naman Midtown, Tower A,  
Senapati Bapat Marg, Elphinstone (W),  
Lower Parel, Mumbai - 400 013  
T: +91 22 62 304 304 F: +91 22 62 304 399

[info@indiasteel.in](mailto:info@indiasteel.in)  
[www.indiasteel.in](http://www.indiasteel.in)

# 36TH ANNUAL REPORT 2022-2023



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



**CORPORATE INFORMATION****CHAIRMAN**

Mr. Sudhir H. Gupta

**REGISTERED OFFICE**

Zenith Compound, Khopoli, Raigad-410203

**MANAGING DIRECTOR**

Mr. Varun S. Gupta

**WORKS**

Zenith Compound, Khopoli, Raigad – 410203

**NON-EXECUTIVE & NON-INDEPENDENT DIRECTORS**

Mr. Bimal Desai

Mrs. Priyanka V. Gupta (Up to 14.11.2022).

**CORPORATE OFFICE**

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

**NON - EXECUTIVE & INDEPENDENT DIRECTORS**

Mr. Santino Rocco Morea

Mr. Santosh P. Bhosale

Mr. Shivannad S. Bhalerao

Mrs. Saachi Madnani

Mr. Harpreet Baweja (Up to 6. 12.2022)

Mrs. Aastha Sharma (Up to 18.04.2022)

Mr. Karan Lamba (Up to 18.04.2022)

**BANKER**

Kotak Mahindra Bank Ltd

Dombivli Nagari Sahakari Bank Ltd

**WEBSITE**

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

**STATUTORY AUDITORS**

Laxmikant Kabra & Co LLP

Chartered Accountants

604, Centrum, Opp. Raila Devi Lake,

Near Satkar Grande Hotel, Wagle Estate, Thane West 400 604.

**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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**Contents**

<b>Particulars</b>	<b>Page No.</b>
Message to Shareholders.....	01
Management Discussion and Analysis .....	02
Directors' Report.....	06
Report on Corporate Governance .....	28
Standalone Independent Auditor's Report.....	55
Standalone Financial Statements .....	65
Standalone Notes on Financial Statements .....	69
Consolidated Independent Auditor's Report.....	108
Consolidated Financial Statements .....	115
Consolidated Notes on Financial Statements.....	121
Notice .....	158

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## MESSAGE TO SHAREHOLDERS

It gives me immense pleasure in presenting to you the 36th Annual Report of the Company and thanking you for your continued support to 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 2022-23 of Rs. 470.57 lakhs, the same in the last year was Rs. Rs.2,380.79 lakhs, so EBITDA has fallen to Rs. -1806.73 Lakhs. Net worth of the Company has reduced to Rs. 4854.78 Lakhs in F.Y. 2022-23 from Rs. 8567.20 Lakhs in previous year, due to closure of the manufacturing activities and loss suffered by the Company for the year ended 31st March, 2023. 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, with whom we have been working and further I shall appreciate the employees, workers and Unions, who have stood by the Company & I look forward to their continuous dedication and support in the future.

Place: Mumbai

Date: 14th August, 2023.

**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 2022-23. 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. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

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 / Indian Economy & Steel Industry

Global economy has been adversely affected due to multiple negative reasons within last 3-4 years causing global GDP growth to slow to estimated 3.4% in 2022 from 6.2% in 2021. Further Global GDP growth is estimated to fall from 3.4% in 2022 to 2.8% in 2023. These are due to geopolitical conflict between Russia & Ukraine started in February 2022, trade tension between US & China, rising inflation levels across major economies, sanctions & reverse sanctions etc. The rising global inflationary pressures led to rapid tightening of monetary policies across the advanced, emerging & developing economies.

Indian economy has shown a good performance ahead of many countries amid these global crisis. Indian economy is estimated to have grown by 6.8% in FY 2022 as against a growth of 8.2% in FY 2021 and emerged as one of the fastest growing major economies in the world. Yet, Indian economy faced numerous challenges in FY 2023 in terms of rising inflations, rise in commodity prices, depreciating rupee etc.

Global steel industry had gained a good recovery momentum in CY 2021 after the pandemic situation. However, growth in the year 2022 was hampered due to higher inflation, increasing interest rates, the Russian-Ukraine war, and China's Zero COVID 19 policy leading to repeated lockdowns, rising commodity prices, supply side bottlenecks etc.

Indian steel industry performed good comparing to global steel industry performance in 2022. Strong growth in infrastructure projects led by government, better inflation management and rising manufacturing activities helped steel output to grow by 5.8% in 2022 after a 17.9% growth in 2021.

Indian steel industry plays an important role in the economic growth of the country. Infrastructure projects led by government, increase in housing demand, auto sector coming back to pre-covid levels etc. is helping domestic steel demand to grow. Steel sector contributes around 2% to the GDP with current level of production and capacities. National Steel Policy of 2017 envisages India's steel production to reach at 300 Million tons by 2030 and thereby steel industry's contribution to the GDP is expected to rise further. Indian steel industry faced numerous challenges in FY 2022-23 due to global negative happenings. India has 76 Kg of per capita steel consumption as against a global average of 232 Kg. India's steel production is continuously increasing and the country is witnessing newer capacities being added every year. As per World Steel Association's short-range outlook published in April 2023, it is estimated that India's steel demand would grow at 7.3% & 6.2% in 2023 & 2024 respectively.

### Industry Structure and Developments:

Despite of the positive Indian economy, Steel Industry performance the Company's performance remain dissatisfactory during the Financial Year 2022-23. The products of the Company are Bright Bars, Wire Rods, Round Bars, Billets of different sizes which are manufactured at its Plant located at Zenith Compound, Khopoli, Raigad-410203. The billets are used for making wire rods & bars. The wire rods / bars are used as the material of gears, bolts, springs, bearings, cables and other basic components of safety-re- lated parts typically such as automobile engines, drive train systems and chassis etc. Non-availability of Working Capital, debt burden,



unaffordable cost of raw materials, overheads, manufacturing expenses and virtually no capacity utilization due to poor or non-availability of finance and market conditions have adversely affected the company's performance during the financial Year 2022-23. The Company also undertakes Job-work. But after June 2022, there are no Job-work during the Financial Year 2022-23. The manufacturing activities also stopped since June, 2022. There are continuous discussions with the workers union, lenders, potential investors and suppliers to revive the operations, which are still to be materialised.

**Opportunities and threats:**

For the reasons and facts as stated above in Industry Structure and Developments, the company has nothing to report under this head.

**Segment-wise Product-wise performance:**

The company has single business segment viz.. Manufacturing & Trading of Stainless Steel & Allied Products and hence segment-wise results have not been given.

**Outlook:**

In view of what has been stated in foregoing paragraphs, your Management perceives that the outlook of the Steel Industry in the subsequent financial years may improve subject to the effective and positive steps upon availing of finance and addressing issues that stuck the Company's working profitably. However, for the reasons and facts as stated above in "Industrial Structure & development" para, the company has nothing more to report under this head.

**Risks & Concerns:**

It is essential to correctly assess the risk so that the same can be mitigated before it becomes a possible threat. General risks, as are associated with statutory compliances, economy, financials, Government policies, market related, operational, products, safety and technology etc., The company is not immune from these risks.

Normally the Board reviews of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision-making process. However, in view of the reasons and facts as stated above in "Industrial Structure & development" para, the company has nothing to report under this head.

**Internal Control System and its Adequacy:**

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes are duly complied with. The Company has constituted an Audit Committee to monitor the adequacy and efficacy of internal control systems. The adequacy of these compliances and their effectiveness is subject to statutory audit and the same has been adequately reported by the Auditors in their report as required under the relevant provisions of the Companies Act, 2013. The Company also has an Internal Audit System.

**Discussions on financial performance with reference to operational Performance:**

During the Financial Year ended 31.03.2023, the Company's operational financial performance has been quite dissatisfactory. The Company's revenue from operations stood at Rs. 470.57 lacs (previous year Rs. 2,380.79 lacs) and the other income stood at Rs. 189.36 lacs (previous year Rs. 896.96 lacs) and hence the total income stood at Rs. 659.92 lacs (previous 3277.75 lacs).

The company has incurred a post tax net Loss of Rs. 3,595.80 lacs compared to (previous year Loss of Rs.5,066.99 lacs). The manufacturing activities of the Company has been stopped since June, 2022.

**Material Developments in HRD and industrial Relations Front:**

The Company recognizes the employees as the valuable assets. Developing, motivating, and retaining talented employees is a key responsibility and policy of the Company. As on 31st March 2023, the number of permanent employees in the Company are around 10 at various levels.



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

**(i) Standalone - FY 22-23**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.49	0.55
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.46	0.74
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-2.19	-5.09
Return on Equity Ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-53.58%	-45.86%
Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average Inventory	0.05	0.13
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	18.87	1.48
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.07	0.30
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.02	0.09
Net Profit Ratio (In %)	Net Profits After Taxes	Revenue from Operations	-764.14%	-212.83%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-6.82%	-15.73%
Net Worth Ratio (In %)	Net Profits After Taxes	Total Assets - Total Liabilities	-74.07%	-59.14%

**(ii) Consolidated - FY 22-23**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	0.49	0.55
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.46	0.74
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-2.19	-5.09
Return on Equity Ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-53.56%	-45.90%
Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average Inventory	0.05	0.13
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	18.87	1.48
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.07	0.30
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.02	0.09
Net Profit Ratio (In %)	Net Profits After Taxes	Revenue from Operations	-763.38%	-212.89%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-6.82%	-15.74%
Net Worth Ratio (In %)	Net Profits After Taxes	Total Assets - Total Liabilities	-74.03%	-59.20%



The significant changes in the ratios and net worth was mainly on account of losses. The continuing scarcity of working capital needs, closure of manufacturing activities 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 deviations if any 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.

**Cautionary Statements:**

This discussion and analysis have been provided with a view to enable shareholders with a better understanding of the performance of the Company. The Shareholders must read and understand the same with due understanding and necessary caution as they may be forward looking and prone to change in the dynamic economic environment and tax regime. In certain areas, if there is any discussion covering strategic decision and management expectations from the same, the same 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**

To the Members of India Steel Works Limited,

The Board of Directors of the Company is pleased to present the Thirty Sixth Annual Report, along with the financial statements of the Company, for the financial year ended March 31, 2023. A brief summary of the Company's standalone and consolidated performance is given below:

**1. FINANCIAL HIGHLIGHTS:**

The summarized financial results of the Company for the financial year 2022-23 are given hereunder:

(Amount Rs. In Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Sales including excise duty/Income including Job work operations	470.57	2,380.79	470.57	2,380.79
Operating Profit (EBITDA)	-1806.73	-5,237.28	-1808.15	-5,238.73
Finance Costs	822.32	789.70	822.33	789.70
Provision for Depreciation	747.58	755.17	747.58	755.17
Profit/(Loss) before tax & exceptional items	-3376.64	-6,782.15	-3378.06	-6,783.60
Exceptional Items	-219.35	1,715.16	-214.35	1,715.16
Current tax	0.20	0.00	0.20	0.00
Profit/(Loss) after tax	-3595.80	-5,066.99	-3592.21	-5,068.44
Items not to be classified to statement of				
Profit or Loss in subsequent years	-116.63	104.13	-116.63	104.13
Total comprehensive income	-3712.42	-4,962.86	-3708.84	-4,964.31

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

During the year under review, the gross revenue has reduced to Rs. 659.92 Lakh as against Rs. 3277.75 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. The manufacturing activities including job work of the Company has been closed since June, 2022. There are continuous discussions with the workers union, lenders, potential investors and suppliers to revive the operations.

**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, 2023, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date for the Financial Year 2022-23. The final dividend amounts to Rs. 75,513/- on total paid up preference shares inclusive of tax on distributed profits.

**6. SHARE CAPITAL:**

The Company's Authorised Share capital during the financial year ended March 31, 2023, remained at Rs.107,00,00,000/-



(Rupees One Hundred and seven crores) divided into 42,00,00,000 (Forty two crores) Equity Shares of ₹ 1/- (Rupee One) each and 6,45,00,000 (Six crores and Forty Five Lacs) Preference Shares of ₹ 10/- (Rupees Ten) each and unclassified shares of the value of ₹ 50,00,000 (Rupees Fifty Lacs). Increase in Authorised Share Capital pursuant to members approval at the Annual General Meeting held on 16th December, 2022 has not been effected due to pending submission of required forms with Ministry of Corporate affairs.

The Company's paid-up equity share capital remained at ₹. 3980.81 Lakh comprising ₹ 3980.81 Lakh equity shares of ₹ 1 each whereas the paid-up preference share capital of the Company for the financial year ending March 31, 2023 was ₹ 6,418.59 Comprising 20,00,000 14% Cumulative Redeemable Preference shares, 5,36,71,310 0.01% Cumulative Redeemable Preference shares of ₹.10/- each without voting rights & of 85,14,574 0.01% Cumulative Redeemable Preference shares (Option Series) of ₹10/- each without voting rights. The company is in the negotiations with the preference shareholders for revised terms of redemption.

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.

#### 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, 2023.

#### 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. As approved by the members in the Annual General Meeting held on 16th December, 2022, the Company is in process of closing the said subsidiary.

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. INDIA STEEL WORKS LIMITED (SINGAPORE BRANCH):

The Board has initiated procedures to close the branch office of the Company at Singapore effective 31st March, 2023 as there were no transactions since long. The Directors recommend the resolution in the notice of the Annual General Meeting to approve / ratify the closure.

#### 12. RELATED PARTY TRANSACTIONS:

The Company has made Related Party Transactions, as approved by the non- interested shareholders at the 35th Annual General meeting of the Company. Required disclosures are made in Form No. AOC-2 (**Annexure-B**).

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

Mr. Nilesh Matkar, Chief Financial Officer

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. Varun S. Gupta (DIN: 02938137) 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. Varun S. Gupta (DIN: 02938137) retires from office by Rotation, and being eligible, offers himself for reappointment. The Board re-commends the members his appointment as a Director of the Company liable to retire by rotation.

#### ii. Appointment of Mrs. Sachi Madnani (DIN: 05117360) as a Non-Executive, Independent Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, Mrs. Saachi Madnani (DIN: 10045589) was appointed as an Additional Director of the Company with effect from March 27, 2023 & the Shareholders of the



Company at the EOGM (EGM No. 1/2023-24) held on Friday, June 23, 2023, approved her appointment as an Independent Director of the Company not liable to retire by rotation.

**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.

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

During the year, Eight Board Meetings were convened and held. The details are given in the Corporate Governance Report. There was no Board Meeting held during the first quarter of the Financial Year 2022-23 viz. Quarter ended 30th June, 2022. 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. More details of the same are given in the Corporate Governance Report.

**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, 2023, 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, 2023 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:

### A. 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 for a continuous period of three years from the ensuing Annual General Meeting. 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:

#### 1. 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 pay off 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 qualified opinion.

#### 2. Basis for Qualified Opinion:

- a. Inventories amounting to ₹13,607.12 Lakhs have not been valued at lower of cost or Net realizable 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 ₹1,739.54 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 ₹1,257,65 lakhs, we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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, 2023.



- h. The company has not reviewed the impairment of its tangible assets and other financial and non- financial assets as of March 31, 2023. 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.

**Managements Reply:****1. Going Concern Concept :**

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.

**2. (a) Inventories amounting to ₹13,607.12 Lakhs have not been valued at lower of cost or Net realizable value:**

The inventories are stated at the lower of the Cost and net realisable value.

**(b) Company has not done physical verification or valuation of inventories:**

The inventories are stated at the lower of the Cost and net realisable value.

**(c) Company has shown insurance claim receivable amounting to ₹1,120.27 Lakhs:**

The management believes that the Company will succeed to get Insurance Claims

**(d) Confirmations of the balances of sundry creditors and debtors:**

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.

**(e) Documentary audit evidence in respect of Contingent liabilities:**

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

**(f) impact of various disputed statutory liabilities/ liabilities on account of lawsuits:**

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. Most of the issues of litigation pertaining to Central Excise/Sales Tax/Customs are based on interpretation of the respective Law & Rules thereunder. 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.

**(g) The company has not assessed the Fair Value of various Assets and Liabilities**

The company has not assessed the Fair Value of various Assets and Liabilities as per the requirement of Ind AS 103 "Fair Value Measurement".

**(h) impairment of its tangible assets and other financial and nonfinancial assets as of March 31, 2023.**

The company has not reviewed the impairment of its tangible assets and other financial and nonfinancial assets as of March 31, 2023. 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.

**B. 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 form MGT-7 for the financial year ended 31.03.2021 & 31.03.2022.
2. The Company has not filed form AOC-4 for the financial year ended 31.03.2022.
3. 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 and also at the AGM held on 16th December, 2022.

4. **The Company has not filed cost audit report CRA-4 for the financial year ended 31st March, 2021 & 31st March, 2022.**
5. **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 & Financial Year 2022-23.**
6. **There was no Board Meeting held during the quarter ended 30th June, 2022 as required under Secretarial Standard on Meetings of the Board of Directors (2.1)**
7. **The Company has not appointed Internal Auditor in the year 2022-23.**
8. **Delay in submission of Reconciliation of Share Capital Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018.**
  - (i) Reconciliation of Share Capital Audit Report for the Quarter ended 31/03/2022 was required to be submitted within 30 days of the end of quarter Viz. on or before 30/04/2022. Instead, it was submitted on 05/05/2022.
  - (ii) The Company did not submit Reconciliation of Share Capital Audit Report for the Quarter ended 30/06/2022 within 30 days of the end of quarter Viz. on or before 30/07/2022. It was submitted on 20/12/2022.
  - (iii) The Company did not submit Reconciliation of Share Capital Audit Report for the Quarter ended 30/09/2022 within 30 days of the end of quarter Viz. on or before 30/10/2022. It was submitted on 20/12/2022.
9. **Delay in submission of the Shareholding Pattern for the quarter ended 31st March, 2022, Quarter ended 30th June, 2022 & Quarter ended 30th September, 2022 under Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015.**
  - (i) The Shareholding Pattern for the quarter ended 31st March, 2022 should have been filed on or before 21/04/ 2022. However It was submitted on 3/05/2022. For the delay in submission BSE has levied penalty Rs. 28320 /-including GST. The Company has paid the penalty levied for the noncompliance.
  - (ii) The Shareholding Pattern for the Quarter ended 30th June, 2022 should have been filed on or before 21/07/2022. However It was submitted on 30/11/2022. The Company has paid the penalty levied for the noncompliance.
  - (iii) The Shareholding Pattern for the Quarter ended 30th September, 2022 should should have been filed on or before 21/10/2022. However It was submitted on 30/11/2022. The Company has paid the penalty levied for the noncompliance.
10. **Delay in submission of Certificate of practicing Company Secretary under Regulation 40 (9) of the SEBI (LODR) Regulations 2015.**

Certificate under Regulation 40 (9) of the SEBI (LODR) Regulations 2015 from Practicing Company Secretary for the year ended March 31, 2022 that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies etc., required to be submitted with Stock Exchange u/r 40(10) within 30days from the end of FY 31 03 2022 submitted on 05/05/2022.
11. **Delay in submission of Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ensuring all activities in relation to share transfer facility are maintained by Registrar to an issue and share transfer agent registered with the Board, was required to be submitted on or before 30 04 2022 was Submitted on 2 5 2022.
12. **There was no Board Meeting held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022.**

There was no Board Meeting held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022. However, there were more than four board meetings held during the calendar quarter with maximum interval of one hundred and twenty days between any two consecutive Meetings.



**13. Delay in submission of Annual audited financial results (Stand Alone & Consolidated) for the financial year, 31st March, 2022.**

Annual audited financial results (Stand Alone & Consolidated) for the financial year, 31st March, 2022 should have been submitted within sixty days from the end of the financial year i.e on or before 30.05.2022 Regulation 33(3)(d) of the SEBI (Listing Obligations & disclosures Requirements ) regulations ,2015. It was submitted on 29.07.2022. The Company has paid the penalty with GST.

**14. The intimation to hold board meeting held on 29.07.2022 to consider financial results for the fy 31.03.2022**

The intimation to hold board meeting held on 29.07.2022 to consider financial results for the fy 31.03.2022 should have been given on or before 23.07.2022. It was given on 28.07.2022. The Company has paid the penalty including GST.

**15. Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director within 3 months from date of the Vacancy or in the next board meeting which ever earlier.**

Mrs. Priyanka V. Gupta was appointed as Additional Women Director on the Board on 15.07.2022. Approval of Shareholders was not taken within 3 months of her appointment. She resigned on 14.11.2022. Vacancy Should be filled on or before the Board Meeting of the Company held on 14th February, 2023. Mrs. Sachi Madnani was appointed as Additional Women Director on the Board on 27.03.2023. Penalty was levied by the Stock exchange & paid by the Company with GST.

**Managements Reply:**

1. The Company is in process of filing form MGT-7 for the financial year ended 31.03.2021 & 31.03.2022.
2. The Company is in process of form AOC-4 for the financial year ended 31.03.2022.
3. The Company is in process of form SH-7 for increase in authorized share capital approved at the AGM held on 16th December, 2022 passed in supersession to the resolution passed at extra-ordinary general meeting of the Company held on 14.02.2022 .
4. The Company is in process of filing cost audit report CRA-4 for the financial year ended 31st March, 2021 & 31st March, 2022.
5. The Company is in process of filing Form CRA-2 for the appointment of cost Auditor to carry out cost Audit for the Financial Year 2021-22 & Financial Year 2022-23.
6. There was no Board Meeting held during the quarter ended 30th June, 2022 as required under Secretarial Standard on Meetings of the Board of Directors (2.1). The Company will apply for compounding of the offence with apt authorities in due course.
7. The Company is in process of filing form for the appointment of the internal Auditor.
8. Due to unavoidable reasons there was, inadvertently, a delay in submission of Reconciliation of Share Capital Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. for the (i) Quarter ended 31/03/2022 (ii) for the Quarter ended 30/06/2022 (iii) for the Quarter ended 30/09/2022.
9. Due to unavoidable reasons there was, inadvertently, a delay in submission of the Shareholding Pattern for the (i) quarter ended 31st March, 2022, (ii) Quarter ended 30th June, 2022 (ii) Quarter ended 30th September, 2022 under Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015.
10. Due to unavoidable reasons there was, inadvertently, a delay in submission of Certificate of practicing Company Secretary under Regulation 40 (9) of the SEBI (LODR) Regulations 2015.
11. Due to unavoidable reasons there was, inadvertently, a delay in submission of Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. Due to unavoidable reasons one Board Meeting could not be held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022. The Company will apply for compounding of the offence with apt authorities in due course.
13. Due to unavoidable reasons there was, inadvertently, a delay in submission of Annual audited financial results (Stand Alone & Consolidated) for the financial year, 31st March, 2022.
14. Due to unavoidable reasons intimation to hold board meeting held on 29.07.2022 to consider financial results for the fy 31.03.2022 was sent after due date.
15. There was a Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint





woman director within 3 months from date of the Vacancy or in the next board meeting which ever earlier, as there were no Woman Director available for the appointment. Mrs. Sachi Madnani was appointed as Additional Women Director on the Board on 27.03.2023 which was approved by the members at the EOGM held on 23 06 2023.

**C. COST AUDITORS & COST RECORDS:**

The Company is maintaining the Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. According to the Companies Act of 2013 and the Companies (Audit and Auditors) Rules of 2014, the Company need to appoint Cost Auditor to conduct cost audit, if the overall annual turnover of the company from all its products / services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product(s)/service(s) for which cost records are required to be maintained under the rule, is rupees thirty five crore or more. The total turnover of the Company, including other income, during the Financial Year ended 31 03 2022 was Rs.32.78 Crore and In the Financial Year ended 31 03 2023 was Rs. 6.60Crore. In view of the Company has not appointed any cost Auditor to conduct cost audit in the Financial Year 2023-24.

**D. BRANCH AUDITOR:**

The Company has branch outside India at Singapore. The Directors have initiated procedures to close the same as there are no transactions since long. In view of the same the Directors have not recommended for branch auditors appointment.

**E. 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 or 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 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, 2023 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 at [www.indiasteel.in](http://www.indiasteel.in) at investors section.

**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 2022-23.

**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) except holding of a board meeting during the first quarter ended 30th June, 2022.

**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, the Company has stopped its manufacturing activities. The Company has initiated negotiations with employees for settlement.

**38. GENERAL:**

- l) 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;
  - 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;
  - any change in the nature of business.
- (h) The Company has not made any application under Bankruptcy Code. 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	Rs.74,87,527/-	23-09-2021	Pending for final argument
2	Bench 1	CP(IB)4027/MB/2019	IFGL Refractories	Rs. 15,00,000/-	14-11-2019	Disposed Off on 06/09/2022



Sr No.	Bench No.	Case No.	Party Details	Claim Amount	Date of Filing	Status
3	Bench 4	CP(IB)1000/MB/2021	Kotak Mahindra Bank	Rs. 13,77,85,111/-	09-10-2021	Pending for Final Argument
4	Bench 1	CP(IB)3282/MB/2019	S. K. Traders	Rs. 11,62,198/-	11-09-2019	Disposed Off on 04/01 /2022
5	Bench 4	CP(IB)1085/MB/2021	Sai Petroleum	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. No next date is updated on website of NCLT till date of this report.
6	Bench 5	CP(IB) 1264/2022	Stecol Internaional Private Limited	Rs.1,16,47,874/-	05-11-2022	Next date is 29.08.2023 for filing reply

**II) INDUSTRIAL RELATIONS:**

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

**III) 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.

**IV) 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, cooperation and support.

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

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

Place: Mumbai

Date: 14th August, 2023

**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, 2023]

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	-7.24
5	Total Assets	3.52
6	Total Liabilities (excluding Share Capital and Reserves & Surplus)	5.76
7	Investments	-
8	Turnover	-
9	Profit/(Loss) before taxation	-1.42
10	Provision for taxation	0.00
11	Profit/(Loss) after taxation	-1.42
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  
(DIN: 02938137)

Place: Mumbai  
Date: 14th August, 2023

**Dilip Maharana**  
Company Secretary  
ACS: 23014

**Nilesh Matkar**  
Chief Financial Officer

**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 2022-23 the total transaction value of the contracts or arrangements are as under (Rs. In Lakhs): i) Purchases by the Company : Nil ii) Sale by the Company: Nil iii) Services by the Company: Nil iv) Job Work Expenses: Rs.0.81/-
(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)

Place: Mumbai

Date: 14th August, 2023

**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 2022-23 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.2.21/- iii) Services by the Company: Rs.7.98/- 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)

Place: Mumbai

Date: 14th August, 2023



**Annexure-C**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2023.**

[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.

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, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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, 2023, 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;

The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (not applicable to the Company during the Audit period);
- e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. (not applicable to the Company during the Audit period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (not applicable to the



Company during the Audit period);

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (not applicable to the Company during the Audit period);
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and
- (v) 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/ CFO. In our 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 observations herein after provided.

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 in general, except the followings:

1. **The Company has not filed form MGT-7 for the financial year ended 31.03.2021 & 31.03.2022.**
2. **The Company has not filed form AOC-4 for the financial year ended 31.03.2022.**
3. **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 and also at the AGM held on 16th December, 2022.**
4. **The Company has not filed cost audit report CRA-4 for the financial year ended 31st March, 2021 & 31st March, 2022.**
5. **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 & Financial Year 2022-23.**
6. **There was no Board Meeting held during the quarter ended 30th June, 2022 as required under Secretarial Standard on Meetings of the Board of Directors (2.1)**
7. **The Company has not appointed any internal Auditor in the year 2022-23.**
8. **Delay in submission of Reconciliation of Share Capital Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018.**





- i) Reconciliation of Share Capital Audit Report for the Quarter ended 31/03/2022 was required to be submitted within 30 days of the end of quarter Viz. on or before 30/04/2022. Instead, it was submitted on 05/05/2022.
  - ii) The Company did not submit Reconciliation of Share Capital Audit Report for the Quarter ended 30/06/2022 within 30 days of the end of quarter Viz. on or before 30/07/2022. It was submitted on 20/12/2022.
  - iii) The Company did not submit Reconciliation of Share Capital Audit Report for the Quarter ended 30/09/2022 within 30 days of the end of quarter Viz. on or before 30/10/2022. It was submitted on 20/12/2022.
- 9. Delay in submission of the Shareholding Pattern for the quarter ended 31st March, 2022, Quarter ended 30th June,2022 & Quarter ended 30th September,2022 under Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015.**
  - i) The Shareholding Pattern for the quarter ended 31st March, 2022 should have been filed on or before 21/04/ 2022. However It was submitted on 3/05/2022. For the delay in submission BSE has levied penalty Rs. 28320 /-including GST. The Company has paid the penalty levied for the noncompliance.
  - ii) The Shareholding Pattern for the Quarter ended 30th June,2022 should have been filed on or before 21/07/2022. However It was submitted on 30/11/2022. The Company has paid the penalty levied for the noncompliance.
  - iii) The Shareholding Pattern for the Quarter ended 30th September,2022 should should have been filed on or before 21/10/2022. However It was submitted on 30/11/2022. The Company has paid the penalty levied for the noncompliance.
- 10. Delay in submission of Certificate of practicing Company Secretary under Regulation 40 (9) of the SEBI (LODR) Regulations 2015.**

Certificate under Regulation 40 (9) of the SEBI (LODR) Regulations 2015 from Practicing Company Secretary for the year ended March 31, 2022 that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies etc., required to be submitted with Stock Exchange u/r 40(10) within 30days from the end of FY 31 03 2022 submitted on 05/05/2022.
- 11. Delay in submission of Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ensuring all activities in relation to share transfer facility are maintained by Registrar to an issue and share transfer agent registered with the Board, was required to be submitted on or before 30 04 2022 was Submitted on 2 5 2022.
- 12. There was no Board Meeting held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022.**

There was no Board Meeting held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022. However, there were more than four board meetings held during the calendar quarter with maximum interval of one hundred and twenty days between any two consecutive Meetings.
- 13. Delay in submission of Annual audited financial results (Stand Alone & Consolidated) for the financial year, 31st March, 2022.**

Annual audited financial results (Stand Alone & Consolidated) for the financial year, 31st March, 2022 should have been submitted within sixty days from the end of the financial year i.e on or before 30 05 2022 Regulation 33(3)(d) of the SEBI (Listing Obligations & disclosures Requirements ) regulations ,2015. It was submitted on 29 07 2022. The Company has paid the penalty with GST.
- 14. The intimation to hold board meeting held on 29 07 2022 to consider financial results for the fy 31 03 2022**

The intimation to hold board meeting held on 29 07 2022 to consider financial results for the fy 31 03 2022 should have been given on or before 23 07 2022. It was given on 28 07 2022. The Company has paid the penalty including GST.



**15. Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director within 3 months from date of the Vacancy or in the next board meeting which ever earlier.**

Mrs. Priyanka V. Gupta was appointed as Additional Women Director on the Board on 15.07.2022. Approval of Shareholders was not taken within 3 months of her appointment. She resigned on 14.11.2022. Vacancy Should be filled on or before the Board Meeting of the Company held on 14th February, 2023. Mrs. Sachi Madnani was appointed as Additional Women Director on the Board on 27.03.2023. Penalty was levied by the Stock exchange & paid by the Company with GST.

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

**Peer Review No. 1991/2022**

UDIN: **A025346E000629697**

Place: Mumbai

Date: 18th July, 2023



## Annexure-I

To,  
The Members,  
INDIASTEEL WORKS LIMITED

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

1. 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  
**Peer Review No. 1991/2022**  
UDIN: A025346E000629697  
Place: Mumbai  
Date: 18th July, 2023

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

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

	Particulars	2022-23	2021-22
<b>I</b>	<b>Power &amp; fuel Consumption</b>		
<b>a</b>	<b>Electricity:</b>		
	Purchase Units ('000 kwh)	2119	3887
	Total Amount ('000 Rs.)	54642	54233
	Average Rate/Unit (Rs./Kwh)	25.79	13.95
<b>b</b>	<b>Furnance Oil / CBFS / Diseal:</b>		
	Quantity (Kilo litres)	79	298
	Total Amount (in '000 Rs.)	3878	14623
	Average Rate (Rs./Ltre)	49.15	49.15
<b>c</b>	<b>Others</b>		
	<b>LDO :</b>		
	Total Amount (in '000 Rs.)	-	-
	<b>Gases:-</b>		
	Total Amount (in '000 Rs.)	-	604
<b>II</b>	<b>Consumption Per Unit Of Production</b>		
	<b>Electricity:</b>		
	Steel Billets	-	-
	Hot Rolled/Bars/rods	4058	991
	Cold Finish Bars	-	-
	<b>Furnance Oil / CBFS / Diseal:</b>		
	Steel Billets	-	-
	Hot Rolled/Bars/rods	153	113
	Cold Finish Bars	-	-

**(A) Technology absorption:**

NIL

**(B) 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)

Place: Mumbai

Date: 14th August, 2023

**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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and 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 2022-23 (Rs.in Lakh)	% increase in Remuneration in the Financial Year 2022-23 (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	6.77	--	4.48	Operating profit (EBITDA) decreased to Rs.1806.73 Lakh. There was a loss after tax Rs. 3595.80 Lakh.
2	Varun S. Gupta Managing Director	6.12	--	4.05	
3	Nilesh Matkar, (CFO)	4.08	--	2.70	
4	Dilip Maharana Company Secretary & Compliance Officer	3.0	--	1.98	

- (ii) The median remuneration of employees of the Company during the financial year was Rs.151107 p.a.
- (iii) In the financial year, there was no increase in the median remuneration of employees.
- (iv) There were 10 permanent employees on the rolls of Company as on March 31, 2023.
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2022-23 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)

Place: Mumbai

Date: 14th August, 2023

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

The Members

India Steel Works Limited

CIN: L29100MH1987PLC043186.

Regd. Off: India Steel Works Complex

Zenith Compound, Khopoli, Raigad-410203..

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 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>DIN</b>	<b>Name of the Director</b>
1	00010853	Mr. Sudhir H. Gupta
2	02938137	Mr. Varun S. Gupta
3	00872271	Mr. Bimal Desai
4	01642189	Mr. Santino Roco Morea
5	09263141	Mr. Shivanand S. Bhalerao
6	05117360	Mr. Santosh P. Bhosale
7	10045589	Mrs. Saachi Madnani

Compliance is the 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: 18/07/2023

UDIN: A025346E000629611

For Reena Modi & Associates

Practicing Company Secretary

Reena T. Parekh

Proprietor

ACS No.: 25346

C. P. No.: 12621

Peer Review No. : 1991/2022



## 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, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company.

#### 2.1 Criteria of Appointment in the Board:

The Nomination and Remuneration Committee select a candidate for appointment to the Board considering experience, positive attributes, independence, relationships, professional skills and personal qualities, related skills and competencies etc., required for the position.

#### 2.2 Appointment and Tenure of appointment of the Directors:

The Directors of the Company are appointed by the shareholders at General Meetings. All Executive & Non-Executive Directors are subject to retirement by rotation and at every Annual General Meeting, in accordance with the provisions of the Companies Act, 2013 and that of the Articles of Association of the Company. The Executive Directors on the Board serve in accordance with the terms of their appointment. The Independent Directors are not liable to retire by rotation as per the applicable provisions of the Companies Act, 2013.

#### 2.3 Number of Board Meetings and dates:

During the Financial year Eight Board Meetings were held on 15th July, 2022, 20th July, 2022, 29th July, 2022, 13th August, 2022, 20th September, 2022, 14th November, 2022, 14th February, 2023 and 27th March, 2023. The maximum gap between any two meetings was not more than 120 days. No Board Meeting was held during the Quarter ended 30th June, 2022.

#### 2.4 Board Composition, Category, attendance of the Directors and their Directorship and membership in other Companies:

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As of March 31, 2023, the Board of Directors comprised of 7 Directors as follows:

- (i) Two executive Directors (Promoters)
- (ii) One non-executive Director
- (iii) Four Non-Executive Independent Directors including one Woman Director, which is 57% of the total strength of the Board as against 50% stipulated by the SEBI LODR Regulations.

The categories of the 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 2022-23 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 ( Promoter Director & Father of Mr. Varun Gupta, Managing Director)	8	Yes	1	NIL
Mr. Varun S. Gupta (DIN: 02938137)	Managing Director Son of Mr. Sudhir H. Gupta, Executive Chairman.	7	Yes	1	Nil
Mr. Bimal Desai (DIN: 00872271)	Non-Executive & Non - Independent Director.	7	Yes	Nil	Nil
Mr. Santino Roco Morea ( DIN: 01642189)	Non-Executive & Independent Director.	8	No.	Nil	Nil
Mr. Harpreet Baweja (DIN: 02742525)	Non-Executive & Independent Director (Up to 6 12 2022)	6	No	Nil	Nil
Mr. Santosh P. Bhosale (DIN: 05117360)	Non-Executive & Independent Director (From 20.09.2022)	3	Yes	Nil	Nil
Mr. Shivannad S. Bhalerao (DIN: 09263141)	Non-Executive & Independent Director (From 20.09.2022)	3	Yes	Nil	Nil
Mrs. Sachi Madnani (DIN: 10045589)	Non-Executive & Independent Director(W.e.f.27.03.2023)	Nil	NA	Nil	Nil
Mr. Karan Lamba (DIN:06533079)	Non-Executive & Independent Director (Up to 18 04 2022)	Nil	NA	Nil	Nil
Mrs. Aastha Sharma (DIN: 06595976)	Non-Executive & Independent Director (Up to 18.04.2022)	Nil	NA	Nil	Nil
Mrs. Priyanka V. Gupta (DIN: 08057096)	Non-Executive Director ( Up to 14.11.2022) Spouse of Managing Director & Daughter in Law of the Executive Chairman.	4	NA	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.

#### **2.5 Material Pecuniary Relationship:**

During the Financial Year 2022-23, the Company did not have any material pecuniary relationship or transactions with the Non-Executive Directors of the Company, except payment of Director's sitting fees. Further, the Directors have not entered into any contracts with the Company or its subsidiary, which give rise to material conflict with the interest of the Company.

#### **2.6 Number of shares and convertible instruments held by Non-Executive Directors:**

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

#### **2.7 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.

#### **2.8 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.

#### **2.9 Terms and conditions of appointment of Independent Directors:**

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the Company's website [www.iswl.in](http://www.iswl.in) investors relations section.

#### **2.10 Resignation of Independent Directors:**

The Independent Directors, who resigns before expiry of their term, should inform the reasons of their resignations viz. for their personal reasons or for any other material reasons. Mr. Karan Lamba, Mrs. Aastha Sharma, Mr. Harpreet Baweja all Non-Executive Independent Directors & Mrs. Priyanka V. Gupta, Non-Executive Director have resigned during the financial year. The Independent Directors, before expiry of their term, have resigned for their personal reasons and there were no other material reasons other than those personal reasons. Their confirmation to this effect, as and when received by the Company, have been informed to the Stock Exchange.

**2.11 Lead Independent Director:**

Mr. Santosh P. Bhosale (DIN: 05117360) is the Lead Independent Director appointed by the Board in its meeting held on 20.09.2022. 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.

**2.12 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 [www.indiasteel.in](http://www.indiasteel.in) at investor relations section and the weblink of the same is:

[http://www.indiasteel.in/pdfs/2022-2023/Familiarisation\\_Programme\\_2022-23.pdf](http://www.indiasteel.in/pdfs/2022-2023/Familiarisation_Programme_2022-23.pdf)

**2.13 Confirmation of the independence criteria by the Independent Directors:**

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and that they are Independent of the management. In terms of Regulation 25(8) of SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have declared that they have complied with Rule 6(1) and (2) of the Companies (Appointment of Directors) Rules, 2014.

**2.14 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, 2023, 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.

**2.15 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.

**2.16 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



Skills, competencies	Description	Name of the Director possessing such skill/ expertise
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. 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 Mrs. Priyanka V. Gupta
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. Shivannad S. Bhalerao Mrs. Priyanka V. Gupta
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 Mr. Santosh P. Bhosale Mrs. Sachi Madnani

### 3. Audit Committee:

As of 31.03.2023, the Audit Committee comprises of five Non-Executive Directors, out of which four are Independent Directors and one non-executive Director. Mr. Santosh P. Bhosale is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

#### 3.1 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 :

- Review of Company's financial reporting process and the disclosure to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.
- 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.
- Statutory compliance and legal requirements.
- 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.



- f) Reviewing and monitoring the auditor's independence, their performance and effectiveness of audit process.
- g) Scrutinizing inter-corporate loans and investments.
- h) Evaluating internal financial controls and risk management systems.
- i) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit function.
- j) 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.
- k) Discussion with external Auditor in respect of pre and post audit matters to ascertain any area of concern.
- l) Modified opinion (s) in the draft audit report.
- m) Reviewing the functioning of Whistle Blower Mechanism.

### 3.2 Meetings and attendance during the year:

During the year, Seven Audit Committee Meetings were held on 15th July, 2022, 20th July, 2022, 29th July, 2022, 13th August, 2022, 14th November, 2022, 14th February, 2023 and 27th March, 2023. No Audit Committee Meeting was held during the first quarter ended 30.06.2022. 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)	Member ( Chairman up to 20.09.2022 )	7
Mr. Santosh P. Bhosale (Non-Executive Independent Director)	Chairman (from 20.09.2022)	3
Mr. Harpreet Baweja (Non-Executive Independent Director)	Member (up to 6.12.2022)	5
Mr. Bimal Desai (Non-Executive Non-Independent Director)	Member	7
Mr. Shivannad S. Bhalerao (Non-Executive Independent Director)	Member (from 20.09.2022)	3
Mrs. Sachi Madnani Non-Executive Independent Director	Member ( from 27.03.2023)	Nil
Mr. Karan Lamba Non-Executive Independent Director	Member (up 18.04.2022)	Nil
Mrs. Aastha Sharma Non-Executive Independent Director	Member (up 18.04.2022)	Nil

### 4. 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 a "Nomination and Remuneration Committee".



**4.1 No. of Meetings: During the financial year 2022-23, the Nomination & Remuneration Committee met four times on 15th July,2022, 20th September,2022, 14th November,2022 27th March, 2023.**

The composition of the Nomination and Remuneration Committee & the attendance of the members are as follows:

Name / category of the Director	Status	No. of meetings attended
Mr. Harpreet Baweja (Non-Executive Independent Director)	Chairman, (up to 20. 09. 2022)	3
Mr. Shivannad S. Bhalerao Non-Executive Independent Director	Chairman, (from 20. 09. 2022)	2
Mr. Santosh P. Bhosale (Non-Executive Independent Director)	Member, (from 20. 09. 2022)	2
Mr. Santino Roco Morea(Non-Executive Independent Director)	Member,	4
Mr. Bimal Desai (Non-Executive & Non-Independent Director)	Member	4
Mr. Karan Lamba (Non-Executive Independent Director)	Member, (up to 18 04 2022)	Nil
Mrs. Aastha Sharma (Non-Executive Independent Director)	Member, (up to 18 04 2022)	Nil
Mrs. Sachi Madnani (Non-Executive Independent Director)	Member (from 27 03 2023)	Nil

**4.2 The terms of reference of the Nomination and Remuneration Committee:**

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.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- 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;
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- Assessing the independence of Independent Directors etc.

**4.3 Performance Evaluation Criteria for Independent Directors:**

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) as Approved & amended by the Board. This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR) Regulations, as amended from time to time.



The Company adopted the following criteria to carry out the evaluation of Independent Directors, in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations:

The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance. In addition, the evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, which shall include:

- a) Performance of the directors; and
- b) Fulfilment of the independence criteria as specified in 16(1)(b) of SEBI (LODR) Regulations and their independence from the management.

This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director. The Evaluation process of Independent Directors and the Board are:

- Each Board member is encouraged to rate his / her Peer's personal contribution/performance/conduct as a director with reference to a questionnaire.
- In the Overall Board and Committees' Performance Evaluation, each Board member will be asked to provide inputs on questions designed to elicit responses from the directors.
- The performance of the Chairperson of the Company shall be reviewed after taking into account the views of executive and non-executive directors on the Board with reference to a questionnaire. Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Chairman's Office or to the Company Secretary or the Board nominee or an External Consultant, as may be informed.

The Chairman's Office or the Board nominee or the Consultant will tabulate the results of the evaluation and the Report would be presented at the meeting of the Independent Directors, NRC and to the Board.

The Chairman of the Board will have one to one discussion with the majority of Directors on the functioning of the Board and its Committees, attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

Apart from the above, the Nomination Remuneration Committee (NRC) will carry out an evaluation of every director's performance and would review the Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments, and removal of the non-performing Directors of the Company.

#### **4.4 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 up to 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.

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

- a. 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.
- b. 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) at investors relations section. The web link is: [http://www.indiasteel.in/pdfs/Nomination\\_\\_Remuneration\\_Policy.pdf](http://www.indiasteel.in/pdfs/Nomination__Remuneration_Policy.pdf)

**vii. Details of remunerations / sitting fees paid to the Directors during the financial year 2022-23:**

Name of the Director	Salary & Perquisites Rs.in Lacs	Contribution to PF	Commission	Sitting Fees Rs. in Lacs
Mr. Sudhir H. Gupta	6.77	Nil	Nil	Nil
Mr. Varun S. Gupta	6.12	Nil	Nil	Nil
Mr. Bimal Desai	Nil	Nil	Nil	1.20
Mr. Santino Roco Morea	Nil	Nil	Nil	1.20
Mr. Harpreet Baweja	Nil	Nil	Nil	0.90
Mr. Shivanand S. Bhallerao	Nil	Nil	Nil	0.45
Mr. Santosh P. Bhosale	Nil	Nil	Nil	0.45

**5 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.

**5.1 Terms of reference of the Stakeholders Relationship Committee:**

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;

**5.2 No of Meetings :**

Four meetings were held during the year i.e. on 15th July,2022, 14th November,2022, 14th February,2023, 27th March,2023.

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 Director)	Chairman	4
Mr. Harpreet Baweja Non-Executive Independent Director	Member (Up to 6. 12. 2022)	2
Mr. Santino Roco Morea (Non-Executive Independent Director)	Member	4
Mr. Shivanand S. Bhalerao (Non-Executive Independent Director)	Member (From 20 09 2022)	3
Mr. Santosh P. Bhosale (Non-Executive Independent Director)	Member (From 20 09 2022)	3
Mrs. Saachi R. Madnani(Non-Executive Independent Director)	Member (From 27 03 2023)	Nil
Mr. Karan Lamba (Non-Executive Independent Director)	Member (Up to 18.04.2022)	Nil
Mrs. Aastha Sharma (Non-Executive Independent Director)	Member (up to 18.04.2022)	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





During the year 2022-23, there were no dematerialization requests pending for more than 30 days as on 31st March, 2023.

### 5.3 Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2023	: Nil
Number not solved to the satisfaction of Shareholders	: 0
No. of pending Complaints as on 31.03.2023	: 0
None of the Complaints were pending for a period exceeding 30 days	: Not applicable

### 6. 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:

Name of the Director	Status	Contact Details
Mrs. Sareeta Kamble (From 1.02.2023)	Accounts Assistant Member	skamble@iswl.in
Mr. Manish Sawardekar (From 1.06.2023)	Manager, Accounts Member	msawardekar@iswl.in
Mrs. Geeta Armerkar ( Up to 31.01.2023)	Export Manager, Member	geeta@indiasteel.in
Milind Ghumare (Up to 31.05.2023 )	Vice President Exports, Member	milind@indiasteel.in
Mrs. Jayasree Padikkal Varriam (Up to 31.05.2023)	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:

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

### 7. Management Committee:

Board of Directors has formed the Management Committee comprising Mr. Sudhir H. Gupta, Executive Chairman as the Chairman, Mr. Varun S. Gupta, Managing Director 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.

### 8. 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.

#### 8.1 Terms of reference of the Committee:

- To formulate and recommend the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended.
- To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and attribute reasons for short comings in incurring expenditures.
- To monitor the CSR policy of the Company from time to time; and
- To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.

No meeting was held during the year 2022-23. The committee comprises the following directors as on 31.03.2023.

Name / category of the Director	Status
Mr. Bimal Desai (Non-executive & Non-Independent Director)	Chairman
Varun S. Gupta (Executive Director)	Member
Mr. Shivanand S. Bhalerao (Non- Executive Independent Director)	Member (From 20.09.2022)
Mr. Santosh P. Bhosale (Non- Executive Independent Director)	Member (From 20.09.2022)
Mr. Harpreet Baweja (Non-Executive Independent Director)	Member ( Up to 6.12.2022)
Mr. Santino Roco Morea (Non-Executive Independent Director)	Member ( Up to 6.12.2022)
Mr. Karan Lamba (Non-Executive Independent Director)	Member (Up to 18 04 2022)
Mrs. Aastha Sharma (Non-Executive Independent Director)	Member (Up to 18 04 2022)

#### 9. General Body Meetings

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

AGM	Date	Location	Time	Special Resolutions Passed
35th AGM	16.12.2022	Deemed Venue 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>Appointment of Mr. Santosh P. Bhosale (DIN: 05117360) 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.</li> <li>Appointment of Mr. Shivanand S. Bhalerao (DIN: 09263141) as a Non-Executive,</li> </ol>



AGM	Date	Location	Time	Special Resolutions Passed
				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.
34th AGM	28.12.2021	Deemed Venue 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>1. Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as the Chairman of the Company.</li> <li>2. Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as a Whole-time Director designated as "Executive- Chairman".</li> <li>3. Approval of arrangements / transactions with related Parties.</li> </ol>
33rd AGM	17.12. 2020	Deemed Venue 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)	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. Approval of arrangements / transactions with related Parties.</li> </ol>

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)	Nil
EOGM No.01/2022-23	23.06.2023	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)	Appointment of Mrs. Sachi Madnani (DIN:10045589) as independent Director for consecutive period of five years i.e from March 27, 2023 to March 26, 2028 (both days inclusive), not liable to retire by rotation.

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

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

**d. Details of special resolution proposed to be conducted through postal ballot:**

The Special Business, vide Item no.5 of the Notice to approve sale of the whole or substantially whole of the business of the Company, proposed to be transacted at the ensuing Annual General Meeting, scheduled to be held on September, 28, 2023 ('AGM'), requires passing of a Special Resolution through Postal Ballot.

**10. 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>.
- (ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) for non-compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Financial Year 2020-21			
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. (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 freezed. The company has complied with the provision and also paid as fine to BSE. The Demat Accounts of the Promoters were defreezed later.
Financial Year 2021-22			
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.



Financial Year 2022-23			
1	BSE Limited (BSE)	Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company is required to furnish Quarterly Reconciliation of Share Capital Audit Report within 30 days of the end of that quarter to the Exchange. It was submitted with the Stock Exchange on 05/05/2022.	The Company received an email dtd. 05/05/2022 about the non-compliance and cautioned to submit the Reconciliation of Share Capital Audit Report in XBRL and in PDF format for the quarter ended March 31, 2022 at the earliest, failing which action pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 had to be initiated.
2	BSE Limited (BSE)	Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission of shareholding pattern within twenty one days from the end of March 2022 quarter i.e on or before 21/04/2022. It was submitted on 3/05/2022.	For the delay in submission BSE has levied penalty Rs. 28320 /-including GST. The Company has paid the penalty levied for the non-compliance.
3	BSE Limited (BSE)	Certificate under Regulation 40 (9) of the SEBI (LODR) Regulations 2015 from Practicing Company Secretary for the year ended March 31, 2022 required to be submitted with Stock Exchange u/r 40(10) within 30 days from the end of FY 31 03 2022. It was submitted on 05/05/2022.	Mail was received to submit the certificate at the earliest.
4	BSE Limited (BSE)	Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was required to be submitted on or before 30 04 2022 was Submitted on 2 5 2022.	Mail was received to submit the certificate at the earliest.
5	BSE Limited (BSE)	There was no Board Meeting held during the calendar quarter i.e period from 01.04.2022 to 30.06.2022.	BSE levied penalty Rs.11800 /-including GST. The Company has paid the penalty levied for the non-compliance.
6	BSE Limited (BSE)	Annual audited financial results (Stand Alone & Consolidated) for the financial year, should have been submitted within sixty days from the end of the financial year i.e on or before 30 05 2022 submitted on 29 07 2022.	BSE levied penalty Rs.318000 /-including GST. The Company has paid the penalty levied for the non-compliance.
7	BSE Limited (BSE)	The intimation to hold board meeting held on 29 07 2022 to consider financial results for the fy 31 03 2022 should have been given on or before 23 07 2022. It was given on 28 07 2022.	BSE levied penalty Rs.11800 /-including GST. The Company has paid the penalty levied for the non-compliance.



Financial Year 2022-23			
7	BSE Limited (BSE)	The intimation to hold board meeting held on 29 07 2022 to consider financial results for the fy 31 03 2022 should have been given on or before 23 07 2022. It was given on 28 07 2022.	BSE levied penalty Rs.11800 /-including GST. The Company has paid the penalty levied for the non-compliance.
8	BSE Limited (BSE)	Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission of shareholding pattern. within twenty one days from the end of June 2022 quarter i.e on or before 21/07/2022. It was submitted on 30/11/2022.	BSE levied penalty Rs. 3,11,520/- /-including GST. The Company has paid the penalty levied for the non-compliance.
9	BSE Limited (BSE)	Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission of shareholding pattern. within twenty one days from the end of September 2022 quarter i.e on or before 21/10/2022. It was submitted on 30/11/2022.	BSE levied penalty Rs. 94400 /- including GST. The Company has paid the penalty levied for the non-compliance.
10	BSE Limited (BSE)	Reconciliation of Share Capital Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. for the Quarter ended (i) 30/06/2022 was required to be submitted within 30 days of the end of quarter Viz. on or before 30/07/2022. Instead, it was submitted on 20/12/2022. (ii) 30/09/2022 was required to be submitted within 30 days of the end of quarter Viz. on or before 30/10/2022. Instead, it was submitted on 20/12/2022.	Mail was received to submit the certificate at the earliest.
11	BSE Limited (BSE)	The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Mrs. Priyanka V. Gupta was appointed as Additional Women Director on the Board on 15.07.2022. Approval of Shareholders was not taken. However She had resigned.	Caution mail was received.



Financial Year 2022-23			
12	BSE Limited (BSE)	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director within 3 months from date of the Vacancy or in the next board meeting which ever earlier. Mrs. Priyanka V. Gupta resigned on 14.11.2022. Vacancy Should be filled on or before the Board Meeting of the Company held on 14th February, 2023. Mrs. Priyanka V. Gupta resigned on 14.11.2022. Vacancy Should be filled on or before the Board Meeting of the Company held on 14th February, 2023.	BSE levied penalty Rs.241900/- including GST. The Company has paid the penalty levied for the non-compliance.

- (ii) 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.
- (iii) The Company has a formal system of internal control which examines reliability of financial and operational information and all statutory/ regulatory compliances.
- (iv) 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](http://www.indiasteel.in) at investors relations section. The weblink is : <http://www.indiasteel.in/pdfs/Vigil-Mechanism-Policy-Whistle-Blower-Mechanism.pdf>
- (v) 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. 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 etc.
- (vi) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year 2022-23.
- (vii) The Company has no material subsidiary.
- (viii) Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report





along with relevant annexures, Auditor's Report and other important information is circulated to members and others entitled thereto. The Corporate Governance Report, Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

(ix) The details of the equity shares of the Company held by the Directors & KMP as on 31st March, 2023 are as under:

Mr. Sudhirkumar H. Gupta (Executive Chairman)	- 8945550
Mr. Varun S. Gupta (Managing Director)	- 654800
Mr. Nilesh Matkar (Chief Financial Officer)	- 100

#### 11. General Shareholders Information:

**Annual General Meeting:** Friday, 29th September, 2023 at 2:00 p.m (IST)

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

**A. Financial Year:** April 01, 2022 to March 31, 2023.

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

- Date of Book Closure : Saturday, 23rd September 2023 to 29th September, 2023 (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, 2023 shall be deposited into the account of the shareholders by 27th October, 2023.

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

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

**E. Stock Code:**

1. ISIN: INE072A01029
2. The Stock Exchange, Mumbai: 513361

**F. Registrar & Share Transfer Agents**

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

Link Intime India Private 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)

**G. Compliance Officer :**

Mr. Dilip Maharana

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

**H. Share Transfer System:**

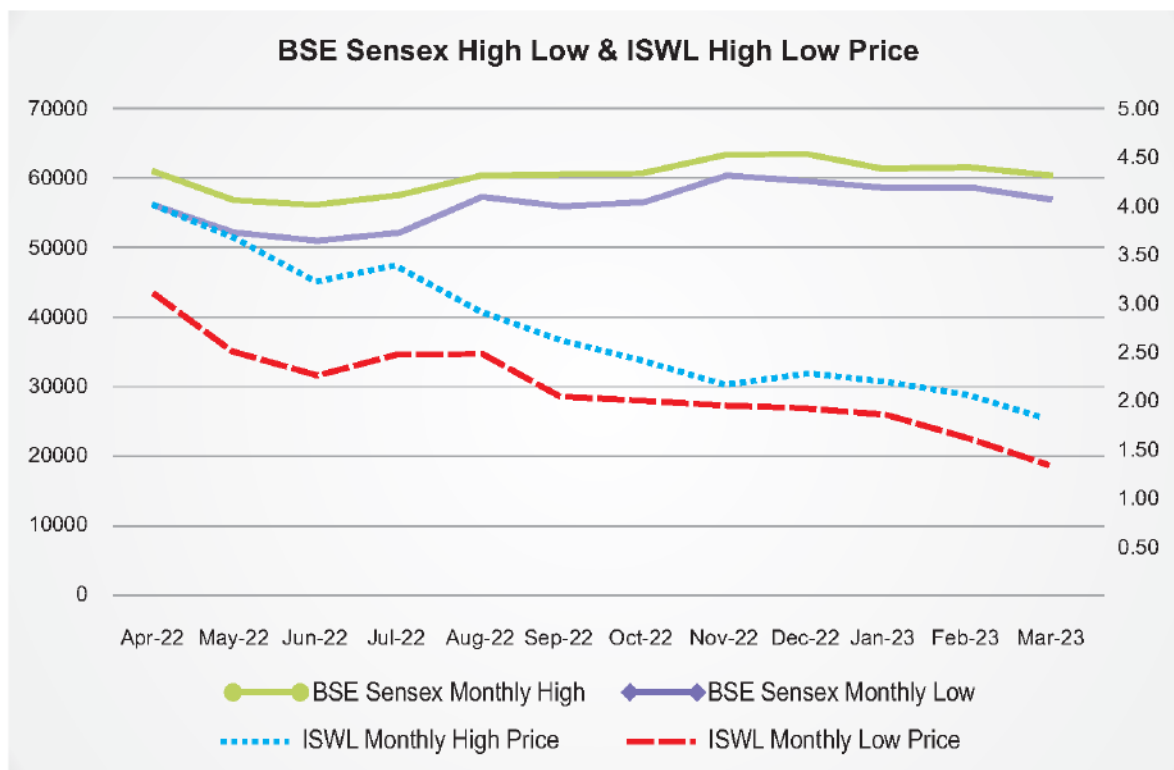
Share Transfers in physical forms can be lodged with Link Intime India Pvt Ltd. The transfers are normally processed within a period of 15 days from the date of the receipt if the documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given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



**I. Market Price Data:**

The monthly high/low market price of the shares during the year 2022-23 on BSE Limited are as under:

Month	High	Low	No. of Shares
Apr-22	4.08	3.09	58,07,296
May-22	3.66	2.46	52,56,554
Jun-22	3.22	2.26	32,85,407
Jul-22	3.39	2.46	34,26,588
Aug-22	2.91	2.5	32,87,411
Sep-22	2.63	2.04	39,03,371
Oct-22	2.40	2.00	21,23,828
Nov-22	2.15	1.95	26,67,283
Dec-22	2.25	1.92	38,81,252
Jan-23	2.19	1.84	25,54,886
Feb-23	2.02	1.63	23,75,317
Mar-23	1.80	1.35	52,40,097



**J. Distribution of shareholding based on nominal value as on 31st March, 2023:**

SR.NO.	SHAREHOLDING OF SHARES	SHAREHOLDERS	% OF TOTAL	TOTAL SHARE	% OF TOTAL
1	1 to 500	28017	68.54	4274356	1.07
2	501 to 1000	4698	11.49	4049493	1.02
3	1001 to 2000	3168	7.75	4999350	1.26
4	2001 to 3000	1401	3.43	3656605	0.92
5	3001 to 4000	615	1.5	2220218	0.56
6	4001 to 5000	816	2	3941657	0.99
7	5001 to 10000	1108	2.71	8558798	2.15
8	10001 to ****	1055	2.58	366380448	92.04
	Total	40878	100	398080925	100

**K. Shareholding Pattern**

Category Code	As on 31. 03. 2022			As on 31. 03. 2023		
	No. of Holders	No of Shares	% of holding	No. of Holders	No of Shares	% of holding
Promoters & Promoters Group	15	199470439	50.11	15	199470439	50.11
Mutual Fund	3	3600	0.00	3	3600	0.00
Financial Institutions / Banks	5	5001550	1.26	5	5001550	1.26
Foreign Financial Institution	4	14800	0.00	4	14800	0.00
Foreign Bank	1	260000	0.07	1	260000	0.07
Central Government / State Government(s)	1	15000	0.00	0	0	0.00
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	40595	58202330	14.62	39686	58114729	14.60
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	15	13171581	3.31	16	13039481	3.28
Hindu Undivided Family	295	1661909	0.42	289	1723567	0.43
Foreign Companies						0.00
Metal Industriail Pte Ltd	1	90458196	22.72	1	90458196	22.72
Tb Investments Ltd	1	27000000	6.78	1	27000000	6.78
Non Resident Indians	128	1110087	0.28	119	975167	0.24
Body Corp-Ltd Liability Partnership	2	86000	0.02	2	85997	0.02
Clearing Member	25	198221	0.05	6	670447	0.17
Bodies Corporate	127	1427212	0.36	120	1262952	0.32
<b>Total</b>	<b>41218</b>	<b>398080925</b>	<b>100</b>	<b>40268</b>	<b>398080925</b>	<b>100.00</b>

**L. 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, 99.73% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2023. The Company's shares are traded on the Stock Exchange, Mumbai.

**M. 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

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

The Financial year covers the period from April 01, 2023 to March 31, 2024. Financial Reporting:

Quarter ending June 30, 2023	Up to August 14, 2023.
Half Year ending September 30, 2023	Up to November 14, 2023.
Quarter ending December 31, 2023	Up to February 14, 2024.
Year ending March 31, 2024	Up to May 30, 2024.
Annual General Meeting for the year ended March 31, 2024.	Up to September 30, 2024

**O. 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](http://www.indiasteel.in) apart from filing the same to BSE for publishing the same on their website.

**P. 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](mailto:cosec@indiasteel.in) Website: [www.indiasteel.in](http://www.indiasteel.in)

**Q. 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 the non-compliances as 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. The Company's financial results are published in the newspapers and also posted on its own website.
3. The Company has a separate post of Chairman and CEO.

**R. 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

**S.** To enhance ease of doing business for investors in the securities market, SEBI, vide Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 03.11.2021 & SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/ CIR/2021 /687 dated 14.12.2021, had prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. The norms/procedural requirements for processing service requests of investors have been further modified for providing ease to the Investors vide SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated, March 16, 2023:

1. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities – In continuation with the erstwhile circular, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and specimen signature for their corresponding folio numbers. However, now shareholders can do KYC for multiple corresponding folios through one KYC.
2. Freezing of Folios without PAN, KYC details and Nomination - The folios wherein KYC is not available on or after 01.10.2023, shall be frozen by the RTA. SEBI has provided relaxation in date to the physical shareholders and extended KYC completion date from 01.04.2023 to 01.10.2023. Further, the security holder(s) whose folio(s) have been frozen shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing KYC. For any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from 01.04.2024. Frozen folios shall be referred by the RTA/ listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31.12.2025.
3. Attestation of documents - Self-attested copies of documents will be accepted by the RTA for processing of service requests, unless otherwise prescribed in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder.
4. Indemnity - For any service request except transmission and request for issuance for duplicate security certificates, indemnity shall not be required unless the same is specifically provided in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder.
5. KYC details across all folios of the holder, maintained by the RTA - RTAs shall update the PAN and KYC details across all the folios of the holder managed by it and details which are already available with the RTA are to be overwritten, upon specific authorization for the same from the holder, as provided in Form ISR-1. All objections by RTA in one instance - while processing service requests and related complaints, the RTAs shall raise all objections, if any, in one instance only. The additional information may be sought only in case of any deficiency / discrepancy in the documents / details furnished by the security holder.

**T. Green Initiative for Paperless Communications:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the ministry allows public at large to contribute to the green movement. Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the Members to the Depositories or to the Company.

This is also an opportunity for every shareholder of JSW Steel Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar LinkIntime India Pvt Ltd or downloaded from the Company's website [www.indiasteel.in](http://www.indiasteel.in) under the section "Investors", and register the same with the Company's Registrar.

**U. Nomination Facility:**

Pursuant to the provisions of the Companies Act, 2013, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to the Company's Registrar, Registrar LinkIntime India Pvt Ltd. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar,

**V.** There are no cases where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2022-23.

**W.** Total fees for all services approved by the Company and its subsidiary on a consolidated basis, to the statutory auditor is provided in the Financial Report.

**X.** Loans and advances by Company or its subsidiaries to firms/companies in which Directors are interested: Nil

**12. Corporate Ethics:**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and ISWL Code of Conduct to Regulate, Monitor and Report Trading by Insiders as detailed below has been adopted pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**(a) 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.

**(b) 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) under 'Investors Relations' section. 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, 2023.



A declaration to that effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

**(c) Compliance Certificate by Managing Director & CFO:**

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, 2023 and the same was placed before the Board of Directors at their meeting held on 18th July, 2023.

**(d) Compliance Certificate by Practicing Company Secretary:**

The Company has obtained a certificate from the Secretarial Auditor pursuant to the provisions of Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations which is annexed herewith.

**(e) Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations which is annexed herewith.

For and on behalf of the Board of Directors of

**INDIA STEEL WORKS LIMITED**

**Sudhir H. Gupta**

Executive Chairman

(DIN: 00010853)

Place: Mumbai

Dated: 14th August, 2023.



## 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

**INDIA STEEL WORKS LIMITED**

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

**Nilesh R. Matkar**  
Chief Financial Officer

Place: Mumbai

Dated: 14th August, 2023.

## COMPLIANCE CERTIFICATE

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

We, Varun S. Gupta Managing Director & Nilesh Matkar 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.
  3. 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.
- B. 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.
- C. We have indicated to the auditors and the Audit committee:
1. significant changes, if any, in internal control over financial reporting during the year;
  2. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  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

**INDIA STEEL WORKS LIMITED**

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

**Nilesh R. Matkar**  
Chief Financial Officer

Place: Mumbai

Dated: 14th August, 2023.



**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, 2023, 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, 2023 except for the matters stated below.

There was no board meeting held in the 1st Quarter ended 30th June, 2022. There was also a delay in the appointment of women Director during the year under review. The company has delayed in submissions with Stock Exchanges such as delay in submission of Financial Results for the quarter & year ended 31st March 2022, Shareholding Pattern under Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 & Reconciliation of Share Capital Audit Report for the quarter ended 31st March 2022, 30th June, 2022, 30th September 2022 with the Stock Exchange.

The company has delayed conducting AGM for the FY 2021-22 within the due date as specified under Companies Act 2013. However, an extension for the same was granted to the company by relevant authorities.

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: 18 July, 2023

UDIN: 23101839BGZHYL5721

CA Lakshmikant Kabra  
Partner  
Membership No. 101839



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

**INDIA STEEL WORKS LIMITED**

**Report on the Audit of the Standalone Ind AS Financial Statements**

### Qualified Opinion

We have audited the standalone financial statements of **INDIA STEEL WORKS LIMITED** (Hereinafter referred to as company), which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in basis of qualified opinion and emphasis of matter paragraph, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the company as at 31 March 2023, of its standalone profit and other comprehensive income, standalone changes in equity and standalone cash flows for the year then ended.

### 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 qualified opinion.

### Basis for Qualified Opinion

- a. Inventories amounting to ₹13,607.12 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 ₹1,739.54 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 ₹1,257.65 lakhs, we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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, 2023.
- h. The company has not reviewed the impairment of its tangible assets and other financial and non-financial assets as of March 31,



2023. 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.

#### **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. During the year under consideration, we do not have any key audit matters to report.

#### **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, 2023.
- 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".

#### **Other Information**

The 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 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 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 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 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 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, emphasis of matter paragraph, 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) With reference to matters stated in basis of qualified opinion and going concern paragraph, in our opinion, the aforesaid financial statements do not 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, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" 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) Expect for the matters as described in basis of qualified opinion, the Company has disclosed the impact of pending litigations as of March 31, 2023 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of its subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
4. 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: 18th July 2023**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 23101839BGZHYK8579**



## 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 2023, we report that:

- i.
  - a. The Company has not 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 2023.
  - 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. As mentioned in the basis of qualified opinion, the inventories have not been valued at lower of cost or market value which has led to overvaluation of inventory in books of accounts.
  - b. During the year, 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. During the year, 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. The company has not maintained the books of accounts and records pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act. Accordingly, we are unable to comment on the same.
- 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	71,30,201
2	PF & ESIC & MLWF Payable	55,97,247
3	PT Payable	11,97,274
4	Property Tax/cess Payable	1,12,04,809
5	GST Payable	8,93,069
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
Sales Tax Act	Sales Tax	115.28	FY - 2015/2016	Sales Tax Department
Goods & Services Tax	GST	39.82	FY - 2017/2018	Dy. Com. Of State Tax (E-635)
Goods & Services Tax	GST	375.42	FY - 2018/2019	Dy. Com. Of State Tax (E-635)
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	Addl. Com. of Central Excise
Income Tax	Income Tax	214.58	FY 2017-18	CIT (A)

- 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	Overdue (₹ in Lakhs)
Kotak Manindra Bank Ltd. - Term Loan	30.40
DNSB - Term Loan	243.93
Kotak Manindra Bank Ltd. - Letter of Credit	930.80
Kotak Mahindra Bank Ltd.	94.64
Sundaram Finance Ltd.	7.42
Kotak Mahindra Bank Ltd. – CC	688.66
Dombivali Nagri Sahakari Bank Ltd. – CC	2,842.50
<b>Total</b>	<b>4,838.35</b>



- 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. However, the company has defaulted in repayment of dues to banks and financial institutions and their account has been declared as NPA.
  - 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: 18th July 2023**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 23101839BGZHYK8579**



## ANNEXURE B TO THE 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, 2023

### 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, 2023, 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 does not have an adequate internal financial controls system over financial reporting as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Thane**  
**Date: 18th July 2023**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 23101839BGZHYK8579**



**BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	21,578.93	22,271.41
Capital Work - In - Progress	3	-	-
Other Intangible Assets	3	68.67	123.77
Financial Assets			
Investments	4	0.53	5.53
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	2,127.31	2,253.98
<b>Total Non - Current Assets</b>		<b>24,895.71</b>	<b>25,774.96</b>
<b>Current Assets</b>			
Inventories	7	13,607.12	17,018.59
<b>Financial Assets</b>			
Trade Receivables	8	22.50	27.37
Cash & Cash Equivalents	9	19.09	14.82
Bank Balance other than above	10	24.78	31.42
Loans	11	60.65	60.65
Other Financial Assets	12	1,989.03	147.47
Other Current Assets	13	642.15	662.43
<b>Total Current Assets</b>		<b>16,365.32</b>	<b>17,962.74</b>
<b>TOTAL ASSETS</b>		<b>41,261.03</b>	<b>43,737.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	873.97	4,586.39
<b>Total Equity</b>		<b>4,854.78</b>	<b>8,567.20</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,918.09	1,891.70
Trade Payable	17	-	121.46
Other Financial Liabilities	18	628.06	628.63
Provisions	19	195.95	89.92
<b>Total Non - Current Liabilities</b>		<b>2,742.09</b>	<b>2,731.71</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	5,175.25	4,466.82
Trade Payables	21	17,382.30	18,759.55
Other Financial Liabilities	22	7,270.21	7,213.87
Other Current Liabilities	23	3,313.55	1,515.08
Provisions	24	522.84	483.48
<b>Total Current Liabilities</b>		<b>33,664.16</b>	<b>32,438.79</b>
<b>Total Liabilities</b>		<b>36,406.25</b>	<b>35,170.50</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,261.03</b>	<b>43,737.70</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1-46		
The accompanying notes are an integral part of the Standalone financial statements			

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 : 18th July 2023

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

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023** (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from Operations	25	470.57	2,380.79
Other Income	26	189.36	896.96
<b>Total Income</b>		<b>659.92</b>	<b>3,277.75</b>
<b>Expenses</b>			
Cost of Material Consumed	27	312.13	3,284.42
Purchase of Traded Goods	28	-	72.71
Changes in Inventories of Finished Goods / Stock in Trade	29	486.89	-802.90
Employee Benefit Expenses	30	444.98	457.36
Finance Cost	31	822.32	789.70
Depreciation and Amortization	3	747.58	755.17
Other Expenses	32	1,222.67	5,503.45
<b>Total Expenses</b>		<b>4,036.56</b>	<b>10,059.91</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>-3,376.64</b>	<b>-6,782.15</b>
<b>Exceptional Item</b>	35	<b>-219.35</b>	<b>1,715.16</b>
<b>Profit Before Tax</b>		<b>-3,595.99</b>	<b>-5,066.99</b>
<b>Tax Expenses</b>			
Previous Tax		0.20	-
<b>Profit After Tax</b>		<b>-3,595.80</b>	<b>-5,066.99</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		-116.63	104.13
<b>Total Other Comprehensive Income for the year</b>		<b>-116.63</b>	<b>104.13</b>
<b>Total Comprehensive Income for the year</b>		<b>-3,712.42</b>	<b>-4,962.86</b>
<b>Earnings Per Share - Basic &amp; Diluted (?)</b>	36	<b>-0.90</b>	<b>-1.27</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1-46		
The accompanying notes are an integral part of the Standalone financial statements			

As per Our Report of Even Date Attached  
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Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : MUMBAI  
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For and on behalf of the Board of Directors of  
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Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer



**STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023** (Rs. in lakhs)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before Tax		-3,595.99		-5,066.99
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
Depreciation & Amortization	747.58		755.17	
Finance Cost	822.32		789.70	
Interest Income	-4.36		-10.12	
Non-operating income	-185.00		-886.84	
		1,380.55		647.91
<b>Operating Profit Before Changes in Working Capital</b>		<b>-2,215.44</b>		<b>-4,419.08</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / Decrease in Trade Receivables	4.87		1,002.78	
(Increase) / Decrease in Inventories	3,411.47		6,781.23	
(Increase) / Decrease in Other Current Financial Assets	-1,841.56		211.96	
(Increase) / Decrease in Other Current Assets	20.28		-561.41	
(Increase) / Decrease in Investment	5.00		212.28	
(Increase) / Decrease in Other Non - Current Assets	126.67		1,290.37	
Increase / (Decrease) in Trade Payables	-1,498.70		-5,335.26	
Increase / (Decrease) in Other Current Financial Liabilities	56.35		87.15	
Increase / (Decrease) in Other Current Liabilities	1,798.47		201.48	
Increase / (Decrease) in Provisions	28.77		140.45	
Increase / (Decrease) in Other Non - Financial Liabilities	-0.58	2,111.03	-0.64	4,030.39
<b>Cash Generated from Operations</b>		<b>-104.41</b>		<b>-388.69</b>
Less: Taxes Paid (Net of refund received)		0.20		-
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		<b>-104.22</b>		<b>-388.69</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	-		-2.12	
Interest Received	4.36		10.12	
Movement in other bank balances	2.27		-11.20	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		<b>6.63</b>		<b>-3.20</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Receipt of Long Term Borrowings	-		35.48	
Repayment of Long Term Borrowings	26.39		-264.34	
Increase / (Decrease) in Short Term Borrowings	708.43		460.23	
Finance Cost	-632.97		107.26	
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		<b>101.85</b>		<b>338.64</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		<b>4.27</b>		<b>-53.25</b>
Add: Opening Balance of Cash & Cash Equivalents		14.82		68.07
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>19.09</b>		<b>14.82</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT</b>				
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>		<b>19.09</b>		<b>14.82</b>
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>				
Balance with banks in current accounts		12.06		13.82
Cash on Hand		7.03		1.00
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		<b>19.09</b>		<b>14.82</b>
(Refer note no. 9)				

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Standalone financial statements

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 : 18th July 2023

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

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023****A. Equity Share Capital**

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
Balance as the beginning of the reporting year	39,80,80,925	3,980.81	39,80,80,925	3,980.81
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
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>
Profit for the period					-3,595.80	-3,595.80
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					-116.63	-116.63
<b>As at March 31, 2023</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-24,136.72</b>	<b>873.97</b>

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Standalone financial statements

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 : 18th July 2023

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

Sudhirkumar H Gupta  
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ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer



## Notes to Standalone Financial Statement as on March 31, 2023

### 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 18, 2023.

#### 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, 2023

- 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, 2023**

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

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:

**Notes to Standalone Financial Statement as on March 31, 2023**

- 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 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.

**Notes to Standalone Financial Statement as on March 31, 2023**

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



## Notes to Standalone Financial Statement as on March 31, 2023

### 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 valuations 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
- ii) 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.

Provision is made for obsolete / slow-moving / slow defective stock, where ever necessary.

Traded goods is value at cost price.

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



## Notes to Standalone Financial Statement as on March 31, 2023

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.

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



## Notes to Standalone Financial Statement as on March 31, 2023

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 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) Deffered 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.



## Notes to Standalone Financial Statement as on March 31, 2023

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 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 CASHEQUIVALENTS

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, 2023

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.
- 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



## Notes to Standalone Financial Statement as on March 31, 2023

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 Recent pronouncements

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the Management's assessment, these amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.



**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, 2022	Additions / Transfers	Deductions	As At March 31, 2023	As At April 01, 2022	For The Year	On Deductions	As At March 2023	As At March 31, 2022
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,567.56	-	-	7,567.56	-	-	-	7,567.56	7,567.56
Factory Buildings	2,519.86	-	-	2,519.86	681.91	62.98	-	1,774.98	1,837.96
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	5,148.35	596.42	-	11,963.30	12,559.72
Furniture & Fixture	190.33	-	-	190.33	95.13	15.11	-	80.10	95.20
Vehicles	181.37	-	-	181.37	98.47	14.42	-	68.48	82.90
Office Equipments	46.30	-	-	46.30	41.80	3.55	-	0.94	4.50
Computers									
<b>Total - Tangible Assets</b>	<b>28,348.87</b>	-	-	<b>28,348.87</b>	<b>6,077.46</b>	<b>692.48</b>	-	<b>6,769.94</b>	<b>22,271.41</b>
<b>(B) CAPITAL WORK IN PROGRESS</b>									
Real estate Division	-	-	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-	-	-
Factory Buildings	-	-	-	-	-	-	-	-	-
<b>Total - Capital Work in Progress</b>	-	-	-	-	-	-	-	-	-
<b>(C) INTANGIBLE ASSETS</b>									
Softwares	358.81	-	-	358.81	235.04	55.10	-	68.67	123.77
<b>Total - Intangible Assets</b>	<b>358.81</b>	-	-	<b>358.81</b>	<b>235.04</b>	<b>55.10</b>	-	<b>68.67</b>	<b>123.77</b>
<b>(D) INTANGIBLES UNDER DEVELOPMENT</b>									
SAP ERP	-	-	-	-	-	-	-	-	-
<b>Total - Intangibles under development</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL(A)+(B)+(C)</b>	<b>28,707.67</b>	-	-	<b>28,707.67</b>	<b>6,312.49</b>	<b>747.58</b>	-	<b>7,060.07</b>	<b>22,395.18</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.

iii. All the title deeds for the free hold land and free hold buildings are in the name of company.



**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	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	63.13	-	1,837.96	1,901.08
Non-Factory Buildings	135.36	-	-	135.36	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	596.54	-	12,559.72	13,156.26
Furniture & Fixture	190.33	-	-	190.33	15.45	-	95.20	110.66
Vehicles	181.37	-	-	181.37	16.84	-	82.90	99.74
Office Equipments	46.30	-	-	46.30	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>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>(C) Intangible Assets</b>								
Overseas Project	-	-	-	-	-	-	-	-
Software Licenses	358.81	-	-	358.81	55.95	-	123.77	179.72
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</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>TOTAL(A)+(B)+(C)+(D)</b>	<b>28,705.56</b>	<b>2.12</b>	<b>-</b>	<b>28,707.67</b>	<b>755.17</b>	<b>-</b>	<b>22,395.18</b>	<b>23,148.24</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.
- iii. All the title deeds for the free hold land and free hold buildings are in the name of company.



## Notes forming part of the financial statements

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

(Rs. in lakhs)

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	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
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 *		-5.00		-212.28
<b>TOTAL</b>		<b>0.53</b>		<b>5.53</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>5.53</b>		<b>217.81</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>-5.00</b>		<b>-212.28</b>

\* Refer Note No. 35

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Security Deposits	282.09	342.09
Others		
Balances with Govt. Authorities under litigation	286.54	332.19
Advance to Suppliers / Expenses	1,402.00	1,427.00
TDS Receivable	149.43	145.62
TCS Receivable	7.24	7.08
<b>TOTAL</b>	<b>2,127.31</b>	<b>2,253.98</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, 2023	As at March 31, 2022
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials	1,739.54	3,665.41
Work in Process	10,609.92	11,753.23
Finished Goods	-	319.60
Stock in Trade (Trading)	596.41	596.41
Stores and Spares	661.24	683.94
<b>TOTAL</b>	<b>13,607.12</b>	<b>17,018.59</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.
- iii) Inventories are slow-moving, non-moving and obsolete stock.

NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
Unsecured - Considered Good	22.50	27.37
Unsecured Considered for Doubtful	1,231.94	2,372.21
	1,254.44	2,399.57
Less :- Allowance for unsecured doubtful debts	-1,231.94	-2,372.21
<b>TOTAL</b>	<b>22.50</b>	<b>27.37</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, 2023	As at March 31, 2022
Dues from Private Companies in which any director is a director or member	1,200.09	1,091.70

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

iv. Aging for trade receivable outstanding as on 31st March 2023 as follows:-

(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 2023</b>							
Undisputed Trade Receivables – considered good	-	13.41	9.08	-	-	1,231.94	1,254.44
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	-	-	-	-	-	-	-
	-	13.41	9.08	-	-	1,231.94	1,254.44
Less: Allowance for doubtful trade receivables							-1,231.94
<b>TOTAL</b>							<b>22.50</b>



Notes forming part of the financial statements

(Rs. in lakhs)

v. Aging for trade receivable outstanding as on 31st March 2022 as follows:-

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>

NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks in Current Accounts	12.06	13.82
Cash on Hand	7.03	1.00
<b>TOTAL</b>	<b>19.09</b>	<b>14.82</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits due to mature within 12 months of reporting date*	24.63	31.27
Margin Money for Letter of Credit	0.15	0.15
<b>TOTAL</b>	<b>24.78</b>	<b>31.42</b>

Notes : Fixed Deposit of Rs. 11.50 lakhs as at 31st March 2023 (Previous Year as at 31st March 2022 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, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to Employees	60.65	60.65
<b>TOTAL</b>	<b>60.65</b>	<b>60.65</b>

NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Receivable	5.31	10.61
Security Deposits	90.31	90.31
Deposit to Related Party	-	46.54
MSEDCL Insurance Claim Receivable	1,893.40	-
<b>TOTAL</b>	<b>1,989.03</b>	<b>147.47</b>



## Notes forming part of the financial statements

## NOTE 13: OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances		
Advance to Suppliers / Expenses	610.00	615.34
Others		
Prepaid expenses	1.45	1.12
Balances Statutory / Government Authorities	29.82	31.85
FMS / FPS / MEIS Licence	-	0.14
Job Work Charges Accrued on FG	-	13.10
TDS Receivable from NBFC	0.88	0.88
<b>TOTAL</b>	<b>642.15</b>	<b>662.43</b>

## NOTE 14: EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<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 , 2023		As at 31st March , 2022	
	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 , 2023		As at 31st March , 2022	
	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, 2023		As at 31st March, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Sudhir Gupta	89,45,550	2.25%	89,45,550	2.25%	0.00%
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>19,94,70,439</b>	<b>50.11%</b>	<b>0.00%</b>

e) The member of the company, at the AGM held on 16th December 2022, approved increase in Authorised Share Capital of the company from 107 cr to 130 cr. However, required form to give effect to the said increase has not been carried out.

NOTE 15: OTHER EQUITY

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as on April 01, 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>
Profit for the period					-3,595.80	-3,595.80
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					-116.63	-116.63
<b>As at March 31, 2023</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-24,136.72</b>	<b>873.97</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, 2023	As at March 31, 2022
<b>UNSECURED :</b>		
Loans from Related Party	1,918.09	1,891.70
<b>TOTAL</b>	<b>1,918.09</b>	<b>1,891.70</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 8.00 % (PY).

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
Long term creditors**	-	121.46
<b>TOTAL</b>	<b>-</b>	<b>121.46</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, 2023	As at March 31, 2022
Others		
Interest accrued but not due on borrowings	628.06	628.63
<b>TOTAL</b>	<b>628.06</b>	<b>628.63</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Gratuity	194.85	88.71
Compensated absences	1.10	1.21
<b>TOTAL</b>	<b>195.95</b>	<b>89.92</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	3,531.15	2,940.25
Letter of Credit	614.35	614.35
Term Loan - FITL	274.32	225.35
Term Loan - ECLGS	94.64	88.24
Term Loan - Bank	2.42	6.56
Term Loan - Financial Institutions (NBFC)	7.42	7.07
	4,524.32	3,881.82
<b>UNSECURED :</b>		
Loans from Others	650.94	585.00
	650.94	585.00
<b>TOTAL</b>	<b>5,175.25</b>	<b>4,466.82</b>

**Notes :-****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.

**Notes forming part of the financial statements**

- 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 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.

**NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	17,382.30	18,759.55
<b>TOTAL</b>	<b>17,382.30</b>	<b>18,759.55</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 2023 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. Ageing for trade payables outstanding as at March 31, 2023 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	660.44	480.56	1,130.50	15,110.81	17,382.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>660.44</b>	<b>480.56</b>	<b>1,130.50</b>	<b>15,110.81</b>	<b>17,382.30</b>



**Notes forming part of the financial statements**

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	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>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued	221.65	320.88
Others		
Capital Creditors	-	17.51
Employee Benefits payables	629.97	456.89
Preference Shares		
Preference Shares	6,418.59	6,418.59
<b>TOTAL</b>	<b>7,270.21</b>	<b>7,213.87</b>

Notes :-

**A) Interest accrued**

(i) Includes related party refer Note No. 41.

**B) Preference Shares**

(i) Details of Preference Shares:

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	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>

**Notes forming part of the financial statements**

## (ii) Terms of Issue of Preference Shares:

- 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- The company is in the negotiations with the preference shareholders for revised terms of redemption and still not finalised.
- 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.

## (iii) Details of preference shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March , 2023		As at 31st March , 2022	
	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 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customer**	3,007.22	1,262.01
Statutory Liabilities***	306.33	253.07
<b>TOTAL</b>	<b>3,313.55</b>	<b>1,515.08</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, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Bonus	44.90	43.48
Compensated absences	3.36	2.34
Gratuity	80.86	24.65
	129.12	70.47
<b>Others Provision</b>		
Others	393.72	413.01
	393.72	413.01
<b>TOTAL</b>	<b>522.84</b>	<b>483.48</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, 2023	Year Ended March 31, 2022
<b>Revenue from Customers</b>		
Sale of Products	352.90	2,020.51
Sale of Services	117.67	351.04
<b>Other Operating Income</b>		
Sale of Scrap	-	9.25
<b>TOTAL</b>	<b>470.57</b>	<b>2,380.79</b>

## NOTE 26: OTHER INCOME

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income	4.36	10.12
Liabilities no longer payable written back	112.08	862.84
Other Income	72.91	24.00
<b>TOTAL</b>	<b>189.36</b>	<b>896.96</b>

## NOTE 27: COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at the beginning of the year	4,349.35	7,824.43
Add:- Purchases during the year	15.67	1,046.72
Less:- Inventories at the end of the year	2,400.79	4,349.35
Less:- Stock Write off (Exceptional) *	1,652.11	1,237.37
<b>Cost of Materials Consumed</b>	<b>312.13</b>	<b>3,284.42</b>

\* Refer Note No. 35

## NOTE 28: PURCHASE OF STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Purchase of Stock in Trade	-	72.71
<b>TOTAL</b>	<b>-</b>	<b>72.71</b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening Stocks :</b>		
Finished Goods	319.60	844.33
Work in Progress	11,753.23	14,312.22
Stock In Trade	596.41	818.84
<b>Less : Closing Stocks :</b>		
Finished Goods	-	319.60
Work in Progress	10,609.92	11,753.23
Stock In Trade	596.41	596.41
Stock Write off (Exceptional) *	976.01	4,109.06
<b>NET CHANGE IN INVENTORIES</b>	<b>486.89</b>	<b>-802.90</b>

\* Refer Note No. 35a

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, Wages and Bonus	348.55	354.34
Directors Remuneration	12.89	16.37
Contribution to Provident and Other Funds	10.54	11.35
Gratuity Expenses (Refer Note No. 40)	40.37	33.34
Leave Encashment Expenses (Refer Note No. 40)	6.26	2.63
Staff Welfare Expenses	26.36	39.33
<b>TOTAL</b>	<b>444.98</b>	<b>457.36</b>

**NOTE 31: FINANCE COST**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expense		
On Borrowings	753.39	706.55
Others (Including Interest on delay payment of statutory dues and vendors)	68.64	82.35
Bank and other finance charges	0.29	0.80
<b>TOTAL</b>	<b>822.32</b>	<b>789.70</b>

**NOTE 32: OTHER EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Power, Fuel and Utilities	602.34	694.60
Processing Charges	17.53	76.67
Water	0.58	1.30
Repairs to Building	-	0.33
Repairs to Plant and Machinery	13.89	4.78
Other Repairs	0.21	0.08
Packing Materials	0.01	0.07
Sales Promotion	2.42	1.85
Outward Freight Charges	0.80	13.26
Quality Claim	-	34.41
Bad Debts Written off net of provisions	141.32	4,396.47
Travelling and Conveyance	14.77	10.24
Communication Expenses	3.44	2.56
Insurance	0.86	20.91
Rates and Taxes	50.69	45.64
Legal and Professional Fees	87.35	36.68
Printing & Stationery	0.20	0.14
Service Charges	1.42	1.51
Security Charges	12.21	13.10
Directors Sitting Fees	4.20	3.68
Motor Vehicle Expenses	11.41	18.00
Donations	0.10	-



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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
GST Reversal Expenses	3.65	-
Payment to Auditors		
- Audit Fees	8.00	8.00
- Tax Audit Fees	-	-
- Other Services	-	-
Foreign Exchange Fluctuation (Net)	159.45	102.40
Miscellaneous Expenses	85.82	16.80
<b>TOTAL</b>	<b>1,222.67</b>	<b>5,503.45</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, 2023	As at March 31, 2022
Claims against the company/disputed liabilities but not acknowledged as debts	2,821.25	2,679.80
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	275.39
Income Tax matters - Disputed	236.14	214.58
Property Tax - Disputed	621.03	571.10
Bank Guarantee	1.40	1.40
Disputed Interest of bank	316.45	218.91
Disputed GST Liability	415.25	39.83
Material Claim	-	20.35

**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.
- (v) As certified by Management.



## Notes forming part of the financial statements

## B. COMMITMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	Year Ended March 31, 2022
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, 2023	Year Ended March 31, 2022
Security Deposit written off	124.40	-
Investment written off	-	212.28
Dilution of Investment	5.00	-
Diminution Value of Inventory	2,628.12	5,346.43
Creditors written off	(630.58)	(9,843.85)
Reversal of earlier year written back	-	2,126.06
Advances to Suppliers written off	10.06	443.92
Advances from Customer written off	(24.25)	-
MSEDCL Claim	(1,893.40)	-
	<u>219.35</u>	<u>(1,715.16)</u>

## NOTE 36: EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(3,595.80)	(5,066.99)
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>(0.90)</u>	<u>(1.27)</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, 2023	Year Ended March 31, 2022
Total interest bearing financial liabilities	7,943.05	7,308.03
Less : Cash and Cash Equivalents	19.09	14.82
<b>Adjusted Net Debt</b>	<b>7,923.95</b>	<b>7,293.21</b>
Total Equity	4,854.78	8,567.20
<b>Adjusted Equity</b>	<b>4,854.78</b>	<b>8,567.20</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>1.63</b>	<b>0.85</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, 2023	As at March 31, 2022
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	7,093.34	6,358.52
	7,093.34	6,358.52
<b>Total</b>	<b>7,093.34</b>	<b>6,358.52</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, 2023	As at March 31, 2022
<b>Financial Assets</b>			
Trade and other receivables	USD	9.63	9.33
<b>Financial Liabilities</b>			
Trade and other payables	USD	1.60	19.60
	EURO	-	-

**Sensitivity analysis to currency risk**

Foreign Currency	As at 31st March , 2023		As at 31st March , 2022	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	19.80	-19.80	-23.39	23.39
EURO	-	-	-	-
<b>Total</b>	<b>19.80</b>	<b>19.80</b>	<b>-23.39</b>	<b>23.39</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, 2023	As at March 31, 2022
<b>Opening balance of expected loss provision</b>	<b>2,372.21</b>	<b>1,878.83</b>
Add : Provisions made (net)	-1,140.26	493.38
Less : Utilisation for impairment / de-recognition	-	-
<b>Closing balance</b>	<b><u>1,231.94</u></b>	<b><u>2,372.21</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, 2023 and 31st March, 2022 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 , 2023		As at 31st March , 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	1,918.09	-	1,891.70
Interest accrued but not due on borrowings	628.06	-	628.63	-
Working Capital Loans from Banks	4,524.32	-	3,881.82	-
Loans from Others	650.94	-	585.00	-
Trade Payables	17,382.30	-	18,759.55	121.46
Other Financial Liabilities	7,270.21	-	7,213.87	-
	<b><u>30,455.82</u></b>	<b><u>1,918.09</u></b>	<b><u>31,068.86</u></b>	<b><u>2,013.16</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, 2023 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
At amortised Cost		
Investments	0.53	5.53
Loans	60.65	60.65
Trade Receivables	22.50	27.37
Cash & Cash Equivalents	19.09	14.82
Other Bank Balances	24.78	31.42
Other Financial Assets	3,109.30	1,267.74
<b>Total Financial Assets</b>	<b>3,236.85</b>	<b>1,407.53</b>
<b>Financial Liabilities</b>		
At amortised Cost		
Borrowings	7,093.34	6,358.52
Trade Payable	17,382.30	18,881.00
Other Financial Liabilities	7,898.27	7,842.50
<b>Total</b>	<b>32,373.91</b>	<b>33,082.02</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 2023.

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Current Service Cost	33.25	23.06
Interest Cost	7.12	10.28
Actuarial (Gain)/Loss	121.97	-100.29
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>162.35</b>	<b>-66.95</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Present value of Funded Obligation	275.71	113.36
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-275.71</b>	<b>-113.36</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Opening Balance of Present Value of Obligation	113.36	180.32
Current Service Cost	33.25	23.06
Interest Cost	7.12	10.28
Actuarial (Gain)/Loss	121.97	-100.29
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>275.71</b>	<b>113.36</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
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, 2023	31st March, 2022
Discount Rate (Per Annum)	7.18%	6.28%
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



## Notes forming part of the financial statements

## VII Movement in net liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Net Opening Liability	113.36	180.32
Employer expenses as above	40.37	33.34
Contribution paid	-	-
Other Comprehensive Income (OCI)	121.97	-100.29
<b>Closing Net Liability</b>	<b>275.71</b>	<b>113.36</b>

## VIII Gratuity - Sensitivity Analysis

(Rs. in lakhs)

Name of the Shareholder	31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	286.66	265.57	118.29	108.79
Discount Rate (1% movement)	265.20	287.27	108.63	118.55

## (b) Compensated Absences

## I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Current Service Cost	6.04	2.36
Interest Cost	0.22	0.27
Actuarial (Gain)/Loss	-5.35	-3.84
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>0.92</b>	<b>-1.21</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Present value of Funded Obligation	4.46	3.55
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>-4.46</b>	<b>-3.55</b>

## III Change in Defined Benefit Obligations (DBO)

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Opening Balance of Present Value of Obligation	3.55	4.75
Current Service Cost	6.04	2.36
Interest Cost	0.22	0.27
Actuarial (Gain)/Loss	-5.35	-3.84
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>4.46</b>	<b>3.55</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, 2023	31st March, 2022
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	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Discount Rate (Per Annum)	7.18%	6.28%
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, 2023	31st March, 2022
Net Opening Liability	3.55	4.75
Employer expenses as above	6.26	2.63
Contribution paid	-	-
Other Comprehensive Income (OCI)	-5.35	-3.84
<b>Closing Net Liability</b>	<b>4.46</b>	<b>3.55</b>

**VIII Compensated Absence (PL) - Sensitivity Analysis**

(Rs. in lakhs)

Name of the Shareholder	31st March , 2023		31st March , 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	4.52	4.41	3.62	3.48
Discount Rate (1% movement)	4.40	4.53	3.48	3.62

**(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 - 10.54 Lakhs (Previous year 11.35 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. Indiasteel International P.Ltd.
04. Isiworld Steel (I) P.Ltd.
05. Isicom Traders P.Ltd.
06. Isistar Exports P.Ltd.
07. Isimetal (I) P.Ltd.
08. Isisales India Pvt. Ltd.
09. Level Construction Pvt.Ltd. (Emgee Homes)
10. Gupta Housing P.Ltd.
11. Yeotmal Land Development & Trading Co.P.Ltd.
12. India Steel Industries
13. Indiasteel International
14. LeapIndia Brandhub Services Pvt. Ltd.
15. LeapIndia Institute Pvt Ltd.
16. Level Enterprises LLP
17. 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. Karan Lamba (from 13th Nov 2021 to 18th April 2022)
02. Mr. Santino Roco Morea (from 12th Nov 2021)
03. Mr. Harpreet Baweja (from 12th Nov 2021)
04. Mrs. Aastha Sharma (from 13th Nov 2021 to 18th April 2022)
05. Mrs. Priyanka Gupta (from 15th July 2022 to 14th Nov 2022)
06. Mr. Santosh Pandharinath Bhosale (from 20th Sept 2022)
07. Mr. Shivanand Shesherao Bhalerao (from 20th Sept 2022)
08. Mrs. Saachi Rajesh Madnani (from 27th March 2023)

**Non Independent & Non Executive Directors :**

01. Mr.Bimal Desai

**Company Secretary :**

01. Mr.Dilip Maharana

**Chief Financial Officer :**

01. Mr.Nilesh Matkar (from 16th November 2022)



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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	-	1,177.75	-	-	-	1,177.75
LeapIndia Brandhub Services Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,177.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,177.75</b>
<b>SALES</b>						
<b>Sale of Goods</b>						
Isinox Limited	-	125.35	-	-	-	125.35
LeapIndia Brandhub Services Pvt. Ltd.	2.21	426.73	-	-	2.21	426.73
<b>Total</b>	<b>2.21</b>	<b>552.08</b>	<b>-</b>	<b>-</b>	<b>2.21</b>	<b>552.08</b>
<b>LICENCE FEES</b>						
<b>Licence Fees Paid</b>						
Isinox Limited	14.16	14.16	-	-	14.16	14.16
<b>Total</b>	<b>14.16</b>	<b>14.16</b>	<b>-</b>	<b>-</b>	<b>14.16</b>	<b>14.16</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	-	17.15	-	-	-	17.15
LeapIndia Brandhub Services Pvt. Ltd.	7.98	9.78	-	-	7.98	9.78
<b>Total</b>	<b>7.98</b>	<b>26.93</b>	<b>-</b>	<b>-</b>	<b>7.98</b>	<b>26.93</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	0.81	3.57	-	-	0.81	3.57
<b>Total</b>	<b>0.81</b>	<b>3.57</b>	<b>-</b>	<b>-</b>	<b>0.81</b>	<b>3.57</b>
<b>Other Income</b>						
Isinox Limited	28.32	28.32	-	-	28.32	28.32
<b>Total</b>	<b>28.32</b>	<b>28.32</b>	<b>-</b>	<b>-</b>	<b>28.32</b>	<b>28.32</b>
<b>INTEREST EXPENSES</b>						
Gupta Housing Pvt. Ltd.	-	26.95	-	-	-	26.95
<b>Total</b>	<b>-</b>	<b>26.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.95</b>
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Sudhir H Gupta			6.77	6.79	6.77	6.79
Mr.Varun S.Gupta			6.12	6.10	6.12	6.10
Mr.Dipak Gaur			-	3.48	-	3.48
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mr.Dilip Maharana			3.00	8.72	3.00	8.72
<b>REMUNERATION TO CHIEF FINANCIAL OFFICER</b>						
Mr.Nilesh Matkar			4.08	-	4.08	-



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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			-	1.00	-	1.00
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			1.20	0.60	1.20	0.60
Mr.T.R.Bajalia			-	0.25	-	0.25
Mrs. Kavita Joshi			-	0.59	-	0.59
Mrs. Riddhi Shah			-	0.34	-	0.34
Mr. Karan Lamba			-	0.40	-	0.40
Mr. Santino Roco Morea			1.20	0.50	1.20	0.50
Mr. Harpreet Baweja			0.90	0.50	0.90	0.50
Mrs. Aastha Sharma			-	0.50	-	0.50
Mr. Shivanand S. Bhalerao			0.45	-	0.45	-
Mr. Santosh P. Bhosale			0.45	-	0.45	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24.17</b>	<b>29.77</b>	<b>24.17</b>	<b>29.77</b>
<b>OUTSTANDING BALANCES RECEIVABLES</b>						
ISL Global PTE Ltd.	791.56	708.17	-	-	791.56	708.17
Isisales India Pvt. Ltd.	408.53	383.53	-	-	408.53	383.53
<b>Total</b>	<b>1,200.09</b>	<b>1,091.70</b>	<b>-</b>	<b>-</b>	<b>1,200.09</b>	<b>1,091.70</b>
<b>DEPOSITS</b>						
India Steel Industries	-	46.54	-	-	-	46.54
<b>Total</b>	<b>-</b>	<b>46.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,587.27	1,587.27	-	-	1,587.27	1,587.27
Gupta Housing Pvt. Ltd.	234.85	218.18	-	-	234.85	218.18
SPV Family Trust	41.00	39.00	-	-	41.00	39.00
Level Construction Pvt.Ltd. (Emgee Homes)	20.00	20.00	-	-	20.00	20.00
Siddharth Gupta	34.96	27.25	-	-	34.96	27.25
<b>Total</b>	<b>1,918.09</b>	<b>1,891.70</b>	<b>-</b>	<b>-</b>	<b>1,918.09</b>	<b>1,891.70</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	197.63	-	-	197.63	197.63
Level Enterprises LLP	14.80	14.80	-	-	14.80	14.80
Gupta Housing Pvt. Ltd.	-	33.29	-	-	-	33.29
<b>Total</b>	<b>212.43</b>	<b>245.71</b>	<b>-</b>	<b>-</b>	<b>212.43</b>	<b>245.71</b>
<b>ADVANCE RECEIVED FROM CUSTOMER</b>						
Isinox Limited	1,598.84	2,481.09	-	-	1,598.84	2,481.09
Level Enterprises LLP	992.55	1,052.59	-	-	992.55	1,052.59
Leapindia Brandhub Services Pvt. Ltd.	244.73	-	-	-	-	-
<b>Total</b>	<b>2,836.12</b>	<b>3,533.68</b>	<b>-</b>	<b>-</b>	<b>2,591.39</b>	<b>3,533.68</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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>ADVANCE TO SUPPLIERS</b>						
Indinox Steels Pvt. Ltd.	-	0.07	-	-	-	0.07
Isisales India Pvt. Ltd.	-	25.00	-	-	-	25.00
<b>Total</b>	<b>-</b>	<b>25.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.07</b>
<b>REMUNARATION PAYABLE</b>						
Mr.Sudhir H Gupta	-	-	18.54	12.28	18.54	12.28
Mr.Varun S.Gupta	-	-	17.19	11.57	17.19	11.57
Mr.Dipak Gaur	-	-	23.07	23.07	23.07	23.07
Mr.Dilip Maharana	-	-	13.93	10.43	13.93	10.43
Mr.Nilesh Matkar	-	-	21.90	-	21.90	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>94.63</b>	<b>57.35</b>	<b>94.63</b>	<b>57.35</b>
<b>DIRECTOR SITTING PAYABLE</b>						
Mr. Bimal Desai	-	-	1.98	0.90	1.98	0.90
Mr. Karan Lamba	-	-	0.36	0.36	0.36	0.36
Mr. Santino Roco Morea	-	-	1.53	0.45	1.53	0.45
Mr. Harpreet Baweja	-	-	1.26	0.45	1.26	0.45
Mrs. Aastha Sharma	-	-	0.45	0.45	0.45	0.45
Mr. Shivanand S. Bhalerao	-	-	0.11	-	0.11	-
Mr. Santosh P. Bhosale	-	-	0.11	-	0.11	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.79</b>	<b>2.61</b>	<b>5.79</b>	<b>2.61</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.1200.09 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) have been provided the personal guarantee for the working 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	-	-
Others	Business Purpose	-	-
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 2023	31st March 2022
Current ratio (In times)	Total Current Assets	Total Current Liabilities	0.49	0.55
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.46	0.74
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-2.19	-5.09
Return on Equity ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	53.58%	-45.86%
Inventory Turnover ratio (In times)	Cost of Goods Sold	Average Inventory	0.05	0.13
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	18.87	1.48
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.07	0.30
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.02	0.09
Net Profit ratio (In %)	Net Profits After Taxes	Revenue from Operations	764.14%	-212.83%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-6.82%	-15.73%

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.

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Standalone financial statements

**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 : 18th July 2023**

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

**Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853**

**Dilip Maharana  
Company Secretary  
ACS: 23014**

**Varun S. Gupta  
Managing Director  
DIN: 02938137**

**Nilesh Matkar  
Chief Financial Officer**



## 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 consolidated financial statements of **INDIA STEEL WORKS LIMITED** (hereinafter referred to as the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in basis of qualified opinion and emphasis of matter paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### 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 qualified opinion.

### Basis for Qualified Opinion

- a. Inventories amounting to ₹13,607.12 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 ₹1,739.54 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 ₹1,257.65 lakhs, we are unable to comment on carrying value of the same and its effect on the financial statements for the year.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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, 2023.

- h. The company has not reviewed the impairment of its tangible assets and other financial and non-financial assets as of March 31, 2023. 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.

#### **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. During the year under consideration, we do not have any key audit matters to report.

#### **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 is 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, 2023.
- 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".

#### **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 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 and emphasis of matter paragraph, 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) With reference to matters stated in basis of qualified opinion and going concern paragraph, in our opinion, the aforesaid financial statements do not 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, 2023, from being appointed as a director in terms of Section 164(2) of the



Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" 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:
- Expect for the matters as described in basis of qualified opinion, the Company has disclosed the impact of pending litigations as of March 31, 2023, on its financial position in its Consolidated financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of its subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
4. 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: 18th July 2023**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 23101839BGZHYJ2405**

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT:**

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

(xxi) In our opinion and according to the information and explanations given to us, the Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks. In respect of the following entities the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report

<b>Name of Subsidiary</b>	<b>CIN</b>
INDINOX STEELS PRIVATE LIMITED	U27200MH2018PTC310835

Place: Thane  
Date: 18th July 2023

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

CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 23101839BGZHYJ2405



## 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, 2023

### 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, 2023, 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 and as mentioned in emphasis of matter paragraph, the Company does not have, in all material respects, an adequate internal financial controls system over financial reporting as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Thane**  
**Date: 18th July 2023**

**CA Laxmikant Kabra**  
**Partner**  
**Membership No.: 101839**  
**UDIN: 23101839BGZHYJ2405**



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	21,578.93	22,271.41
Capital Work - In - Progress	3	-	-
Other Intangible Assets	3	68.67	123.77
Financial Assets			
Investments	4	0.53	0.53
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	2,128.38	2,255.05
<b>Total Non - Current Assets</b>		<b>24,896.78</b>	<b>25,771.03</b>
<b>Current Assets</b>			
Inventories	7	13,607.12	17,018.59
<b>Financial Assets</b>			
Trade Receivables	8	22.50	27.37
Cash & Cash Equivalents	9	20.43	16.16
Bank Balance other than above	10	24.78	31.42
Loans	11	60.65	60.65
Other Financial Assets	12	1,989.03	147.47
Other Current Assets	13	643.26	663.31
<b>Total Current Assets</b>		<b>16,367.76</b>	<b>17,964.95</b>
<b>TOTAL ASSETS</b>		<b>41,264.55</b>	<b>43,735.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	871.73	4,580.57
<b>Total Equity</b>		<b>4,852.535</b>	<b>8,561.38</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,918.09	1,891.70
Trade Payable	17	-	121.46
Other Financial Liabilities	18	628.06	628.63
Provisions	19	195.95	89.92
<b>Total Non - Current Liabilities</b>		<b>2,742.09</b>	<b>2,731.71</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	5,175.25	4,466.82
Trade Payables	21	17,383.08	18,763.11
Other Financial Liabilities	22	7,270.21	7,213.87
Other Current Liabilities	23	3,317.88	1,515.08
Provisions	24	523.49	484.03
<b>Total Current Liabilities</b>		<b>33,669.92</b>	<b>32,442.90</b>
<b>Total Liabilities</b>		<b>36,412.01</b>	<b>35,174.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,264.55</b>	<b>43,735.98</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1-46		
The accompanying notes are an integral part of the Consolidated financial statements			

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 : 18th July 2023

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

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023** (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from Operations	25	470.57	2,380.79
Other Income	26	189.39	896.96
<b>Total Income</b>		<b>659.96</b>	<b>3,277.75</b>
<b>Expenses</b>			
Cost of Material Consumed	27	312.13	3,284.42
Purchase of Traded Goods	28	-	72.71
Changes in Inventories of Finished Goods / Stock in Trade	29	486.89	-802.90
Employee Benefit Expenses	30	444.98	457.36
Finance Cost	31	822.33	789.70
Depreciation and Amortization	3	747.58	755.17
Other Expenses	32	1,224.12	5,504.90
<b>Total Expenses</b>		<b>4,038.02</b>	<b>10,061.36</b>
<b>Profit Before Tax and Exceptional Item</b>		<b>-3,378.06</b>	<b>-6,783.60</b>
<b>Exceptional Item</b>	35	<b>-214.35</b>	<b>1,715.16</b>
<b>Profit Before Tax</b>		<b>-3,592.41</b>	<b>-5,068.44</b>
<b>Tax Expenses</b>			
Previous Tax		0.20	-
<b>Profit After Tax</b>		<b>-3,592.21</b>	<b>-5,068.44</b>
Other Comprehensive Income			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		-116.63	104.13
<b>Total Other Comprehensive Income for the year</b>		<b>-116.63</b>	<b>104.13</b>
<b>Total Comprehensive Income for the year</b>		<b>-3,708.84</b>	<b>-4,964.31</b>
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	36	<b>-0.90</b>	<b>-1.27</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1-46		
The accompanying notes are an integral part of the Consolidated financial statements			

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 : 18th July 2023

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

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nillesh Matkar  
Chief Financial Officer



**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023** (Rs. in lakhs)

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) Before Tax		-3,592.41		-5,068.44
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>				
Depreciation & Amortization	747.58		755.17	
Finance Cost	822.33		789.70	
Interest Income	-4.36		-10.12	
Non-operating income	-185.03		-886.84	
		1,380.52		647.91
<b>Operating Profit Before Changes in Working Capital</b>		<b>-2,211.89</b>		<b>-4,420.53</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / Decrease in Trade Receivables	4.87		3,143.95	
(Increase) / Decrease in Inventories	3,411.47		6,781.23	
(Increase) / Decrease in Other Current Financial Assets	-1,841.56		211.96	
(Increase) / Decrease in Other Current Assets	20.04		-561.70	
(Increase) / Decrease in Investment	-0.00		212.28	
(Increase) / Decrease in Other Non - Current Assets	126.67		-850.79	
Increase / (Decrease) in Trade Payables	-1,501.48		-5,333.47	
Increase / (Decrease) in Other Current Financial Liabilities	56.35		87.15	
Increase / (Decrease) in Other Current Liabilities	1,802.80		201.48	
Increase / (Decrease) in Provisions	28.87		140.40	
Increase / (Decrease) in Other Non - Financial Liabilities	-0.58		-0.64	
		2,107.45		4,031.84
<b>Cash Generated from Operations</b>		<b>-104.45</b>		<b>-388.69</b>
Less: Taxes Paid (Net of refund received)		0.20		-
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>		<b>-104.25</b>		<b>-388.69</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment & Intangible Assets	-		-2.12	
Interest Received	4.36		10.12	
Movement in other bank balances	2.27		-11.20	
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>		<b>6.63</b>		<b>-3.20</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>				
Receipt of Long Term Borrowings	-		35.48	
Repayment of Long Term Borrowings	26.39		-264.34	
Increase / (Decrease) in Short Term Borrowings	708.43		460.23	
Finance Cost	-632.93			107.26
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>		<b>101.89</b>		<b>338.64</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>		<b>4.27</b>		<b>-53.25</b>
Add: Opening Balance of Cash & Cash Equivalents		16.16		69.41
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>		<b>20.43</b>		<b>16.16</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENT</b>				
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>		<b>20.43</b>		<b>16.16</b>
<b>CASH AND CASH EQUIVALENT COMPRISES AS UNDER:</b>				
Balance with banks in current accounts		12.89		14.65
Cash on Hand		7.54		1.51
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b> (Refer note no. 9)		<b>20.43</b>		<b>16.16</b>

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Consolidated financial statements

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 : 18th July 2023

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

Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

Varun S. Gupta  
Managing Director  
DIN: 02938137

Nilesh Matkar  
Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023****A. Equity Share Capital**

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
Balance as the beginning of the reporting year	39,80,80,925	3,980.81	39,80,80,925	3,980.81
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
Balance as on April 01, 2021	500.00	18,019.38	4,451.30	2,040.00	-15,465.80	9,544.88
Profit / (Loss) for the year	-	-	-	-	-5,068.44	-5,068.44
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>-20,430.12</b>	<b>4,580.57</b>
Profit / (Loss) for the year					-3,592.21	-3,592.21
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					-116.63	-116.63
<b>As at March 31, 2023</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-24,138.96</b>	<b>871.73</b>

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Consolidated financial statements

**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 : 18th July 2023**

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

**Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853**

**Dilip Maharana  
Company Secretary  
ACS: 23014**

**Varun S. Gupta  
Managing Director  
DIN: 02938137**

**Nilesh Matkar  
Chief Financial Officer**



## Notes to Consolidated Financial Statement as on March 31, 2023

### 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 18, 2023.

#### 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, 2023**

- 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, 2023**

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

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:

**Notes to Consolidated Financial Statement as on March 31, 2023**

- 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 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.

**Notes to Consolidated Financial Statement as on March 31, 2023**

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

**Notes to Consolidated Financial Statement as on March 31, 2023****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 valuations 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
- ii) 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.

Provision is made for obsolete / slow-moving / slow defective stock, where ever necessary.

Traded goods is value at cost price.

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 Consolidated Financial Statement as on March 31, 2023

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 defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is





## Notes to Consolidated Financial Statement as on March 31, 2023

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 liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are



## Notes to Consolidated Financial Statement as on March 31, 2023

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 CASHEQUIVALENTS

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



## Notes to Consolidated Financial Statement as on March 31, 2023

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.
- 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.



## Notes to Consolidated Financial Statement as on March 31, 2023

### 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 Recent pronouncements

"The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications. As per the Management's assessment, these amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.



**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, 2022	Additions / Transfers	Deductions	As At March 31, 2023	As At April 01, 2022	For The Year	On Deductions	As At March 2023	As At March 31, 2022
<b>(A) TANGIBLE ASSETS</b>									
Land - Freehold	7,567.56	-	-	7,567.56	-	-	-	7,567.56	7,567.56
Factory Buildings	2,519.86	-	-	2,519.86	681.91	62.98	-	1,774.98	1,837.96
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	5,148.35	596.42	-	11,963.30	12,559.72
Furniture & Fixture	190.33	-	-	190.33	95.13	15.11	-	80.10	95.20
Vehicles	181.37	-	-	181.37	98.47	14.42	-	68.48	82.90
Office Equipments	46.30	-	-	46.30	41.80	3.55	-	0.94	4.50
Computers									
<b>Total - Tangible Assets</b>	<b>28,348.87</b>	<b>-</b>	<b>-</b>	<b>28,348.87</b>	<b>6,077.46</b>	<b>692.48</b>	<b>-</b>	<b>21,578.93</b>	<b>22,271.41</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	235.04	55.10	-	68.67	123.77
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>235.04</b>	<b>55.10</b>	<b>-</b>	<b>68.67</b>	<b>123.77</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>28,707.67</b>	<b>-</b>	<b>-</b>	<b>28,707.67</b>	<b>6,312.49</b>	<b>747.58</b>	<b>-</b>	<b>21,647.60</b>	<b>22,395.18</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.
- iii. All the title deeds for the free hold land and free hold buildings are in the name of company.



**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
<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>									
Overseas Project	-	-	-	-	-	-	-	-	-
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>

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.

iii. All the title deeds for the free hold land and free hold buildings are in the name of company.



## Notes forming part of the financial statements

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

(Rs. in lakhs)

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	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
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>0.53</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>0.53</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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Security Deposits	282.09	342.09
Others		
Preliminary Expenses	1.07	1.07
Balances with Govt. Authorities under litigation	286.54	332.19
Advance to Suppliers / Expenses	1,402.00	1,427.00
TDS Receivable	149.43	145.62
TCS Receivable	7.24	7.08
<b>TOTAL</b>	<b>2,128.38</b>	<b>2,255.05</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, 2023	As at March 31, 2022
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials	1,739.54	3,665.41
Work in Process	10,609.92	11,753.23
Finished Goods	-	319.60
Stock in Trade (Trading)	596.41	596.41
Stores and Spares	661.24	683.94
<b>TOTAL</b>	<b>13,607.12</b>	<b>17,018.59</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.
- iii) Inventories are slow-moving, non-moving and obsolete stock.

NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables</b>		
Unsecured - Considered Good	22.50	27.37
Unsecured Considered for Doubtful	1,231.94	2,372.21
	1,254.44	2,399.57
Less :- Allowance for unsecured doubtful debts	-1,231.94	-2,372.21
<b>TOTAL</b>	<b>22.50</b>	<b>27.37</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, 2023	As at March 31, 2022
Dues from Private Companies in which any director is a director or member	1,200.00	1,091.70

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

iv. Aging for trade receivable outstanding as on 31st March 2023 as follows:-

(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 2023</b>							
Undisputed Trade Receivables – considered good	-	13.41	9.08	-	-	1,231.94	1,254.44
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	-	-	-	-	-	-	-
	-	13.41	9.08	-	-	1,231.94	1,254.44
Less: Allowance for doubtful trade receivables							-1,231.94
<b>TOTAL</b>							<b>22.50</b>





Notes forming part of the financial statements

(Rs. in lakhs)

v. Aging for trade receivable outstanding as on 31st March 2022 as follows:-

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>

NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks in Current Accounts	12.89	14.65
Cash on Hand	7.54	1.51
<b>TOTAL</b>	<b>20.43</b>	<b>16.16</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits due to mature within 12 months of reporting date*	24.63	31.27
Margin Money for Letter of Credit	0.15	0.15
<b>TOTAL</b>	<b>24.78</b>	<b>31.42</b>

Notes : Fixed Deposit of Rs. 11.50 lakhs as at 31st March 2023 (Previous Year as at 31st March 2022 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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Interest Receivable	5.31	10.61
Security Deposits	90.31	90.31
Deposit to Related Party	-	46.54
MSEDCL Insurance Claim Receivable	1,893.40	-
<b>TOTAL</b>	<b>1,989.03</b>	<b>147.47</b>



## Notes forming part of the financial statements

## NOTE 13: OTHER CURRENT ASSETS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances		
Advance to Suppliers / Expenses	610.00	615.34
Others		
Prepaid expenses	1.45	1.12
Balances Statutory / Government Authorities	30.94	32.73
FMS / FPS / MEIS Licence	-	0.14
Job Work Charges Accrued on FG	-	13.10
TDS Receivable from NBFC	0.88	0.88
<b>TOTAL</b>	<b>643.26</b>	<b>663.31</b>

## NOTE 14: EQUITY SHARE CAPITAL

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<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 , 2023		As at 31st March , 2022	
	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 , 2023		As at 31st March , 2022	
	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, 2023		As at 31st March, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Sudhir Gupta	89,45,550	2.25%	89,45,550	2.25%	0.00%
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>19,94,70,439</b>	<b>50.11%</b>	<b>0.00%</b>

e) The member of the company, at the AGM held on 16th December 2022, approved increase in Authorised Share Capital of the company from 107 cr to 130 cr. However, required form to give effect to the said increase has not been carried out.

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, 2022	500.00	18,019.38	4,451.30	2,040.00	-20,430.12	4,580.57
Profit for the period					-3,592.21	-3,592.21
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					-116.63	-116.63
<b>As at March 31, 2023</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-24,138.96</b>	<b>871.73</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, 2023	As at March 31, 2022
<b>UNSECURED :</b>		
Loans from Related Party	1,918.09	1,891.70
<b>TOTAL</b>	<b>1,918.09</b>	<b>1,891.70</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 8.00 % (PY).

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
Long term creditors**	-	121.46
<b>TOTAL</b>	<b>-</b>	<b>121.46</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, 2023	As at March 31, 2022
Others		
Interest accrued but not due on borrowings	628.06	628.63
<b>TOTAL</b>	<b>628.06</b>	<b>628.63</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits		
Gratuity	194.85	88.71
Compensated absences	1.10	1.21
<b>TOTAL</b>	<b>195.95</b>	<b>89.92</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	3,531.15	2,940.25
Letter of Credit	614.35	614.35
Term Loan - FITL	274.32	225.35
Term Loan - ECLGS	94.64	88.24
Term Loan - Bank	2.42	6.56
Term Loan - Financial Institutions (NBFC)	7.42	7.07
	4,524.32	3,881.82
<b>UNSECURED :</b>		
Loans from Others	650.94	585.00
	650.94	585.00
<b>TOTAL</b>	<b>5,175.25</b>	<b>4,466.82</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, hypothication 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, hypothication 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.

**NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	17,383.08	18,763.11
<b>TOTAL</b>	<b>17,383.08</b>	<b>18,763.11</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 2023 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.
- Ageing for trade payables outstanding as at March 31, 2023 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	660.44	480.56	1,131.28	15,110.81	17,383.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	<b>660.44</b>	<b>480.56</b>	<b>1,131.28</b>	<b>15,110.81</b>	<b>17,383.08</b>



**Notes forming part of the financial statements**

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	110.47	3,175.14	3,039.67	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>110.47</b>	<b>3,175.14</b>	<b>3,039.67</b>	<b>12,437.83</b>	<b>18,763.11</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued	221.65	320.88
Others		
Capital Creditors	-	17.51
Employee Benefits payables	629.97	456.89
Preference Shares		
Preference Shares	6,418.59	6,418.59
<b>TOTAL</b>	<b>7,270.21</b>	<b>7,213.87</b>

Notes :-

**A) Interest accrued**

(i) Includes related party refer Note No. 41.

**B) Preference Shares**

(i) Details of Preference Shares:

Particulars	As at 31st March , 2023		As at 31st March , 2022	
	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>

**Notes forming part of the financial statements**

## (ii) Terms of Issue of Preference Shares:

- a) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- b) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- c) 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- d) The company is in the negotiations with the preference shareholders for revised terms of redemption and still not finalised.
- e) 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.

## (iii) Details of preference shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March , 2023		As at 31st March , 2022	
	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 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customer**	3,011.55	1,262.01
Statutory Liabilities***	306.33	253.07
<b>TOTAL</b>	<b>3,317.88</b>	<b>1,515.08</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, 2023	As at March 31, 2022
<b>Provision for Employee Benefits</b>		
Bonus	44.90	43.48
Compensated absences	3.36	2.34
Gratuity	80.86	24.65
	129.12	70.47
<b>Others Provision</b>		
Others	394.37	413.56
	394.37	413.56
<b>TOTAL</b>	<b>523.49</b>	<b>484.03</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, 2023	Year Ended March 31, 2022
<b>Revenue from Customers</b>		
Sale of Products	352.90	2,020.51
Sale of Services	117.67	351.04
<b>Other Operating Income</b>		
Sale of Scrap	-	9.25
<b>TOTAL</b>	<b>470.57</b>	<b>2,380.79</b>

## NOTE 26: OTHER INCOME

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income	4.36	10.12
Liabilities no longer payable written back	112.12	862.84
Other Income	72.91	24.00
<b>TOTAL</b>	<b>189.39</b>	<b>896.96</b>

## NOTE 27: COST OF MATERIALS CONSUMED

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at the beginning of the year	4,349.35	7,824.43
Add:- Purchases during the year	15.67	1,046.72
Less:- Inventories at the end of the year	2,400.79	4,349.35
Less:- Stock Write off (Exceptional) *	1,652.11	1,237.37
<b>Cost of Materials Consumed</b>	<b>312.13</b>	<b>3,284.42</b>

\* Refer Note No. 35

## NOTE 28: PURCHASE OF STOCK IN TRADE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Purchase of Stock in Trade	-	72.71
<b>TOTAL</b>	<b>-</b>	<b>72.71</b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Opening 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)	-	-
<b>Less : Closing Stocks :</b>		
Finished Goods	-	319.60
Work in Progress	10,609.92	11,753.23
Stock In Trade	596.41	596.41
Stock Write off (Exceptional) *	976.01	4,109.06
<b>NET CHANGE IN INVENTORIES</b>	<b>486.89</b>	<b>-802.90</b>

\* Refer Note No. 35

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, Wages and Bonus	348.55	354.34
Directors Remuneration	12.89	16.37
Contribution to Provident and Other Funds	10.54	11.35
Gratuity Expenses (Refer Note No. 40)	40.37	33.34
Leave Encashment Expenses (Refer Note No. 40)	6.26	2.63
Staff Welfare Expenses	26.36	39.33
<b>TOTAL</b>	<b>444.98</b>	<b>457.36</b>

**NOTE 31: FINANCE COST**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Expense		
On Borrowings	753.39	706.55
Others (Including Interest on delay payment of statutory dues and vendors)	68.64	82.35
Bank and other finance charges	0.29	0.80
<b>TOTAL</b>	<b>822.33</b>	<b>789.70</b>

**NOTE 32: OTHER EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Power, Fuel and Utilities	602.34	694.60
Processing Charges	17.53	76.67
Water	0.58	1.30
Repairs to Building	-	0.33
Repairs to Plant and Machinery	13.89	4.78
Other Repairs	0.21	0.08
Packing Materials	0.01	0.07
Commission & Brokerage	-	-
Sales Promotion	2.42	1.85
Outward Freight Charges	0.80	13.26
Quality Claim	-	34.41
Bad Debts Written off net of provisions	141.32	4,396.47
Travelling and Conveyance	14.77	10.24
Communication Expenses	3.44	2.56
Insurance	0.86	20.91
Rates and Taxes	51.89	46.84
Legal and Professional Fees	87.40	36.73
Printing & Stationery	0.20	0.14
Service Charges	1.42	1.51
Security Charges	12.21	13.10
Directors Sitting Fees	4.20	3.68
Motor Vehicle Expenses	11.41	18.00
Donations	0.10	-

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
GST Reversal Expenses	3.65	-
Payment to Auditors		
- Audit Fees	8.20	8.20
- Tax Audit Fees	-	-
- Other Services	-	-
Foreign Exchange Fluctuation (Net)	159.45	102.40
Miscellaneous Expenses	85.82	16.80
Less:- Insurance Claim	-	-
<b>TOTAL</b>	<b>1,224.12</b>	<b>5,504.90</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, 2023	As at March 31, 2022
Claims against the company/disputed liabilities but not acknowledged as debts	2,821.25	2,679.80
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	275.39
Income Tax matters - Disputed	236.14	214.58
Property Tax - Disputed	621.03	571.10
Bank Guarantee	1.40	1.40
Disputed Interest of bank	316.45	218.91
Disputed GST Liability	415.25	39.83
Material Claim	-	20.35

**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.
- (v) As certified by Management.



## Notes forming part of the financial statements

## B. COMMITMENTS

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	Year Ended March 31, 2022
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, 2023	Year Ended March 31, 2022
Security Deposit written off	124.40	-
Investment written off	-	212.28
Diminution Value of Inventory	2,628.12	5,346.43
Creditors written off	(630.58)	(9,843.85)
Reversal of earlier year written back	-	2,126.06
Advances to Suppliers written off	10.06	443.92
Advances from Customer written off	(24.25)	-
MSEDCL Claim	(1,893.40)	-
	<b>214.35</b>	<b>(1,715.16)</b>

## NOTE 36: EARNINGS PER SHARE

(Rs. in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(3,592.21)	(5,068.44)
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>(0.90)</b>	<b>(1.27)</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, 2023	Year Ended March 31, 2022
Total interest bearing financial liabilities	7,943.05	7,308.03
Less : Cash and Cash Equivalents	20.43	16.16
<b>Adjusted Net Debt</b>	<b>7,922.62</b>	<b>7,291.87</b>
Total Equity	4,852.54	8,561.38
<b>Adjusted Equity</b>	<b>4,852.54</b>	<b>8,561.38</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>1.63</b>	<b>0.85</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, 2023	As at March 31, 2022
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	7,093.34	6,358.52
	7,093.34	6,358.52
<b>Total</b>	<b>7,093.34</b>	<b>6,358.52</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, 2023	As at March 31, 2022
<b>Financial Assets</b>			
Trade and other receivables	USD	9.63	9.33
<b>Financial Liabilities</b>			
Trade and other payables	USD	1.60	19.60
	EURO	-	-

**Sensitivity analysis to currency risk**

Foreign Currency	As at 31st March , 2023		As at 31st March , 2022	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	19.80	-19.80	-23.39	23.39
EURO	-	-	-	-
<b>Total</b>	<b>19.80</b>	<b>-19.80</b>	<b>-23.39</b>	<b>23.39</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, 2023	As at March 31, 2022
<b>Opening balance of expected loss provision</b>	<b>2,372.21</b>	<b>1,878.83</b>
Add : Provisions made (net)	-1,140.26	493.38
Less : Utilisation for impairment / de-recognition	-	-
<b>Closing balance</b>	<b><u>1,231.94</u></b>	<b><u>2,372.21</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, 2023 and 31st March, 2022 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 , 2023		As at 31st March , 2022	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	1,918.09	-	1,891.70
Interest accrued but not due on borrowings	628.06	-	628.63	-
Working Capital Loans from Banks	4,524.32	-	3,881.82	-
Loans from Others / Preference Share Capital	650.94	-	585.00	-
Trade Payables	17,383.08	-	18,763.11	121.46
Other Financial Liabilities	7,270.21	-	7,213.87	-
	<b><u>30,456.60</u></b>	<b><u>1,918.09</u></b>	<b><u>31,072.42</u></b>	<b><u>2,013.16</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, 2023 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
<u>At amortised Cost</u>		
Investments	0.53	0.53
Loans	60.65	60.65
Trade Receivables	22.50	27.37
Cash & Cash Equivalents	20.43	16.16
Other Bank Balances	24.78	31.42
Other Financial Assets	3,109.30	1,267.74
<b>Total Financial Assets</b>	<b>3,238.18</b>	<b>1,403.86</b>
<b>Financial Liabilities</b>		
<u>At amortised Cost</u>		
Borrowings	7,093.34	6,358.52
Trade Payable	17,383.08	18,884.56
Other Financial Liabilities	7,898.27	7,842.50
<b>Total</b>	<b>32,374.69</b>	<b>33,085.58</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 2023.

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Current Service Cost	33.25	23.06
Interest Cost	7.12	10.28
Actuarial (Gain)/Loss	121.97	-100.29
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>162.35</b>	<b>-66.95</b>



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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Present value of Funded Obligation	275.71	113.36
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>275.71</b>	<b>113.36</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Opening Balance of Present Value of Obligation	113.36	180.32
Current Service Cost	33.25	23.06
Interest Cost	7.12	10.28
Actuarial (Gain)/Loss	121.97	-100.29
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>275.71</b>	<b>113.36</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
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, 2023	31st March, 2022
Discount Rate (Per Annum)	7.18%	6.28%
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



## Notes forming part of the financial statements

## VII Movement in net liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2023	31st March, 2022
Net Opening Liability	113.36	180.32
Employer expenses as above	40.37	33.34
Contribution paid	-	-
Other Comprehensive Income (OCI)	121.97	-100.29
<b>Closing Net Liability</b>	<b>275.71</b>	<b>113.36</b>

## VIII Gratuity - Sensitivity Analysis

(Rs. in lakhs)

Name of the Shareholder	31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	286.66	265.57	118.29	108.79
Discount Rate (1% movement)	265.20	287.27	108.63	118.55

## (b) Compensated Absences

## I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Current Service Cost	6.04	2.36
Interest Cost	0.22	0.27
Actuarial (Gain)/Loss	-5.35	-3.84
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>0.92</b>	<b>-1.21</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Present value of Funded Obligation	4.46	3.55
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>4.46</b>	<b>3.55</b>

## III Change in Defined Benefit Obligations (DBO)

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Opening Balance of Present Value of Obligation	3.55	4.75
Current Service Cost	6.04	2.36
Interest Cost	0.22	0.27
Actuarial (Gain)/Loss	-5.35	-3.84
Benefit Paid	-	-
<b>Closing Balance of Present Value of Obligation</b>	<b>4.46</b>	<b>3.55</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, 2023	31st March, 2022
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	Compensated Absence (PL)	
	31st March, 2023	31st March, 2022
Discount Rate (Per Annum)	7.18%	6.28%
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, 2023	31st March, 2022
Net Opening Liability	3.55	4.75
Employer expenses as above	6.26	2.63
Contribution paid	-	-
Other Comprehensive Income (OCI)	-5.35	-3.84
<b>Closing Net Liability</b>	<b>4.46</b>	<b>3.55</b>

**VIII Compensated Absence (PL) - Sensitivity Analysis**

(Rs. in lakhs)

Name of the Shareholder	31st March , 2023		31st March , 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	4.52	4.41	3.62	3.48
Discount Rate (1% movement)	4.40	4.53	3.48	3.62

**(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 - 10.54 Lakhs (Previous year 11.35 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 GlobalPTE Ltd.
03. Indiasteel International P.Ltd.
04. Isiworld Steel (I) P.Ltd.
05. Isicom Traders P.Ltd.
06. Isistar Exports P.Ltd.
07. Isimetal (I) P.Ltd.
08. Isisales India Pvt. Ltd.
09. Level Construction Pvt.Ltd. (Emgee Homes)
10. Gupta Housing P.Ltd.
11. Yeotmal Land Development & Trading Co.P.Ltd.
12. India Steel Industries
13. Indiasteel International
14. LeapIndia Brandhub Services Pvt. Ltd.
15. LeapIndia Institute Pvt Ltd.
16. Level Enterprises LLP
17. 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. Karan Lamba (from 13th Nov 2021 to 18th April 2022)
02. Mr. Santino Roco Morea (from 12th Nov 2021)
03. Mr. Harpreet Baweja (from 12th Nov 2021)
04. Mrs. Aastha Sharma (from 13th Nov 2021 to 18th April 2022)
05. Mrs. Priyanka Gupta (from 15th July 2022 to 14th Nov 2022)
06. Mr. Santosh Pandharinath Bhosale (from 20th Sept 2022)
07. Mr. Shivanand Shesherao Bhalerao (from 20th Sept 2022)
08. Mrs. Saachi Rajesh Madnani (from 27th March 2023)

**Non Independent & Non Executive Directors :**

01. Mr.Bimal Desai

**Company Secretary :**

01. Mr.Dilip Maharana

**Chief Financial Officer :**

01. Mr.Nilesh Matkar (from 16th November 2022)



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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	-	1,177.75	-	-	-	1,177.75
LeapIndia Brandhub Services Pvt. Ltd.	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,177.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,177.75</b>
<b>SALES</b>						
Sale of Goods						
Isinox Limited	-	125.35	-	-	-	125.35
LeapIndia Brandhub Services Pvt. Ltd.	2.21	426.73	-	-	2.21	426.73
<b>Total</b>	<b>2.21</b>	<b>552.08</b>	<b>-</b>	<b>-</b>	<b>2.21</b>	<b>552.08</b>
<b>LICENCE FEES</b>						
Licence Fees Paid						
Isinox Limited	14.16	14.16	-	-	14.16	14.16
<b>Total</b>	<b>14.16</b>	<b>14.16</b>	<b>-</b>	<b>-</b>	<b>14.16</b>	<b>14.16</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	-	17.15	-	-	-	17.15
LeapIndia Brandhub Services Pvt. Ltd.	7.98	9.78	-	-	7.98	9.78
<b>Total</b>	<b>7.98</b>	<b>26.93</b>	<b>-</b>	<b>-</b>	<b>7.98</b>	<b>26.93</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	0.81	3.57	-	-	0.81	3.57
<b>Total</b>	<b>0.81</b>	<b>3.57</b>	<b>-</b>	<b>-</b>	<b>0.81</b>	<b>3.57</b>
Other Income						
Isinox Limited	28.32	28.32	-	-	28.32	28.32
<b>Total</b>	<b>28.32</b>	<b>28.32</b>	<b>-</b>	<b>-</b>	<b>28.32</b>	<b>28.32</b>
<b>INTEREST EXPENSES</b>						
Gupta Housing Pvt. Ltd.	-	26.95	-	-	-	26.95
<b>Total</b>	<b>-</b>	<b>26.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.95</b>
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Sudhir H Gupta			6.77	6.79	6.77	6.79
Mr.Varun S.Gupta			6.12	6.10	6.12	6.10
Mr.Dipak Gaur			-	3.48	-	3.48
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mr.Dilip Maharana			3.00	8.72	3.00	8.72
<b>REMUNERATION TO CHIEF FINANCIAL OFFICER</b>						
Mr.Nilesh Matkar			4.08	-	4.08	-



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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			-	1.00	-	1.00
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			1.20	0.60	1.20	0.60
Mr.T.R.Bajalia			-	0.25	-	0.25
Mrs. Kavita Joshi			-	0.59	-	0.59
Mrs. Riddhi Shah			-	0.34	-	0.34
Mr. Karan Lamba			-	0.40	-	0.40
Mr. Santino Roco Morea			1.20	0.50	1.20	0.50
Mr. Harpreet Baweja			0.90	0.50	0.90	0.50
Mrs. Aastha Sharma			-	0.50	-	0.50
Mr. Shivanand S. Bhalerao			0.45	-	0.45	-
Mr. Santosh P. Bhosale			0.45	-	0.45	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>24.17</b>	<b>29.77</b>	<b>24.17</b>	<b>29.77</b>
<b>OUTSTANDING BALANCES</b>						
<b>RECEIVABLES</b>						
ISL Global PTE Ltd.	791.56	708.17	-	-	791.56	708.17
Isisales India Pvt. Ltd.	408.53	383.53	-	-	408.53	383.53
<b>Total</b>	<b>1,200.09</b>	<b>1,091.70</b>	<b>-</b>	<b>-</b>	<b>1,200.09</b>	<b>1,091.70</b>
<b>DEPOSITS</b>						
India Steel Industries	-	46.54	-	-	-	46.54
<b>Total</b>	<b>-</b>	<b>46.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,587.27	1,587.27	-	-	1,587.27	1,587.27
Gupta Housing Pvt. Ltd.	234.85	218.18	-	-	234.85	218.18
SPV Family Trust	41.00	39.00	-	-	41.00	39.00
Level Construction Pvt.Ltd. (Emgee Homes)	20.00	20.00	-	-	20.00	20.00
Siddharth Gupta	34.96	27.25	-	-	34.96	27.25
<b>Total</b>	<b>1,918.09</b>	<b>1,891.70</b>	<b>-</b>	<b>-</b>	<b>1,918.09</b>	<b>1,891.70</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	197.63	-	-	197.63	197.63
Level Enterprises LLP	14.80	14.80	-	-	14.80	14.80
Gupta Housing Pvt. Ltd.	-	33.29	-	-	-	33.29
<b>Total</b>	<b>212.43</b>	<b>245.71</b>	<b>-</b>	<b>-</b>	<b>212.43</b>	<b>245.71</b>
<b>ADVANCE RECEIVED FROM CUSTOMER</b>						
Isinox Limited	1,603.17	2,484.01	-	-	1,603.17	2,484.01
Level Enterprises LLP	992.55	1,052.59	-	-	992.55	1,052.59
Leapindia Brandhub Services Pvt. Ltd.	244.73	-	-	-	-	-
<b>Total</b>	<b>2,840.45</b>	<b>3,536.60</b>	<b>-</b>	<b>-</b>	<b>2,595.72</b>	<b>3,536.60</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 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
<b>ADVANCE TO SUPPLIERS</b>						
Indinox Steels Pvt. Ltd.	-	0.07	-	-	-	0.07
Isisales India Pvt. Ltd.	-	25.00	-	-	-	25.00
<b>Total</b>	<b>-</b>	<b>25.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.07</b>
<b>REMUNARATION PAYABLE</b>						
Mr.Sudhir H Gupta	-	-	18.54	12.28	18.54	12.28
Mr.Varun S.Gupta	-	-	17.19	11.57	17.19	11.57
Mr.Dipak Gaur	-	-	23.07	23.07	23.07	23.07
Mr.Dilip Maharana	-	-	13.93	10.43	13.93	10.43
Mr.Nilesh Matkar	-	-	21.90	-	21.90	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>94.63</b>	<b>57.35</b>	<b>94.63</b>	<b>57.35</b>
<b>DIRECTOR SITTING PAYABLE</b>						
Mr. Bimal Desai	-	-	1.98	0.90	1.98	0.90
Mr. Karan Lamba	-	-	0.36	0.36	0.36	0.36
Mr. Santino Roco Morea	-	-	1.53	0.45	1.53	0.45
Mr. Harpreet Baweja	-	-	1.26	0.45	1.26	0.45
Mrs. Aastha Sharma	-	-	0.45	0.45	0.45	0.45
Mr. Shivanand S. Bhalerao	-	-	0.11	-	0.11	-
Mr. Santosh P. Bhosale	-	-	0.11	-	0.11	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.79</b>	<b>2.61</b>	<b>5.79</b>	<b>2.61</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. 1200.09 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) have been provided the personal guarantee for the working 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	-	-
Others	Business Purpose	-	-
Loans to Employees	Staff Welfare	-	60.65

43 SEGMENT REPORTING :

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 2023	31st March 2022
Current ratio (In times)	Total Current Assets	Total Current Liabilities	0.49	0.55
Debt-Equity Ratio (In times)	Debt consists of borrowings	Total Equity	1.46	0.74
Debt Service Coverage Ratio (In times)	Net Operating Income	Debt service = Interest + Principal Repayments	-2.19	-5.09
Return on Equity ratio (In %)	Net Profits After Taxes	Average Shareholder's Equity	-53.56%	-45.90%
Inventory Turnover ratio (In times)	Cost of Goods Sold	Average Inventory	0.05	0.13
Trade Receivable Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	18.87	1.48
Trade Payable Turnover Ratio (In times)	Purchase and Other Expenses	Average Trade Payable	0.07	0.30
Net Capital Turnover Ratio (In times)	Revenue from Operations	Working Capital (i.e. Total Current Assets less Total Current Liabilities)	0.02	0.09
Net Profit ratio (In %)	Net Profits After Taxes	Revenue from Operations	-763.38%	-212.89%
Return on Capital Employed (In %)	Earnings Before Tax and finance cost	Total Assets - Total Current Liabilities	-6.82%	-15.74%

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.

**SIGNIFICANT ACCOUNTING POLICIES 1-46**

The accompanying notes are an integral part of the Consolidated financial statements

**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 : 18th July 2023**

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

**Sudhirkumar H Gupta  
Executive Chairman  
DIN: 00010853**

**Dilip Maharana  
Company Secretary  
ACS: 23014**

**Varun S. Gupta  
Managing Director  
DIN: 02938137**

**Nilesh Matkar  
Chief Financial Officer**





## NOTICE

### Notice of the Thirty Sixth Annual General Meeting

**NOTICE** is hereby given that the **Thirty Sixth Annual General Meeting** of the Members of India Steel Works Limited (CIN: L29100MH1987PLC043186) will be held on **Friday, 29th day of September 2023**, 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, 2023 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, 2023 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, 2023.**

**3. To appoint a Director in place of Mr. Varun S. Gupta (DIN:02938137), who retires by rotation and being eligible, offers himself for reappointment and in this regard to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**.**

**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Varun S. Gupta (DIN: 02938137), 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. Varun S. Gupta (DIN: 02938137) as a Director, shall not in any way constitute a break in his existing office as the Managing Director of the Company.

**4. To Re-appointment M/s. Laxmikant Kabra & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a second term of three years:**

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

**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 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] and pursuant to the recommendation of the Audit Committee, M/s. Laxmikant Kabra & Co LLP, Chartered Accountants, having Firm Registration No.: 117183W/ W100736 be and are hereby reappointed as the Statutory Auditors of the Company for the second consecutive term of three years, from the conclusion of this 36th Annual General Meeting till the conclusion of the 39th Annual General Meeting to be held in the year 2026, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.

#### SPECIAL BUSINESS:

**5. To approve sale of the whole or substantially whole of the business of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other applicable provisions, if any, of the Companies Act, 2013, the Rules made there under (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter



referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this Resolution), to sell, lease, convey, transfer, assign, deliver or otherwise dispose off, from time to time, in one or more tranches, all or any of the tangible assets including land, building, plant and machinery, and other assets in relation to the Company and / or intangible assets, properties, investments, contracts, book debts, rights, licenses, permits or other assets of whatsoever nature and / or the whole or substantially the whole of the Business of the Company, as a going concern / on a slump sale basis on an "as is where is" basis / or in any other manner as the Board may deem fit, to the purchaser / third party investor, for a consideration as determined by independent valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the stakeholders of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the business as they may in their absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements / documents, arranging delivery and execution of contracts, deeds, agreements and instruments."

**6. To approve Material Related Party Transaction(s):**

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

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, 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 2023-24 and for the next financial year 2024-2025 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2025 (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 and also they are on the Board of IL.	Job Work / Purchase / Sale of goods, Rendering of services, Receipt of service, loan, inter corporate deposit, investment, purchase / sale of fixed assets, interest payment / receipt and other transactions for business purpose	Rs.200 Cr
2.	Leap India brand hub Services Pvt Ltd (LIBSPL)	Shri Sudhir H. Gupta Executive Chairman & Shri Varun S. Gupta, Managing Director of the Company have significant Influence / own & control the Company LIBSPL and also they are on the Board of 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.50 Cr
3.	Leap India Institute Pvt Ltd (LI IPL)	Key Managerial Personnel and their relatives have significant Influence / own & control the Company LI IPL.	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.50 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.

**7. To Close / ratify closure of the Branch office of the Company:**

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

**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013, if any, approval of the members of the Company be and is hereby accorded to close / ratify the closure of the Branch Office of the Company situated at Singapore.



**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, as they may deem necessary and/or expedient including acts, deeds, matters done hitherto, for the closure of Branch Office with concerned authorities in Singapore & to give effect to the above Resolution.

Regd. Office:

**India Steel Works Complex,**  
Zenith Compound,  
Khopoli, Raigad-410203

Place: Mumbai

Date: 14th August, 2023.

By Order of the Board of Directors

**India Steel Works Limited**

Sd/-

**Sudhir H. Gupta**

Executive Chairman

DIN:00010853

**NOTES:**

1. In compliance with the applicable provisions of the Companies Act, 2013 ("**Act**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), and pursuant to the Ministry of Corporate Affairs, Government of India ("**MCA**") General Circular Nos. 20/2020 and 10/2022 dated 5th May 2020 and 28th December 2022, respectively, and other circulars issued in this respect ("**MCA Circulars**"). The Securities and Exchange Board of India ("**SEBI**") Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January 2023 ("**SEBI Circular**"), the 36th Annual General Meeting of the Company ("**AGM**") is being held through VC / OAVM without the physical presence of the Members at a common venue. The deemed venue for the 36th AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC / OAVM, and physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. 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. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned certified copy (PDF/JPG Format) of their Board or governing body's Resolution / Authorisation, authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutiniser through e-mail reena.modi88@gmail.com with a copy marked to evoting@nsdl.co.in. and cosec@indiasteel.in.
5. The statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts in respect of the business under Item Nos. 4 to 7 set out in this Notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed to this Notice.
6. Pursuant to MCA Circular No. 02/2022 dated May 5, 2022 read with Circular 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI / HO / CFD / CMD2 / CIR/P/2022/62 dated May 13, 2022, Notice of the AGM along with the Annual Report for F.Y. 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022- 23 will also be available on the Company's website www.indiasteel.in, website of the Stock Exchange i.e., BSE Limited. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2023 to 29th September, 2023 (both days inclusive) for the purpose of the AGM.
8. In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, 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.
9. As per the provisions of Section 72 of the Act, 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. The said form can be downloaded from the Company's website www.indiasteel.in (under 'Investors' section). Members are requested to submit the said details to their depository participants ("**DPs**") in case the shares are held by them in electronic form and to Link Intime India Services Pvt Ltd in case the shares are held by them in physical form.



10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at an early date through email on [cosec@indiasteel.in](mailto:cosec@indiasteel.in) which will be replied by the Company suitably.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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).
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. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [cosec@indiasteel.in](mailto:cosec@indiasteel.in) during the period, Tuesday, September 19, 2023 from 9:00 A.M. to Monday, September 25, 2023 up to 5:00 P.M. The same will be replied by the Company suitably.
20. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account Number / folio number, email id, mobile number at [cosec@indiasteel.in](mailto:cosec@indiasteel.in) during the period Tuesday, September 19, 2023 from 9:00 A.M. to Monday, September 25, 2023 up to 5:00 P.M. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



21. 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.
22. 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, September 26, 2023 at 9:00 A.M. (IST) and ends on Thursday, September 28, 2023 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, September 22, 2023**, 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 cut off date i.e Friday, September 22, 2023.**

**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
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e- Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' 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 "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company</li> </ol>



Type of shareholders	Login Method
	<p>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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  App Store         </div> <div style="text-align: center;">  Google Play         </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The 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>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the 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>3. 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>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p><b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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 &amp; voting during the meeting.</p>



**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**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 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 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.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:reena.modi88@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). & [Cosec@indiasteel.in](mailto:Cosec@indiasteel.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.nsd.com](http://www.evoting.nsd.com) to reset the password.

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.nsd.com](http://www.evoting.nsd.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Sarita Mote or Mr. Sagar Ghosalkar at [evoting@nsdl.co.in](mailto: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](mailto:cosec@indiasteel.co.in). If you are an Individual shareholder 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](mailto: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 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. 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 August, 2023.**



## EXPLANATORY STATEMENT

**The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 7 of the accompanying Notice dated 14th August, 2023.**

**Item No. 4: To Re-appoint M/s. Laxmikant Kabra & Co LLP, Chartered Accountants as the Statutory Auditors of the Company.**

As an additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned at Item No. 4 of the said Notice. This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the Thirty First Annual General Meeting of the Company held on Monday 20th August, 2018, had approved appointment of **M/s. Laxmikant Kabra & Co LLP**, Chartered Accountants (Firm Registration No. 117183W), as the Statutory Auditors of the Company to hold office from the conclusion of the thirty first AGM till the conclusion of the 36th AGM of the Company to be held in the year 2023.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board'), based on the recommendation of the Audit Committee, has proposed the reappointment of Laxmikant Kabra & Co LLP, Chartered Accountants (Firm Registration No. 117183W/W100736) as the Statutory Auditors of the Company, for the second consecutive term of three years from the conclusion of thirty sixth AGM till the conclusion of 39th AGM of the Company to be held in the year 2026, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

**Laxmikant Kabra & Co LLP** have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

**Laxmikant Kabra & Co LLP** audits various companies including Companies listed on stock exchanges in India. The Company has in place a Policy for approval of services to be rendered by the Auditors by the Audit Committee to ensure, inter alia, that the Statutory Auditors function in an independent manner.

The Board of Directors has approved the remuneration as provided in the Financial Statement for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals.

The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

**Item No. 5. : To approve the sale of the whole or substantially the whole of the business of the Company:**

The Company presently engaged in the business of manufacture of steel Products. The Plant / Registered Office of the Company is located at Zenith Compound, Khopoli, Raigad-410203. The Area is not being fully utilized as it possesses more space than the actual requirement of the company.

The Business was operating under challenging environment due to various factors such as high Interest Cost, employee unrest, working capital needs and above all post COVID pandemic situations are the factors that have led to the negative performance of the Company. The Board in its meeting held on 18th August, 2023 had carried out a comprehensive review of the ongoing business operations and the financial crisis and challenges the management encounters now in running the business and the operations of the Company.

The Board is of the opinion that the Company is in need of funds for reducing its debt burden which has been increasing day by day.

This is the reason that had led the Company to take the decision and accordingly the Board of Directors, after evaluating the feasibility of various options, have decided to seek members approval to sell, from time to time, in one or more tranches, the Assets comprising all tangible and intangible assets including land, building, plant and machinery and other assets in relation to the Company, of whatsoever nature and / or the whole or substantially the whole of the Business of the Company, as a going concern / on a slump sale basis on an "as is where is" basis / or in any other manner as may be appropriate.



Section 180(1)(a) of the Companies Act, 2013 ('the Act') provides that the Board of Directors of a Company shall not except with the consent of the Members by way of a special resolution sell, lease, transfer, assign or otherwise dispose of the whole, or substantially the whole of the Business of the Company.

The Company intends to deleverage and reduce its debt and liabilities. For this purpose and for the purpose of unlocking value of business and the assets, the Company intends to monetize the same at an opportune time.

The resolution set out at Item no. 5 is an enabling resolution empowering the Board of Directors to monetize assets and businesses to achieve the above stated objective of deleveraging and reducing debt and liabilities of the Company, as also to unlock value of its various businesses and assets.

None of the Directors / Key Managerial Personnel / Managers of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding / directorship, in the Company.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

**Item No. 6. : To approve 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 2023-2024 and in the next financial year 2024-2025 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>



Sr. No.	Description	Details
		<p><b>iii. Leap India Institute Pvt Limited (LI IPL):</b> LI IPL 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>
<p>b.</p> <p>c.</p>	<p>Name of the director or key managerial personnel who is related, if any and nature of relationship</p> <p>Nature, material terms, monetary value and particulars of contracts or arrangement</p>	<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> <p><b>iii. Leap India Institute Pvt Limited (LI IPL):</b> Mrs. Priya S. Gupta, Mrs. Priyanka V. Gupta, Mrs. Malika S. Gupta Directors as well as Shareholders (100%), relatives of Mr. Sudhir H. Gupta, Executive Chairman, Mr. Varun S. Gupta, Managing Director of the Company.</p> <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 2023-24, 24-25 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 2023-24, 24-25 aggregating up to Rs.50 crore.</p> <p><b>iii. Leap India Institute Pvt Limited (LI IPL):</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 2023-24, 24-25 aggregating up to Rs.50 crore.</p>
d.	Value of Transaction	Up to Rs.200 crore for IL & Up to Rs.50 crore for each LIBSPL & LI IPL.



Sr. No.	Description	Details
e.	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year.	i. IL: 4250% ii. LIBSPL: 1062% iii. LIPL : 1062%
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 2023-2024 and in the next financial year 2024-2025 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 2023-24 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.

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.6.

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. 6 of this Notice, except to the extent of their respective shareholding, if any, in the Company.

Accordingly, your Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 6 of this Notice for the approval of the Members of the Company.

**Item No. 7: To Close / ratify closure of Branch office of the Company:**

The Branch office was established in Singapore in the year 2017. The Branch has no business since long. To avoid expenses like expenses to maintain branch office, payment of legal expenditures including Audit Fees, Directors Fees, Filing Fees of Business documents with ACRA etc., the Directors are of the opinion to Close the Branch. In this regard the Directors of the Branch have initiated procedures to close it effective 31st March, 2023.

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. 7 of this Notice, except to the extent of their respective shareholding, if any, in the Company.



Accordingly, your Board of Directors recommends passing of the Ordinary Resolution to close / ratify the closure of the Branch office as set out at Item No. 7 of this Notice for the approval of the Members of the Company.

**Regd. Office:**

India Steel Works Complex,  
Zenith Compound,  
Khopoli, Raigad-410203

**Place: Mumbai**

**Date: 14th August, 2023.**

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>Varun S. Gupta (DIN: 02938137 ) (Re-appointment- Retire by rotation)</b>
Date of birth and age	17.06.1985 & 38 years
Date of appointment / re-appointment	17/12/2009
Qualifications	Graduate in Business administration from the Bond University, Gold Coast, Australia.
Experience and expertise in specific functional areas	Liasioning with the Investors, general administration, banking, finance, sales and purchase.
Remuneration last drawn (including sitting fees, if any)	Not applicable
Remuneration proposed to be paid	Not applicable
Disclosure of Relationships between Director Inter-se	Son of Mr. Sudhir H. Gupta (Executive Chairman).
Directorships held in other (excluding foreign) Companies	Isinox Limited
Membership / Chairmanship of committees across companies	Corporate Social Responsibility Committee(India Steel Works Ltd)-Member
No. of shares held in the Company including shareholding as beneficial owner	6,54,800 Equity Shares.
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

**ADDENDUM TO THE NOTICE OF 36TH ANNUAL GENERAL MEETING OF THE COMPANY**

Addendum to the Notice dated 14th August, 2023 convening 36th Annual General Meeting of the Company scheduled to be held on Friday, 29th September, 2023 at 2:00 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"):

Notice is hereby given that pursuant to the provisions of Section 152, 160 of the Companies Act, 2013 ('Act') and applicable provisions of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board has appointed additional Director & recommend for the office of Director of the Company, at its Board Meeting held on 5th September, 2023 after approval of the Notice.

Accordingly, the following item of business is added in the Notice dated 14th August, 2023 convening 36th Annual General Meeting of the Company scheduled to be held on Friday, 29th September, 2023 as Item No. 8 as a Special Business and this addendum shall be deemed to be an integral part of the said original Notice dated 14th August, 2023 and the notes provided therein.

Attention of the shareholders is drawn to the attached explanatory statement to explain the background of the proposal and the recommendation of the Board of Directors of the Company thereon.

**SPECIAL BUSINESS:**

**8: To regularise the appointment of Mrs. Priyanka V. Gupta (DIN 08057096) as a Non- Executive Non-Independent Director, liable to retire by rotation:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act"), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 made there under [including any statutory modification(s) or re-enactment thereof, for the time being in force], and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Priyanka V. Gupta (DIN 08057096), who was appointed as an Additional Director of the Company with effect from September 05, 2023 by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Non - Independent Director of the Company, whose office is liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all such steps as it may deem necessary, proper or expedient to give effect to this resolution."

**Regd. Office:**

India Steel Works Complex,  
Zenith Compound,  
Khopoli, Raigad-410203

**Place: Mumbai****Date: 5th September, 2023.**

By Order of the Board of Directors  
**India Steel Works Limited**

Sd/-

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

**Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013):**

**Item No.8: To regularise the appointment of Mrs. Priyanka V. Gupta (DIN 08057096) as a Non- Executive Director, liable to retire by rotation.**

The following is the statement setting out the material facts relating to the Special Business included as an addendum to the accompanying notice dated 14th August, 2023 and shall be taken as forming part of the said Notice.

The Company had approved Notice dated 14th August, 2023 for convening the 36th Annual General Meeting ("AGM") scheduled to be held on Friday, 29th September, 2023 at 2:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) and the same was in process of circulation to the Members of the Company in due compliance with the provisions of the Companies Act, 2013 ("Act") read with the Rules framed thereunder.

Subsequently, Mrs. Saachi Madnani resigned as a Director of the Company w.e.f 4th September, 2023. In order to have a woman director on the Board, upon recommendation of the Nomination & Remuneration Committee, the Board of Directors of the company appointed Mrs. Priyanka V. Gupta (DIN 08057096), as an Additional (Non-Executive) Director of the Company with effect from 5th September, 2023, pursuant to the provisions of the Section 152 160 & 161 of the Companies Act, 2013 read with the rules framed there under, to hold office up to the date of the next Annual General Meeting.

Earlier your Board had appointed Mrs. Priyanka V. Gupta (DIN 08057096), as an Additional Director, in the category "Non-Executive Non-Independent Director" on the Board of the Company effective 15th July, 2022. As per the provisions of the SEBI (Listing Obligation & Disclosure requirement) Regulations 2015, her appointment should have been approved by the Shareholders at the next Annual General Meeting or General Meeting or within a time period of three months from the date of appointment, whichever is earlier. Due to unavoidable reasons a general meeting could not be held on or before due date and therefore she resigned from the Board on 14th November, 2022.

A brief profile of Mrs. Priyanka V. Gupta, to be appointed as a Non-Executive Director is given under the heading "Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India" elsewhere in the Notice. The Company has received declaration from Mrs. Priyanka V. Gupta that she is not disqualified from being appointed as Director in terms of Section 164 of the Act. Considering the knowledge and experience of Mrs. Priyanka V. Gupta, the Board of Directors in consonance with Nomination and Remuneration Committee recommendation for the said appointment of Mrs. Priyanka V. Gupta as a Non-Executive Director of the Company and is now being placed before the Members at the General Meeting for their approval. Mrs. Priyanka V. Gupta holds 5000 equity shares in the Company.

Except Mrs. Priyanka V. Gupta, Mr. Sudhir H. Gupta, Chairman & Mr. Varun S. Gupta, Managing Director and their relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the ordinary resolution at Item No. 8 of the Notice.

The Board accordingly, recommends the passing of the Resolution as set out at item No. 8 of the Notice as an Ordinary resolution by the shareholders.

**Regd. Office:**

India Steel Works Complex,  
Zenith Compound,  
Khopoli, Raigad-410203

**Place: Mumbai****Date: 5th September, 2023.**

By Order of the Board of Directors  
**India Steel Works Limited**

Sd/-

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



Information required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment at the 36th Annual General Meeting.

<b>Particulars</b>	<b>Priyank V. Gupta (DIN: 08057096 ) (Appointment)</b>
Date of birth and age	06/04/1985 & 38 years.
Date of appointment / re-appointment	5.09.2023
Terms and conditions of Appointment / Re-appointment	Appointment as Non-Executive Non-Independent Director, liable to retire by rotation
Qualifications	MA in politics (2007-08).
Experience and expertise in specific functional areas	having more than 5 years of experience in the field of Consulting, marketing, making business strategies, General administration. She was additional Director on the Board of the Company from 15.07.2022 to 14.11.2022.
Remuneration last drawn (including sitting fees, if any)	She was entitled to sitting fees Rs.20,000/-for four meetings attended, but forgone the receipt.
Remuneration proposed to be paid	Not applicable. She is entitled to sitting fees.
Disclosure of Relationships between Director Inter-se	Spouse of Mr. Varun S. Gupta, Managing Director & Daughter in Law of Mr. Sudhir H. Gupta (Executive Chairman).
Directorships held in other (excluding foreign) Companies	Isiworld Steels Pvt Ltd Isicom Traders Pvt Ltd Isisales (India) Pvt Ltd Leap India Institute Pvt Ltd
Membership / Chairmanship of committees across companies	Nil
No. of shares held in the Company including shareholding as beneficial owner	5000 Equity Shares.
Listed Companies from which resigned from past three years	India Steel Works Limited
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	having more than 5 years of experience in the field of Consulting, marketing, making business strategies, General administration. She was additional Director on the Board of the Company from 15.07.2022 to 14.11.2022.

**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)