ANNUAL REPORT
2021-22

ISMT LIMITED

Solutions You Can Trust

History

1977 - 1980

ISMT began life as 'The Indian Seamless Metal Tubes Limited'. Incorporated on 29th July 1977 as a public limited company, raised Rs. 45 lacs through Initial Public Offering and commenced production of Seamless Tubes in the year 1980 with an installed capacity of 15,000 MTPA.

1985

Seamless Tube manufacturing capacity increased to 30,000 MTPA.

1992

Seamless Tube manufacturing capacity further increased to 50,000 MTPA.

Promoted 'Indian Seamless Steels and Alloys Ltd.' (ISSAL) to produce 1,50,000 MTPA Alloy Steel giving the Company better control over product quality as well as deliveries.

Successfully completed Public Issue of ISSAL which was hugely oversubscribed.

1993-1994

Rights issue of Rs. 28 Crore in the year 1993 followed by rights issue of Rs. 58 Crore, for modernization and technology upgradation of Seamless Tube plant.

Seamless Tubes & Technologies (India) Ltd, a group Company amalgamated with the Company.

'Indian Seamless Steels and Alloys Ltd.' (ISSAL) commenced commercial production of Steel Rounds.

1998

Steel manufacturing capacity at ISSAL increased to 190,000 MTPA.

1999

Merged into Kalyani Seamless Tubes Ltd., (KSTL), a competing Seamless Tube manufacturer with 90,000 MTPA capacity. The combined entity, which retained the name The Indian Seamless Metal Tubes Ltd., not only had a larger capacity (1,58,000 MTPA) but also a much wider size range (from 6 mm to 273 mm).

2004-2005

Steel manufacturing capacity at ISSAL increased from 190,000 MTPA to 250,000 MTPA.

'The Indian Seamless Metal Tubes Ltd.' and 'Indian Seamless Steels and Alloys Ltd.' merged to form 'ISMT Ltd'.

Exports cross Rs. 100 Crore mark.

2006 - 2007

Raised USD 20 Million through Foreign Currency Convertible Bonds issue.

Acquired Structo Hydraulics AB (based in Storfors, Sweden), Europe's leading supplier of tubes and engineering products for the hydraulic cylinder industry.

2010

ISMT added a PQF Mill, increasing its tube making capacity to 465,000 MTPA.

Simultaneously, Steel making capacity was increased from 250,000 MTPA to 350,000 MTPA.

2011

Exports cross Rs. 500 Crore mark.

Redeemed Foreign currency convertible Bonds (FCCB's) amounting to USD 20 Million along with redemption premium.

2012

Commissioned 40 MW Captive Power Plant located at Chandrapur district (Maharashtra).

2022

Kirloskar Ferrous Industries Limited (KFIL) acquired majority stake in the Share Capital of the Company, making ISMT a subsidiary of KFIL w.e.f March 10, 2022.

Highest ever achievement - Net Sales of Rs. 2,124 crore.

COMPANY INFORMATION

Board of Directors

Rahul Kirloskar	-	Chairman (w.e.f. March 10, 2022)
O P Kakkar	-	Chairman (upto March 10, 2022)
Ravindranath Gumaste	-	Vice Chairman (w.e.f. March 10, 2022)
Nishikant Ektare	-	Managing Director (w.e.f. March 10, 2022)
B R Taneja	-	Managing Director (upto March 10, 2022)
Rajiv Goel	-	Chief Financial Officer
Deepa Mathur	-	Director (upto March 10, 2022)
Kanakraj M	-	Director
R Poornalingam	-	Director
S Venkataramani	-	Director (w.e.f. March 10, 2022)
Shalini Sarin	-	Director (w.e.f. March 10, 2022)

Company Secretary & Compliance Officer

Chetan Nathani

Auditors

M/s. D N V & Co., Chartered Accountants

Cost Auditors

M/s. Dhananjay V. Joshi & Associates, Cost Accountants
M/s. Parkhi Limaye & Co., Cost Accountants

Bankers

Indian Overseas Bank
Bank of Baroda
ICICI Bank
Andhra Bank
Central Bank of India
IKB Deutsche Industrie Bank AG
Edelweiss Asset Reconstruction Co. Ltd.
Asset Reconstruction Company (India) Ltd. (ARCIL)
SC Lowy Primary Investment Ltd.

Works

Tube - MIDC Industrial Area, **Ahmednagar** - 414111
MIDC Industrial Area, **Baramati** - 413133
Structo Hydraulics AB, Storfors, **Sweden**
Steel - Jejuri - Morgaon Road, **Jejuri** – 412303
Power- Village Kurla, Warora, **Chandrapur** - 422910

Registered Office

Panama House,
(*Earlier known as* Lunkad Towers),
Viman Nagar, Pune - 411014
Tel: +91-20-4143 4100/ 26630144
Fax: +91-20-26630779
E-mail ID: secretarial@ismt.co.in
Website: www.ismt.co.in
CIN: L27109PN1999PLC016417

Registrar & Share Transfer Agent

KFin Technologies Ltd.
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana
Email id: einward.ris@kfintech.com
Website: https://www.kfintech.com/ https://ris.kfintech.com/
Toll free number: 1 800 309 4001

Performance at a glance

PHYSICAL SUMMARY

(Tonnes Per Annum)

Particulars	2021-22	2020-21	2018-19	2016-17	2014-15	2012-13	2010-11	2008-09	2006-07	2004-05
Tube Division										
Sales	**1,39,058**	95,458	1,51,514	88,852	1,11,108	1,28,441	1,45,670	1,28,217	1,46,140	98,905
- Domestic	**1,26,033**	89,234	1,33,039	80,863	81,075	83,695	1,01,499	86,422	1,12,833	74,878
- Exports	**13,025**	6,224	18,475	7,988	30,034	44,745	44,171	41,795	33,307	24,027
Steel Division										
Sales	**2,27,446**	1,49,620	1,66,607	1,26,124	2,08,054	2,14,796	2,56,347	2,01,601	2,45,096	2,14,399
- External	**87,214**	75,392	77,870	83,527	91,144	77,541	1,07,357	56,207	84,111	1,05,308
- Captive	**1,40,232**	74,228	88,737	42,597	1,16,910	1,37,255	1,48,990	1,45,394	1,60,985	1,09,091

FINANCIAL SUMMARY

(Rs. in Crore)

Particulars	2021-22	2020-21	2018-19	2016-17	2014-15	2012-13	2010-11	2008-09	2006-07	2004-05
Net Sales	**2,123**	1,217	1,795	1,029	1,463	1,511	1,602	1,285	1,190	892
- Tube Sales	**1,503**	798	1,317	638	979	1,098	1,071	980	872	510
- Steel Sales	**621**	420	478	391	484	413	532	304	318	382
EBIDTA	**80**	25	120	50	46	179	275	251	269	164
Net Profit/ (Loss)	**2,357.39***	(351)	(229)	(288)	(221)	(100)	75	56	130	33

* Including exceptional income of Rs. 2,494.10 Crore, mainly due to write back of the outstanding principle debt and unpaid interest to lenders in view of the onetime settlement of the entire outstanding debt of the Company.

Board's Report

To the Members of ISMT Limited

Your Directors present herewith the Twenty Fourth Annual Report & the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

Rs. in Crore

Particulars	Financial Year	
	2021-22	2020-21
Gross Sales	**3216.84**	1681.70
Revenue from Operations	**2152.54**	1234.67
Earnings Before Interest, Depreciation, Tax & Amortization (EBIDTA)	**79.66**	31.25*
Cash Profit/ (Loss)	**48.66**	(289.33)
Net Profit/ (Loss)	**2357.39**	(350.71)
Total Comprehensive income	**2351.53**	(350.18)

*regrouped/ reclassified to meet current years classification.

Members will be pleased to note that as a result of the successful debt resolution, the Company has returned to profit after several years.

DIVIDEND

Directors do not propose any dividend for the year ended March 31, 2022, in order to conserve resources.

RESERVES

No amount is proposed to be transferred to Reserves.

IMPACT OF COVID-19

While the delta variant has caused severe disruption in the economic activity and loss of human life, subsequent variant however has been milder leading to gradual return of normalcy.

OPERATIONS

Capacity utilization at steel plant went up from 44% to 68% driven by higher captive sourcing. Tube plants too attained pre pandemic level with capacity utilization going up from 30% to 45% on account of higher Automobile and Energy sectors demand.

DEBT RESOLUTION

Members are aware that the Company along with lenders has been working towards satisfactory debt resolution which had became inevitable due to mismatch of cash flows arising from economic slowdown, dumping of tubes by China, regulatory changes etc.

Accordingly, various processes as mandated by RBI guidelines were undertaken by Banks from time to time, but could not be concluded for various reasons beyond the Company's control including RBI circular dated February 12, 2018 and subsequently COVID-19 pandemic.

Debt resolution was finally attained on March 12, 2022 and the Company repaid entire outstanding debt to lenders by way of One-time Settlement (OTS) of Rs. 670 Crore along with change in management. Kirloskar Ferrous Industries Limited (KFIL), a part of 130 years old Kirloskar group acquired majority stake in the Company by investing Rs. 476.63 Crore in the equity share capital of the Company and further extended unsecured loan of Rs. 194 Crore towards OTS.

The Company on its part ensured that the value of the business was preserved despite numerous challenges leading to successful debt resolution.

The operations of the Company continued to be sustained and in fact increased during the entire pendency of the debt resolution period. Thus, the turnover of the Company was increased from Rs. 968.44 Crore in FY2015-16 to Rs. 2,123.41 Crore in FY2021-22 with corresponding EBITDA increased from Rs. 33.66 Crore to Rs. 79.66 Crore.

The Company is deeply thankful to all lenders for their unstinted support and co-operation. We are especially thankful to our business associates viz. customers, suppliers, vendors etc. who stood by the Company during this difficult period. Most of all, this has been made possible by dedicated hard work of the employees of the Company across all the levels.

AUTHORIZED SHARE CAPITAL

Authorized share capital of the Company was Rs. 158.50 Crore comprising of 17.50 Crore equity shares of Rs. 5/- each aggregating to Rs. 87.50 Crore & unclassified shares aggregating to Rs. 71 Crore.

The Board at its meeting held on November 25, 2021 approved classification of the aforesaid unclassified shares into 14.20 Crore equity shares of Rs. 5/- each, ranking pari passu in all respect with the existing equity shares of the Company.

Accordingly, the revised authorized share capital of the Company is Rs. 158.50 Crore comprising of 31.70 Crore equity shares of Rs. 5/- each. The shareholders of the Company approved the aforesaid classification at the Extra-ordinary General Meeting (EGM) held on December 22, 2021.

PREFERENTIAL ALLOTMENT

Pursuant to the Share Subscription Agreement dt. November 25, 2021, executed with KFIL, the Board at its meeting held on March 10, 2022 allotted 15,40,00,000 equity shares, on preferential basis, to KFIL for Rs 476.63 Crore and that the Company became a subsidiary of KFIL. Post the aforesaid allotment, paid up share capital of the Company stood at Rs. 150.25 Crore.

UTILIZATION OF FUNDS RAISED VIA PREFERENTIAL ISSUE

The entire issue proceeds of the funds raised via preferential issue has been utilized by the Company for the purposes/ objects as stated in the Explanatory Statement to the notice of the EGM held on December 22, 2021, wherein the shareholders' approval was given for the aforesaid issue.

Board's Report (Contd.)

CHANGE IN MANAGEMENT

Consequent upon allotment of 15.40 Crore equity shares, KFIL acquired majority stake in the Company (i.e. 51.25% of post issue paid-up share capital). Accordingly, KFIL appointed its representatives on the Board w.e.f. March 10, 2022. Simultaneously, Mr. B R Taneja, Promoter and Managing Director of the Company, stepped down from the Board. KFIL, a 25 years old entity, is a major producer of pig iron and castings with turnover of Rs. 2,038.08 Crore and net profit of Rs. 302.11 Crore in FY2020-21. Its future plans include setting up of steel making facility.

CAPTIVE POWER PLANT

Captive Power Plant (CPP) continued to be inoperative throughout the year in absence of banking facility from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL).

The Company's appeal against wrongful denial of banking facility is pending in Supreme Court. The Company in the past had pursued various options viz. for selling CPP or operating as group captive without success.

Consequent upon change in management on March 10, 2022, the Company is again evaluating these options. However, while demand for power is showing increasing trend, recent spurt in commodity prices including coal prices has affected the economics of thermal power generation.

IMPORTS

Anti dumping duty on imports from China was provisionally extended until October 31, 2021 and the Ministry of Finance vide notification dated October 28, 2021 extended the duty for further 5 years until October 27, 2026.

Steep increase in raw material cost has resulted in the domestic setting price being higher than the reference price and an effective Anti Dumping Duty needs to address the impact of this increase in input cost.

RAW MATERIAL

The Company has also witnessed sudden and steep increase in international scrap prices as well as in the prices of domestically procured raw materials.

Effective implementation of the New Vehicle Scrappage policy will increase domestic availability of scrap at competitive price & considerably enhance the viability of steel making by EAF.

The Company is entirely dependent on high cost power from the State grid. Availability of power at competitive rates is key to success of Atmanirbhar Bharat and suitable steps need to be taken at both Central and State Governments levels to facilitate-

(a) Special tariff for EAF route;

(b) Free market for sale of power across India;

(c) Removal of cross subsidy and other State levies on captive power generation; and

(d) Banking of energy on the lines of renewable.

RESEARCH & DEVELOPMENT

Details of R&D activities undertaken are enumerated in Annexure 'A' attached to this Report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Consequent upon change in management, Mr. B R Taneja, Promoter and Managing Director stepped down from the Board after serving the Company for over four decades.

Under the leadership of Mr. B R Taneja-

i. The Company, which started with initial capacity of 3,000 Tons at single location, has now reached 4,65,000 Tons of tube making at three locations and 3,50,000 Tons of Steel making capacity in addition to 40 MW CPP;

ii. Turnover has grown from Rs. 4 Crore in the first year to over Rs. 2,000 Crore;

iii. The Company provided direct and indirect employment to over 10,000 people; and

iv. The Company has built a strong reputation for quality and is globally a recognized producer of precision seamless tubes.

The Board places on record its whole-hearted appreciation for the yeoman services rendered by Mr. B R Taneja.

In accordance with the provisions of the Companies Act, 2013 (Act) and the Articles of Association of the Company, Mr. Rajiv Goel, Director retires by rotation and being eligible, offers himself for re-appointment.

The term of Mr. Rajiv Goel as Whole-time Director expired on September 30, 2021 & he was further re-appointed upto September 30, 2022.

Mr. Rahul Kirloskar & Mr. Ravindranath Gumaste were appointed as Directors (Non-Executive, Non-Independent) of the Company w.e.f March 10, 2022, designated as Chairman and Vice-Chairman, respectively.

Mr. Nishikant Ektare was appointed as Managing Director of the Company w.e.f March 10, 2022.

Dr. Shalini Sarin & Mr. S. Venkataramani were appointed as Independent Directors of the Company w.e.f March 10, 2022.

Mr. O P Kakkar & Ms. Deepa Mathur resigned as Directors of the Company w.e.f. March 10, 2022.

The Board placed on record its sincere appreciation and gratitude for services rendered by Mr. O P Kakkar & Ms. Deepa Mathur during their association with the Company.

Ten meetings of the Board were held during the year under review. Detailed information is given in the Corporate Governance report as enclosed herewith.

Independent Directors have given declarations pursuant to Section 149(7) of the Act & Regulation 25(8) of the SEBI (LODR), Regulations, 2015 (Listing Regulations), stating that they meet the criteria of independence. The Board is assured that Independent Directors posses adequate proficiency, experience, expertise and integrity. Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors have confirmed that they hold valid registration certificate with the Databank of Independent Directors.

Board's Report (Contd.)

The Company has devised Policy for annual performance evaluation of the Board, Committees & Directors which include criteria for performance evaluation of non-executive & executive directors. The Board evaluates performance of the Committees & of the Independent Directors whereas the Chairman of the Board evaluates performance of the Board. The Independent Directors evaluate the performance of Non-Independent Directors.

Details of familiarization Programme of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and related matters are on website of the Company: www.ismt.co.in

AUDITORS

Tenure of the Auditors of the Company will expire at the ensuing Annual General Meeting (AGM) of the Company.

The Auditors have discussed the key matters separately as per the Annexure A to the Independent Auditors Report as enclosed herewith.

COST AUDITORS

The Company is required to maintain cost records as specified u/S 148(1) of the Act & accordingly such accounts/ records are made & maintained.

Pursuant to Section 148 of the Act, the Board, on recommendation of Audit Committee, has approved the appointment & remuneration of the following Cost Auditors, for FY2021-22:

(i) M/s. Dhananjay V. Joshi & Associates; and

(ii) M/s. Parkhi Limaye & Co.

Payment of remuneration for FY2021-22 to the aforesaid Cost Auditors is subject to ratification by Members at ensuing AGM.

The Cost Audit Report for FY2020-21 was filed within the prescribed time limit as per the Companies (Cost Record and Audit Rules), 2014.

SUBSIDIARIES

As on date of this report, the Company has ten direct & indirect subsidiaries. In accordance with Section 129(3) of the Act, statement containing salient features of financial statements of subsidiaries in Form AOC-1 & report on performance & financial position of each subsidiary is forming part of enclosed financial statements for FY2021-22. The Company has framed Policy for determining Material Subsidiaries which is available on: www.ismt.co.in

Consequent upon the change in management on March 10, 2022, the Company has initiated review of its subsidiary's viz. Structo Hydraulics AB, Sweden (Structo) with regard to its operations and future opportunities. With positive net-worth and strong balance sheet of the Company, Structo can expect to have better market access and availability of working capital. Recent geo-political developments, however, together with steep increase in ocean freight, create fresh business challenges.

The recent infrastructure push could create new opportunities for green field project like Tridem Port and Power Company Private Limited (Tridem), wholly owned subsidiary of the Company. Consequent upon change in management on March 10, 2022, the Company will evaluate fresh potential opportunities for Tridem as well.

FIXED DEPOSITS

The Company has not accepted deposits from the public.

MANAGEMENT DISCUSSION & ANALYSIS & CORPORATE GOVERNANCE REPORT

Pursuant to Listing Regulations, a separate section on Management Discussion & Analysis & Corporate Governance' Report is forming part of this Report.

The Managing Director & CFO has certified to the Board with regard to the financial statements & other matters as required under Regulation 17(8) of the Listing Regulations.

Certificate from Auditors regarding compliance of conditions of Corporate Governance is also annexed to this Report.

ANNUAL RETURN

Latest Annual Return of the Company in Form MGT-7 is available on website: www.ismt.co.in

CONSERVATION OF ENERGY ETC

Information required under Section 134(3)(m) of the Act is forming part of this Report as Annexure 'A'.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, your Directors make the following statement:

i) That in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) That Directors have selected such accounting policies & applied them consistently & made judgments & estimates, that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at end of the financial year March 31, 2022 & of the Profits of the Company for that period;

iii) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the annual accounts on a going concern basis;

v) That the Directors had laid down internal financial controls to be followed by the Company & that such internal financial controls are adequate & were operating effectively; and

vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board's Report (Contd.)

NOMINATION & REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company on director's appointment & remuneration including criteria for determining qualifications, positive attributes, independence of a director & other matters is available on website: www.ismt.co.in.

The criteria for performance evaluation as laid down by the Nomination Remuneration Committee have been defined in the Nomination & Remuneration Policy.

Details pertaining to Section 197(12) of the Act read with Rules thereunder are forming part of this Report as Annexure 'B'.

Pursuant to Section 197(9) of the Act, Mr. B R Taneja, erstwhile Managing Director has, pending lenders approval, refunded remuneration due for refund during the year under review.

A statement showing details of employees in terms of Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, in terms of Section 136 of the Act, Annual Report excluding the aforesaid information is being sent to members and others entitled thereto. The same is available for inspection by Members at the Registered Office of the Company during business hours on working days upto the date of ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act & Rules made thereunder, the Board has appointed M/s. KPRC & Associates, Company Secretaries as Secretarial Auditors to undertake Secretarial Audit of the Company for the period ended March 31, 2022. The Report of the Secretarial Auditors in Form MR-3 is forming part of this Report as Annexure 'C'.

In respect of the Audit observations, following are the comments of the Board:

i. **Delay in submission of Financial Results:**

   Submission of financial results for Quarter ended March 31, 2021 and September, 2021 got delayed on account of delay in the financial statements of the foreign subsidiaries & delay in finalization of the financial results, respectively.

ii. **Promoter shareholding not in demat form:**

   The Company has requested the concerned promoter group entity, from time to time, to Demat shareholding or reclassify to Public Category which remained unattended.

iii. **Non-filing of Annual Performance Report (APR):**

   The Company has initiated corrective steps for filing the APR.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

Particulars of Loans, Guarantees & Investments covered under Section 186 of the Act have been mentioned in Notes to the enclosed Financial Statements.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee to address organization wide risk including credit, security, property, regulatory and other risks. The Committee is assisting the Board in ensuring that there is adequate risk management policy in place capable of addressing those risks.

INTERNAL FINANCIAL CONTROLS

The Company has an internal financial control framework which is commensurate with the size, scale and complexity of its operations. The Statutory Auditors of the Company reviews the same on periodical basis.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Act, no profits were available for spending on CSR activities.

AUDIT COMMITTEE & VIGIL MECHANISM

Pursuant to Section 177 of the Act, an Audit Committee has been constituted by the Board consisting of three Independent directors.

Whistle Blower Policy/ Vigil Mechanism of the Company was established by the Board & available on website: www.ismt.co.in.

CONTRACTS WITH RELATED PARTIES

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with related parties which were either not at arm's length or not in the ordinary course of business & further could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Hence, there is no information to be provided in Form AOC-2 while particulars of Related Party Transactions in terms of Ind AS-24 are forming part of the enclosed financial statements.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on website: www.ismt.co.in

GENERAL

1. No significant or material orders were passed by Regulators or Courts or Tribunals which impact the going concern status & the Company's operations in future.
2. The Company has complied with the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and during the year under review there were no cases filed under the said Act.
3. The Company has complied with the applicable secretarial standards.

Board's Report (Contd.)

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express its sincere gratitude for continued support & co-operation received by the Company from the Government of India, Government of Maharashtra, Reserve Bank of India, Stock Exchanges, other regulatory agencies & shareholders. The Board would also like to acknowledge continued support of its bankers, vendors, clients & investors. The Directors also wish to place on record their appreciation of all employees for their dedication & team work.

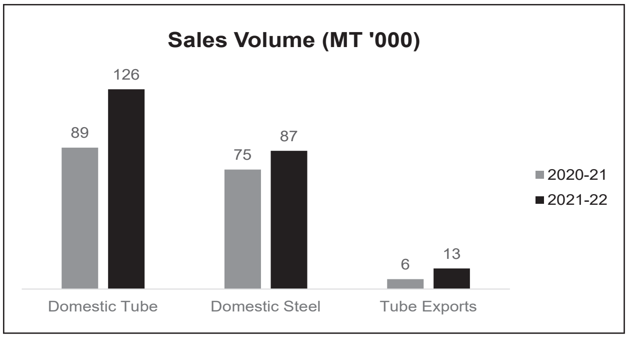
For and on behalf of
the Board of Directors

Pune **Rahul Kirloskar**
May 09, 2022 **Chairman**

Management Discussion and Analysis

Company Performance:

Total Revenue	:	Rs. 2170.66 Crore
EBIDTA	:	Rs. 79.66 Crore
Cash Profit/(Loss)	:	Rs. 48.66 Crore
Profit/(Loss) after Tax	:	Rs. 2357.39 Crore



Increase in demand from Automobile, Bearing and Power sectors in the first half of the financial year under review coupled with higher selling prices on account of increase in input costs, led to higher domestic sales against previous year. Lifting of lockdown in most of the countries and depreciation of Indian Rupee helped more than double the export sales over previous financial year.

Rs. in Crore

Particulars	2021-22	2020-21	Change
Net Sales	**2124**	1217	74%
Domestic			
-Tube	**1314**	725	81%
-Steel	**621**	420	48%
Tube Exports	**189**	73	160%

INDUSTRY STRUCTURE AND DEVELOPMENTS

Seamless Tubes Industry

Seamless Tube is a capital intensive industry & deploys high end technology. While the industry competes with other types of pipes & tubes in certain applications, it clearly is a preferred choice when it comes to better surface finish, machine-ability, strength to weight ratio and longer life. Seamless Tubes find applications in Oil and Gas exploration industry, Power Sector, Automotive, Construction Equipment, Bearing, Material handling equipment, Structural Components and host of other Mechanical applications. The seamless Tube consumption is largely dependent on long term economic growth and growth in Automobile and Capex sectors.

Steel Industry

ISMT has integrated Steel Plant which uses the Electric arc furnace technology to produce Steel.

ISMT is predominantly engaged in the manufacturing of specialty alloy and bearing Steel. The end user segments are largely Bearing, Automotive, Engineering and Forging Customers apart from some customers requiring steel for specialized application. The fortunes of the specialty and alloy steel products is closely linked to automotive and auto component industry.

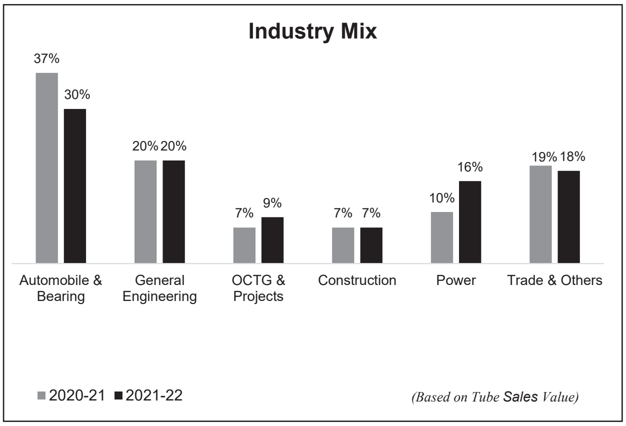
Captive Power Plant

Operations of Captive Power Plant remained suspended during the year on account of non-availability of energy banking facility from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL).

MARKET

ISMT is a diversified value added Seamless Tube supplier catering to following major industries:

a.	Oil and gas	:	As casings & Tubings during oil/ gas exploration.
b.	Power	:	In Boilers & Heat Exchangers
c.	Construction Equipment	:	In mining and earth moving equipment
d.	Automotive & General Engineering	:	Applications in two wheeler to four wheeler as front forks, axel, Steeling columns, Air bag system etc.
e.	Bearings	:	Inner and outer races of Bearings
f.	Others	:	In greenfield projects for fluid transportation, Construction of Stadiums and airports, gas cylinders, crane booms etc.



In absolute terms, following markets have been increased-

Auto & Bearing	: Rs. 158 Crore
Power	: Rs. 161 Crore
General Engineering	: Rs. 140 Crore

OPPORTUNITIES & THREATS

Opportunities

Post settlement of Bank Debt under One Time Settlement (OTS), with Net Worth becoming positive, the Company will be eligible to participate in PSU tenders. Change in management coupled with OTS is likely to improve credit worthiness of the Company thus creating confidence amongst customers. Increase in manufacturing activities after drop in Covid-19 cases worldwide is likely to increase export demand.

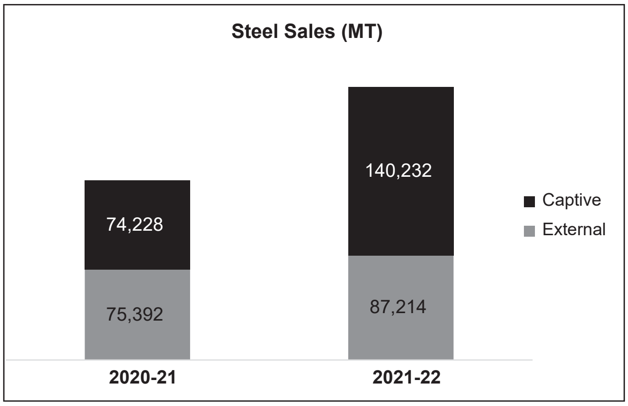
Management Discussion and Analysis (Contd.)

Threats

Any events like that of Russia-Ukraine war may have an adverse impact in form of scarcity of scrap, volatility in scrap and fuel prices, international material movement etc. Outbreak of fourth wave of COVID-19 in India, remains a threat. Imposition of duties on Indian exports by other countries to safeguard domestic players may lower the Company's export sales.

SEGMENT/ PRODUCT INFORMATION

Your Company is engaged in manufacturing Seamless Tubes and Engineering Steels. Seamless Tube accounted for 71% (previous year 66%) of ISMT's total external sales value while Steel accounted for the balance 29% (previous year 34%). Captive consumption of steel was 62% (previous year 50%) of total steel sales volumes. The Company procured more carbon grade steel from captive source for its Baramati Seamless tube plant on account of unprecedented increase in raw material prices.



While there was increase in sales volumes of both Seamless Tubes and Steel in the financial year under review, the majority of the increase in sales value came from higher selling prices as compared to previous financial year.

Post commencement of manufacturing activities worldwide after a prolonged lockdown on account of COVID-19, export sales value more than doubled as compared to previous financial year.

OUTLOOK

Emergence of new variants of COVID-19 and overall tensions in global environment pose certain challenges in terms of uncertainty in demand and volatility in raw material and fuel prices. This constant fluctuation has an adverse impact on Gross profit and EBIDTA margins. Shortage of semiconductor chips is likely to result in drop in automobile manufacturing. At the same time, OTS will create new opportunities.

RISKS & CONCERNS

Your Company regularly evaluates and reviews potential risks on account of various factors such as government policies, natural/ man-made disasters and political risks. Apart from the above, the Company is exposed to changes in foreign exchange rates and commodity prices. Any change in laws & regulations, whether domestically or internationally could affect the business and financial condition of your Company. The sudden emergence of COVID-19 pandemic is a great concern for the growth in short term.

For the long term success, the Company has adequate risk management system towards identification and evaluation of potential risks and the same are evaluated and reviewed regularly by the management so as to minimize/ eliminate the adverse impact if any.

INTERNAL CONTROL SYSTEMS

The Company has adequate and effective internal control systems and processes in place, which are designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information, safeguarding the assets, statutory compliance, executing transactions with proper requisite approvals and ensuring compliance with applicable laws and regulations. The Audit Committee of Directors on a periodic basis reviews the effectiveness and adequacy of the internal control systems and processes and suggests improvements if any.

FINANCIAL PERFORMANCE

Debt Resolution

In view of rapid economic growth, the Company had, in the past, planned expansion of steel and tube capacities and had also put up a captive power plant. However, a number of subsequent developments viz. economic slowdown leading to steep fall in demand, dumping of tubes by China, change in Captive Power Plant policy and other global developments negatively impacted the Company. The assets created by the Company thus remained highly underutilized and were unable to service the debt raised for such assets.

Accordingly, in terms of the RBI Circular "Framework for Revitalising Distressed Assets in the Economy – Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP)" dated February 26, 2014, a JLF was duly constituted on May 31, 2014. JLF initiated a Corrective Action Plan in terms of the aforesaid RBI Circular by way of a corporate loan of Rs. 405 Crore. However, in view of various adverse developments, restructuring of debt became inevitable. A Scheme of Debt Restructuring was then approved by JLF on January 5, 2016 after following due process under the RBI Circular "Strategic Debt Restructuring Scheme" dated June 8, 2015 but the Scheme could not be implemented for want of approval of the respective Banks. Thereafter, after evaluating the option of assignment of debt, JLF decided to first carry out an Outside Strategic Debt restructuring Scheme (OSDR) process in terms of the RBI Circular "Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt restructuring Scheme)" dated September 24, 2015.

Accordingly, OSDR process was carried out between May, 2017 to February, 2018. The process got successfully concluded and bids were received from both strategic and financial investors. However, OSDR could not be implemented because the RBI Circular "Resolution of Stressed Assets – Revised Framework" dated February 12, 2018 doing away with the existing schemes of stressed assets.

Management Discussion and Analysis (Contd.)

Lenders then decided to explore assignment of debt as a resolution plan and lead bank was requested to undertake assignment on behalf of all banks. Lead bank, instead, assigned their own debt and only 71% debts were assigned by individual banks.

Thereafter, in terms of the RBI Circular "Prudential Framework for Resolution of Stressed Assets" dated June 07, 2019, majority of lenders consisting of ARCs and Banks signed Inter-Creditor Agreement dated July 05, 2019 for restructuring of debt, while at the same time, pursuing assignment of debt. Restructuring and further assignment could not be concluded due to COVID-19 Pandemic. Post COVID, lenders, after considering restructuring, decided to go for One Time Settlement (OTS) of debt along with change of management.

One Time Settlement (OTS)

The outstanding debt was settled by way of OTS of Rs. 670 Crore, financed by way of Preferential Allotment of 15.40 Crore Equity Shares of the Company for Rs. 476.63 Crore and Unsecured Loan of Rs. 194 Crore. The Company, over the time, has created valuable assets, built a strong customer franchise and retained its pool of technical and skilled manpower thereby ensuring successful debt resolution.

Rs. in Crore

Particulars	2022	2010	2000	1990	1981
Net Sales	2,123	1,193	457	60	4
- Tube	1,503	786	226	60	4
- Steel	621	408	231	-	-
Export Sales	189	184	24	1	-
Total Income	2,161	1,205	484	61	4
Operating Profit	80	218	58	9	1
Gross Block	**2,373**	1,548	806	31	4

Finance Cost

The Company's forex exposure is managed both through a natural hedge and by contracting import consignment on high sea on INR term factoring therein the premium on exchange rates under the Board approved Risk Management Policy framework. The forex risk is reviewed periodically and managed in line with the objectives laid in the aforesaid Policy.

Working Capital

The Company was able to reduce the inventory holding period by one-third as compared to previous year. Average credit period to customers was also reduced by almost 40% from 110 days to 67 days. Both the above, enabled the Company to attain higher sales despite non-availability of Banking facility.

Rs. In Crore

Particulars	2021-22	2020-21
Average Inventory	**388**	365
Stock Turnover(times)	**5.47**	3.33
Average Debtors	**294**	262
Debtors Turnover(times)	**7.22**	4.65
Average Creditors	**165**	118
Creditors Turnover(times)	**9.10**	6.61

Energy Cost

Energy Cost accounted for 17% of the Company's net revenues at Rs. 354 Crore. Steep increase in international oil prices in the second half of the year coupled with increase in capacity utilisation of all the manufacturing units of the Company, resulted in doubling the fuel cost in absolute terms as compared to previous financial year.

Particulars	2021-22	2020-21	Change
Power consumption (KWH/Ton of Production)			
-Steel Division	**798**	843	5%
-Tube Division	**637**	749	15%
Avg. Electricity Rate per Unit From MSEDCL (Rs./KWH)	**8.5**	8.79	3%

Increase in production of steel & tube resulted in drop in power consumption per unit of production by 5% & 15%, respectively.

Particulars	2021-22	2020-21	Change
Fuel Consumption (KLtrs/Ton of Production)			
- Tube Division	**94**	97	3%
- Steel Division	**33**	41	20%
Avg. Fuel rate Rs. Per Litre	**46.54**	31.83	(46%)

There was a marginal saving of 3% in fuel consumption per unit of production in Tube division. Fuel savings in Steel division on the other hand was 20% per unit over previous year on account of higher capacity utilisation.

Increase in international oil prices led to higher fuel cost per litre.

Management Discussion and Analysis (Contd.)

KEY FINANCIAL RATIOS

Some of the key financial ratios for current year as compared to previous year are as under:

Particulars	2021-22	2020-21	Change
Debtors Turnover#	**7.22**	4.65	55.10%
Inventory Turnover#	**5.47**	3.33	64.20%
Interest Coverage Ratio	**1.43**	-ve	NA
Current Ratio**	**1.59**	0.20	695.60%
Debt Equity Ratio	**0.14**	-ve	NA
Operating Profit Margin^	**3.80%**	2.60%	46.10%
Net Profit Margin	**0.30%**	-ve	NA
Return on Net Worth	**0.40%**	-ve	NA

Notes:

1) Ratios of current year and previous year are not comparable on account of COVID-19 impact in the previous year and the exceptional items in the current year which results in deviation in ratios.

2) Exceptional items are not considered for the purpose of calculation of ratios pertaining to profitability (Net Profit/ Earnings).

3) In case of any negative components in ratio working, the said ratio is considered as not applicable.

**Improvement in current ratio and debt service coverage ratio is due to One-time Settlement of the principle outstanding debt and unpaid interest with the lenders of the Company.

On account of lockdown due to COVID-19 Pandemic, net sales for the preceding financial year was low. The same for FY2021-22 is higher by 74% over preceding year. However, inventory and trade receivables as on balance sheet dates in absolute terms were marginally higher. This resulted in higher turnover ratio in both the cases.

^ Higher operating profit margin is due to higher sales volumes for the year under review against FY2020-21, which was adversely impacted due to COVID-19 Pandemic.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Industrial relations continued to remain peaceful throughout the year. The Company signed wage agreements with blue collar employees at all the three manufacturing locations. Salaries of white collar employees which were reduced in the previous year as a cost reduction measure due to COVID-19 pandemic were reinstated during the year under. This, resulted in increase in personnel cost by 28% during the year under review over FY2020-21. The Company continues to believe that the culture of sharing knowledge within the employees and involving them to be part of the solution, enables the Company curtail costs and excel. In the current economic scenario, the focus was on aligning HR to support cost control and conserve cash, while ensuring organizational confidence and employee motivation, to enable the Company sail through the current challenges and prepare itself for the future opportunities.

EMPLOYEE RELATED INFORMATION

As on March 31, 2022

Particulars	Total
Managers	268
Officers & Staff	687
Workmen	1052
Total	**2007**

CAUTIONARY STATEMENT

The statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions, in domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of principles, systems and processes to be followed by the Directors, Management and employees of the Company for enhancement of shareholder value keeping in view interest of stakeholders at large viz. Shareholders, Customers, Employees, Society, Suppliers, Lenders etc. The Company continues to adopt and practice the principles of good Corporate Governance while ensuring high level of integrity, accountability and transparency at all levels in the organization. The Company believes that good governance is the foundation for any successful organization and continuously endeavors to improve the standards of governance.

BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has an optimum combination of executive and non-executive directors & comprises of 8 Directors including 4 Independent Directors & 2 Executive Directors.

The composition of the Board, their attendance at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting and other details are as follows:

Sr. No.	Name of the Director	Category	Financial Year 2021-22 Attendance		No. of Director-ships in other public companies @	Committee positions in other public companies #	
			Board Meetings	Last AGM		Member	Chairman
1	Mr. B.R. Taneja *	Promoter-ED	9	Yes	-	-	-
2	Mr. O.P. Kakkar *	NED	10	Yes	-	-	-
3	Ms. Deepa Mathur *	NED	9	No	-	-	-
4	Mr. Rajiv Goel	ED	10	Yes	-	-	-
5	Mr. R Poornalingam	Independent-NED	10	Yes	2	2	1
6	Mr. Kanakraj Madhavan	Independent-NED	10	Yes	-	-	-
7	Mr. Rahul Kirloskar ^	NED-Chairman	1	No	5	6	3
8	Mr. Ravindranath Gumaste ^	NED-Vice Chairman	1	No	1	-	-
9	Mr. S Venkataramani $	Independent-NED	1	No	1	-	-
10	Dr. Shalini Sarin $	Independent-NED	1	No	4	7	1
11	Mr. Nishikant Ektare !	ED	1	No	-	-	-

NED: Non-Executive Director; ED: Executive Director

@ Does not include directorships in Private Limited Companies, Foreign Companies and companies under Section 8 of the Companies Act, 2013.

Includes only Statutory Committees.

* Ceased as Director w.e.f March 10, 2022.

^ Appointed as Director (Non-Executive, Non-Independent) w.e.f March 10, 2022.

$ Appointed as Independent Director w.e.f March 10, 2022.

! Appointed as Managing Director w.e.f March 10, 2022.

During the financial year 2021-22, ten Board meetings held as under:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 11, 2021	6	December 06, 2021
2	July 12, 2021	7	December 18, 2021
3	August 14, 2021	8	January 29, 2022
4	September 27, 2021	9	February 14, 2022
5	November 25, 2021	10	March 10, 2022

As on March 31, 2022, the composition of the Board was in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Board has complete access to all the relevant information available within the Company.

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Pursuant to the Articles of Association of the Company and the Companies Act, 2013 (Act), Mr. Rajiv Goel, Whole Time Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE REPORT (cont.)

AUDIT COMMITTEE

Audit Committee of the Board is mainly entrusted with the responsibility to supervise the Company's financial reporting process. The composition, powers, role, scope and terms of reference of the Audit Committee are in conformity with the stipulations under Regulation 18 of the Listing Regulations and Section 177 of the Act.

The Audit Committee, inter alia, performs the functions of reviewing annual/ quarterly financials, approval of related party transactions, recommending appointment of Auditors and their remuneration, Review of the Management Discussions and Analysis, Internal Audit Reports.

The composition of Audit Committee and attendance of each member is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. R. Poornalingam	Chairman	7
Ms. Deepa Mathur*	Member	6
Mr. Kanakraj M	Member	7
Mr. S. Venkataramani ^	Member	0

* Ceased as Director w.e.f March 10, 2022

^ Appointed as Independent Director w.e.f March 10, 2022

During the year under review, Seven meetings of Audit Committee were held as under:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 11, 2021	5	December 06, 2021
2	July 12, 2021	6	February 14, 2022
3	August 14, 2021	7	March 10, 2022
4	September 27, 2021		

Mr. R. Poornalingam, Chairman & Mr. Kanakraj M, Member of Audit Committee were present at last Annual General Meeting held on September 27, 2021.

MANAGERIAL REMUNERATION

a. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a Nomination and Remuneration Committee of Directors ("NRC").

Terms of reference of NRC are in conformity with Regulation 19 of Listing Regulations & Section 178 of the Act. NRC, inter alia, performs functions of recommending to the Board appointment of directors and senior management, create evaluation framework for independent directors and the Board and recommend to the Board remuneration payable to directors and senior management.

The composition of NRC and attendance of members is as under:

Name of Director	Chairman/ Member	Number of Meetings Attended
Mr. R. Poornalingam	Chairman	5
Ms. Deepa Mathur*	Member	4
Mr. Kanakraj M	Member	5
Dr. Shalini Sarin^	Member	0
Mr. Ravindranath Gumaste$	Member	0

* Ceased as Director w.e.f March 10, 2022.

^ Appointed as Independent Director w.e.f March 10, 2022.

$Appointed as Director (Non-Executive, Non-Independent) w.e.f March 10, 2022.

During year under review, Five meetings of NRC held as under:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 11, 2021	4	September 27, 2021
2	July 12, 2021	5	March 10, 2022
3	August 14, 2021		

The Company does not have any Employee Stock Option Scheme.

b. Remuneration Policy:

- Based on recommendations of NRC, the remuneration of Executive Directors (EDs) is decided by the Board which, inter-alia, is based on the criteria such as industry benchmarks, financial performance of the Company, performance of the EDs etc.
- The Company pays remuneration by way of salary, perquisites and allowances to EDs. No remuneration was paid by way of commission to any Non-Executive Directors (NEDs).
- Based on recommendations of NRC, the Board decides payment of remuneration to the NEDs.
- The Company paid sitting fees to NEDs of Rs. 60,000/- each for attending Board and Audit Committee Meetings and Rs. 40,000/- each for attending other committee meetings subject to terms of remuneration, if any, paid.
- Performance evaluation of Independent Directors shall be done by the Board on such criteria as deemed appropriate by NRC.
- The Company has framed a Remuneration Policy for Directors. KMPs and Senior Management upon recommendation of NRC as approved by the Board.

CORPORATE GOVERNANCE REPORT (cont.)

c. Remuneration to Directors:

A Statement on remuneration payable to Mr. B. R. Taneja and Mr. O. P. Kakkar, remuneration paid to Mr. Rajiv Goel and sitting fees paid to other NEDs, during FY 2021-22 is given below:

Name of the Director	Salary and Perquisites (Rs.)	Sitting Fees (Rs.)
Mr. B. R. Taneja*	1,93,83,871	-
Mr. Rajiv Goel	1,74,18,000	-
Mr. O.P. Kakkar*	39,62,903	600,000
Ms. Deepa Mathur*	-	1,500,000
Mr. R Poornalingam	-	1,740,000
Mr. Kanakraj M	-	1,700,000
Mr. Nishikant Ektare^	7,62,755	-
Mr. Rahul Kirloskar ^	-	60,000
Mr. Ravindranath Gumaste ^	-	60,000
Mr. S Venkataramani ^	-	60,000
Dr. Shalini Sarin ^	-	60,000
TOTAL	**4,15,27,529**	**57,80,000**

* Ceased as Director w.e.f March 10, 2022 ^ Director w.e.f March 10, 2022.

Note: Salary and perquisites include other allowances, Contribution to Provident Fund and Superannuation, Leave Travel Allowance, Medical Reimbursement and Accommodation provided.

Service of the Whole-time Director may be terminated by either party giving the other party notice as per the notice period mentioned in their Agreement or the Company paying salary for said notice period in lieu thereof. There is no separate provision for payment of severance fees.

Details of shares of the Company held by NEDs as on March 31, 2022:

Name of the Director	Number of equity shares	Name of the Director	Number of equity shares
Mr. Rahul Kirloskar ^	Nil	Mr. S Venkataramani ^	Nil
Mr. Ravindranath Gumaste^	Nil	Dr. Shalini Sarin ^	Nil
R. Poornalingam	Nil		
Kanakraj M	2,502		

^ Director w.e.f March 10, 2022

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee ("SRC") to look into the redressal of shareholder and investors' complaints like Transfer or Credit of Shares, non-receipt of Annual Reports/ Dividends etc.

Composition, Meetings and Attendance during the year:

The composition of SRC and attendance of each member is as under:

Name of the Director	Chairman/ Member	Number of Meetings Attended
Mr. Kanakraj M	Chairman	4
Ms. Deepa Mathur *	Member	4
Mr. R. Poornalingam	Member	4
Mr. Rahul Kirloskar ^	Member	0

* Ceased as Director w.e.f March 10, 2022

^ Director w.e.f March 10, 2022

During the year under review, four meetings of SRC were held as under:

Sr. No.	Date of Meetings
1	July 12, 2021
2	August 14, 2021
3	December 06, 2021
4	February 14, 2022

INDEPENDENT DIRECTORS MEETING

Independent Directors meeting held on February 14, 2022 wherein both the Independent Directors of the Company were present.

COMPLIANCE OFFICER

Mr. Chetan Nathani, Company Secretary is the Compliance Officer of the Company for ensuring compliance with the requirements of the Listing Regulations, the SEBI Insider Trading Regulations and other SEBI Regulations.

During the year, all complaints/ grievances received from shareholders including via SEBI SCORES, ROC and Stock Exchanges, have been attended to and resolved. No valid transfer/ transmission of shares were pending as on March 31, 2022.

Details of investor complaints received and redressed during Financial Year 2021-22 are as follows:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	10
Number of complaints disposed of during the year	10
Number of complaints remaining unresolved at the end of the year	0

CODE OF CONDUCT

The Board has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on website of the Company: www.ismt.co.in.

CORPORATE GOVERNANCE REPORT (cont.)

CEO/ CFO CERTIFICATION

MD and CFO Certificate under Regulation 17(8) of Listing Regulations is enclosed herewith.

GENERAL BODY MEETINGS

Details of Annual General Meetings held in last three years:

Date	Venue/ Deemed Venue	Time	Number of Special Resolutions passed
27.09.2021	Panama House, Viman Nagar, Pune – 411014 (Meeting was convened online)	11.30 A.M	0
30.09.2020	Panama House, Viman Nagar, Pune – 411014 (Meeting was convened online)	11.30 A.M	2
28.09.2019	Hotel Blue Diamond, Pune – IHCL SeleQtions, 11, Koregaon Park, Pune – 411 001	10.30 A.M	2

Special resolutions moved at the aforesaid AGMs passed with requisite majority by e-voting & poll.

OTHER DISCLOSURES

- There were no cases of materially significant related party transactions having potential conflict with the interests of the Company at large.
- There were no instances of material non-compliances and no strictures or penalties imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.
- None of the Directors have any relation inter-se.
- The quarterly internal audit reports are placed before the Audit Committee.
- The Company has established Vigil Mechanism and Whistle Blower Policy. It is hereby affirmed that no personnel has been denied access to the Audit Committee.
- Familiarization Programmes for Independent Directors and various policies including Policy on determination of material subsidiaries and dealing with related party transactions are placed on the Company's website: www.ismt.co.in
- In opinion of the Board, the independent directors fulfill conditions specified in the Listing Regulations and are independent of the Management.
- There were no complaints filed in FY2021-22 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Company has complied with Regulations 17 to 27 & Regulation 46(2)(b) to (i) of Listing Regulations.
- A certificate from Practicing Company Secretary is enclosed confirming that none of the directors of the Company on Board have been debarred/ disqualified from being appointed/ continuing as directors by SEBI/ Ministry of Corporate Affairs or any such authority.
- Total fees for services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part for FY2021-22 is Rs. 46 Lakhs.
- Following is the list of core skills/ expertise/ competencies identified by the Board & those actually available as required in context of its business & sectors for it to function effectively:

Sr. No.	Skills/ Expertise/ Competencies	Name of Directors possessing the Skills/ Expertise/ Competencies
i.	Business Management	Mr. B R Taneja*, Mr. O P Kakkar*, Mr. Kanakraj M, Mr. S Venkataramani^, Dr. Shalini Sarin^
ii.	Operations, Planning & Strategy	Mr. B R Taneja, Mr. O P Kakkar, Mr. R Poornalingam, Ms. Deepa Mathur*, Mr. Kanakraj M, Mr. S Venkataramani, Dr. Shalini Sarin
iii.	Finance & Accounts	Mr. Rajiv Goel, Mr. R Poornalingam, Ms. Deepa Mathur, Mr. S Venkataramani
iv.	Legal	Mr. Rajiv Goel, Mr. R Poornalingam, Mr. S Venkataramani
v.	Corporate Restructuring	Mr. Rajiv Goel, Ms. Deepa Mathur, Dr. Shalini Sarin
vi.	Administration	Mr. BR Taneja, Mr. O P Kakkar, Mr. Rajiv Goel, Mr. R Poornalingam, Ms. Deepa Mathur, Mr. Kanakraj M, Dr. Shalini Sarin
vii.	Marketing	Mr. Kanakraj M

* Ceased as Director w.e.f March 10, 2022 ^ Director w.e.f March 10, 2022

MEANS OF COMMUNICATION

Quarterly results are published in English daily newspaper and vernacular (Marathi) daily newspaper. The quarterly results and other details are also displayed on Company's website: www.ismt.co.in.

DESIGNATED EMAIL ID OF THE COMPANY

The Company has E-mail Id exclusively for investor servicing: secretarial@ismt.co.in

GENERAL SHAREHOLDER INFORMATION

Last AGM Date and Time	September 27, 2021 at 11.30 a.m.
Venue	Panama House, Viman Nagar, Pune – 411014 (Meeting convened online)
Financial Year	April 01, 2020 to March 31, 2021
Dividend Payment date	Not Applicable

CORPORATE GOVERNANCE REPORT (cont.)

Listed on Stock Exchange	1) BSE Ltd. PJ Towers, Dalal Street, Fort, Mumbai - 400 001 2) National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, BKC, Bandra (E), Mumbai - 400 051
Security Code (BSE)	532479
Security Code (NSE)	ISMTLTD
ISIN Number allotted to equity shares	INE732F01019
Registered Office	Panama House, Viman Nagar, Pune - 411014

The Company has paid listing fees for FY2022-23 to Stock Exchanges where its shares are listed.

STOCK MARKET DATA AND SHARE PRICE PERFORMANCE

(Rs.)

Month	Market price				BSE 500 INDEX	
	BSE		NSE			
	High	Low	High	Low	High	Low
April 2021	11.97	9.17	11.75	9.60	20,150.78	18,982.96
May 2021	20.08	10.64	20.10	10.50	21,082.40	19,444.49
June 2021	26.80	16.25	26.80	16.10	21,715.10	20,951.07
July 2021	32.45	22.55	32.45	22.55	21,895.01	21,346.66
August 2021	31.40	22.85	31.55	23.00	23,198.73	21,844.65
September 2021	30.00	25.80	29.80	26.00	24,345.46	23,133.26
October 2021	38.50	27.50	38.65	28.00	25,454.92	23,746.52
November 2021	39.30	26.50	39.05	26.55	24,902.17	22,881.93
December 2021	74.35	39.20	74.60	38.95	24,257.45	22,428.02
January 2022	66.70	44.05	64.80	43.40	25,150.53	22,900.34
February 2022	60.75	44.95	58.45	45.05	24,315.95	21,857.13
March 2022	63.10	47.10	61.00	48.00	23,803.16	21,339.78

Source: BSE and NSE websites.

REGISTRAR AND SHARE TRANSFER AGENT

The Shareholders may contact RTA of the Company at the following address:

KFin Technologies Ltd.

Selenium Tower-B, Plot 31&32, Financial District,

Nanakramguda, Serilingampally Mandal, Hyderabad - 500032

Toll Free Number: 1800 309 4001

Email: einward.ris@kfintech.com Web: www.kfintech.com

As regards shareholding in Demat form, shareholders may write to their respective Depository Participant and provide Bank Mandate, N-ECS particulars, email Id etc. so as to facilitate expeditious payment of Corporate Action, if any.

SHARE TRANSFER SYSTEM

The Company's shares are traded compulsorily in Demat segment on Stock Exchanges. Shares received for transfer in physical mode are processed & valid transfers are approved within prescribed time limit.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been filed with Stock Exchanges on compliance with share transfer formalities by the Company. In terms of guidelines issued by SEBI, the Reconciliation of Share Capital Audit Reports has been filed with Stock Exchanges, inter-alia, giving details about the reconciliation of Share Capital (physical and demat).

DISTRIBUTION OF SHAREHOLDING OF THE COMPANY AS ON MARCH 31, 2022

Shareholding of Nominal Value of Rs		No. of Shareholders	% to total no. of shareholders	No. of Shares held	% to Total
Upto	5000	70247	94.84	12084000	4.02
5001	10000	1560	2.11	2421465	0.81
10001	20000	842	1.14	2447813	0.81
20001	30000	448	0.60	2263113	0.75
30001	40000	169	0.23	1199491	0.40
40001	50000	187	0.25	1779256	0.59
50001	100000	255	0.34	3669098	1.22
100001	And above	366	0.49	274637147	91.40
Total		**74074**	**100.00**	**300501383**	**100.00**

SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Sr. No.	Category	No. of shares	% of total no. of shares
1	Promoters	225215114	74.95
2	Mutual Funds/ Banks/ Financial Institutions	53175	0.02
3	Bodies Corporate	7108411	2.37
4	Public	49643430	16.51
5	NRIs	2607177	0.87
6	Others (FPIs, Trusts, IEPF, HUF, Foreign Nationals)	15874076	5.28
	Total	**300501383**	**100%**

CORPORATE GOVERNANCE REPORT (cont.)

DEMATERIALISATION OF SHARES AND LIQUIDITY

95.88% of the total Share Capital is held in demat form with NSDL & CDSL as on March 31, 2022.

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

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments during the period under review.

CORPORATE FILING AND DISSEMINATION SYSTEM

The financial and other information filed by the Company with BSE (through BSE Listing Centre) and NSE (through NEAPS), from time to time is available on the website: www.bseindia.com and www.nseindia.com.

UNCLAIMED DIVIDEND ON EQUITY SHARES

To facilitate investors who have not claimed dividend for earlier years on Equity Shares from the Company, details of unclaimed dividend is displayed on Ministry of Corporate Affairs website: www.iepf.gov.in

Investors are requested to browse the aforesaid website to find the outstanding dividend, if any, and claim the same from the Investor Education and Protection Fund as per the provisions of the Act.

PLANT LOCATIONS

The Company has manufacturing facilities in Maharashtra at:

1. MIDC Industrial Area, Ahmednagar - 414111
2. MIDC Industrial Area, Baramati - 413133
3. Jejuri Morgaon Road, Jejuri – 412303
4. Village Kurla, Warora, Chandrapur - 422910

ADDRESS FOR CORRESPONDENCE

ISMT Limited, Panama House, Viman Nagar, Pune – 411014

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As required by Regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on Company's website: www.ismt.co.in.

As per Regulation 26 of the Listing Regulations, this is to confirm that the Company has received from Senior Management Personnel's of the Company and from the Members of the Board, declarations of compliance with Code of Conduct for FY2022-23.

For the purpose of this declaration, Senior Management Personnel's comprise of employees in the Vice President and above Cadre as on March 31, 2022.

For ISMT Limited

Pune **Nishikant Ektare**

May 09, 2022 Managing Director

CEO/ CFO CERTIFICATION TO THE BOARD

(Under Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To,

The Board of Directors

ISMT Limited

We, Nishikant Ektare, Managing Director and Rajiv Goel, Chief Financial Officer of ISMT Limited, to the best of our knowledge and belief, certify that:

(1) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

 (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

 (ii) these statements together present a true & fair view of the Company's affairs & are in compliance with existing accounting standards, applicable laws & regulations.

(2) There are, to best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(3) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(4) We have indicated to the Auditors and the Audit Committee:

 (i) There are no significant changes in internal financial controls with reference to financial statements during the financial year ended March 31, 2022;

 (ii) All significant changes in accounting policies during financial year ended March 31, 2022 & that the same has been disclosed in notes to the financial statements; and

 (iii) There are no 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 Company's internal financial controls with reference to financial statements.

Nishikant Ektare **Rajiv Goel**

Managing Director Chief Financial Officer

Pune, May 09, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
ISMT Limited
Panama House, Viman Nagar,
Pune – 411 014

We, have examined the relevant registers, records, forms, returns and disclosures of ISMT Limited having CIN L27109PN1999PLC016417 and having registered office at Panama House (Earlier known as Lunkad Towers), Viman Nagar, Pune – 411014 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal - www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, Ministry of Corporate Affairs or any such other Authority:

Sr. No.	Name of the Director	DIN	Date of Appointment
1	Mr. B.R. Taneja *	00328615	29/11/2005
2	Mr. O.P. Kakkar *	00329426	08/11/2012
3	Ms. Deepa Mathur *	00449912	10/08/2015
4	Mr. Rajiv Goel	00328723	29/11/2005
5	Mr. R Poornalingam	00955742	28/12/2018
6	Mr. Kanakraj Madhavan	08373391	01/03/2019
7	Mr. Rahul Kirloskar^	00007319	10/03/2022
8	Mr. Ravindranath Gumaste^	00082829	10/03/2022
9	Mr. S Venkataramani^	00229998	10/03/2022
10	Dr. Shalini Sarin^	06604529	10/03/2022
11	Mr. Nishikant Ektare^	02109633	10/03/2022

* Ceased as Director w.e.f March 10, 2022

^Director w.e.f March 10, 2022

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

For **VGP & Associates**
Company Secretaries

Vijayendra G. Padaki
Practicing Company Secretary
M. No.: A-40375 CP No.: 17832
UDIN: A040375C000368835

Place: Virar
Date: May 09, 2022

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

To

The Members of ISMT Limited

1. We have examined the compliance of Conditions of Corporate Governance prepared by ISMT Limited ("the Company"), for the year ended March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the Listing Regulations"). This Certificate is required by the Company for annual submission to the Stock exchanges and annexing the same with report of the Board of Directors to the shareholders.

Managements' Responsibility

2. The preparation of the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance.
3. The Management along with Board of Directors is also responsible for ensuring that the Company complies with conditions of Corporate Governance as stipulated in Listing Regulations, issued by SEBI.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specified requirement of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"), 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 ICAI.
6. We have complied with relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits & Reviews of Historical Financial Information & Other Assurance & Related Services Engagements.
7. Procedures selected depend on auditors' judgement, including assessment of risks associated in compliance of Corporate Governance with applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. Procedures also include examining evidence supporting particulars in Corporate Governance on test basis. Further, our scope of work under this report did not involve us performing audit tests for purposes of expressing an opinion on fairness or accuracy of any of financial information or financial statements of the Company taken as a whole.

Opinion

9. Based on procedures performed by us as referred in paragraph 7 & 8 above & according to information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations for the year ended March 31, 2022.
10. We 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.

Other matters and Restriction on Use

11. This Certificate is addressed & provided to Members of the Company solely for purpose of enabling the Company to comply with its obligations under Listing Regulations with reference to Corporate Governance accompanied with by certificate thereon from Statutory Auditors & should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events & circumstances occurring after date of this Certificate.

For **D N V & Co**
Chartered Accountants
Firm Registration No 102079W

CA Bharat Jain
Partner
Membership No: 100583
UDIN: 22100583AIRLML8571

Place: Pune
Date: May 09, 2022

Annexure A to the Directors' Report

Information required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended on March 31, 2022 :

(A) Conservation of Energy

(i) the steps taken or impact on conservation of energy :

1. Revamping of heat treatment furnace (BHF-4) resulting in power saving of 200 units per spherodising annealing cycle & 100 units per stress relieving annealing cycle at Jejuri Steel Plant.
2. Heat treatment cycle of RHF-5 redesigned to improve productivity & to reduce power consumption from 316 KWH per MT to 304KWH per MT at Ahmednagar Tube Plant.
3. 350w LED lights provided in place of 400W HPSV for High MAST at Baramati Tube Plant.

(ii) the steps taken by the Company for utilising alternate sources of energy : NIL

(iii) the capital investment on energy conservation equipment : NIL

(B) Technology absorption

(i) the efforts made towards technology absorption :

1. Installation of Oxygen & Nitrogen Analyzer to check Oxygen and Nitrogen at Jejuri Steel Plant.
2. Hand held XRF Analyzer for Grade Sorting as a replacement to existing conventional grade sorting technology at Jejuri Steel Plant. Addition of new XRF has increased the testing speed and ensured mix up free deliveries to customers & save on cost of poor quality.
3. Replacement of Hot Mill-2 PLC with the latest version resulting in elimination of PLC related breakdowns at Ahmednagar Tube Plant.
4. Installation of 2 nos. new Eddy current machines resulting in enhancement of Eddy Current capacity by 1.3 lakh meters per month at Ahmednagar Tube Plant.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution :

1. Development of new grades X65QSO / 1541B / 20MnB4 at Jejuri Steel Plant.
2. Modification of process leading to improvement in yield by 2.5% of production of T-91 grade at Ahmednagar Tube Plant.
3. New grade 20MnB4 developed through Cold drawn normalized route at Ahmednagar Tube Plant.

Developments as mentioned in B(i) and (ii) above have become functional. Apart from improvement in productivity and cost reduction it has helped develop in house expertise.

Measures were undertaken to reduce both fixed and variable costs in the current scenario of reduced plant operations.

(iii) in case of imported technology (imported during last three years reckoned from beginning of financial year) – Not Applicable

(iv) As part of the Company's overall strategy, throughout the year the Company remained focused on developing value added products for all its market segments including Energy, OCTG, Bearing, Auto and Mining Sectors. R & D activities also focused on process cost reductions. The expenditure incurred on Research and Development are detailed below:

(Rs. in Crore)

Sr. No.	Particulars	2021-22	2020-21
i)	Capital	**Nil**	8.84
ii)	Recurring	**Nil**	0.00
	Total	**Nil**	8.84
	Total R & D as a % of Turnover	**Nil**	0.73%

(C) Foreign exchange earnings and Outgo

During the year under review, foreign exchange earnings were Rs. 189.37 Crore & foreign exchange outgo was Rs. 305.79 Crore.

Annexure ‘B’ to Director’s Report

DETAILS PERTAINING TO REMUNERATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, Ratio of remuneration of each Director to median remuneration of employees of the Company for FY2021-22 is given below:

Sr. No.	Name of Directors/ Key Managerial Personnel (KMP)	Remuneration of Directors/ KMP for FY2021-22 (Rs)	% increase in remuneration in FY2021-22	Ratio of remuneration of each Director to median remuneration of executive employees
1	Mr. B. R. Taneja, Managing Director*	1,93,83,871	None	32:1
2	Mr. Nishikant Ektare, Managing Director^	762,755	NA	1.25:1
3	Mr. Rajiv Goel, Chief Financial Officer	1,74,18,000	15%	29:1
4	Mr. Chetan Nathani, Company Secretary	16,36,630	35%	N.A.
5	Mr. O P Kakkar – Non Executive Director *	39,62,903	NA	7:1

*upto March 10, 2022 ^w.e.f. March 10, 2022

2) Median annual remuneration of employees of the Company during FY2021-22 was Rs. 6.05 Lakh.

3) Percentage increase in median remuneration of employees in FY2021-22 – 13%.

4) There were 2007 permanent employees on rolls of the Company as on March 31, 2022.

5) Average percentile increase in salaries of employees other than managerial personnel in FY2021-22 was 7% – 10% & percentile increase in managerial remuneration for FY2021-22 was 15%.

6) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

Annexure 'C' to the Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

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

To,
The Members,
ISMT LIMITED
(CIN: L27109PN1999PLC016417)
Panama House
(Earlier known as Lunkad Towers)
Viman Nagar, Pune 411014

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ISMT LIMITED** (herein after referred to as "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on the Secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances on test basis.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" as made available to us and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of Secretarial Audit for the financial year ended on March 31, 2022, according to the provisions of;

i. The Companies Act, 2013 (the Act) and the rules made there under.
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time);
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under(as amended from time to time);
iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time);
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time); to the extent applicable to the Company.
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time);
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time);
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time); - **Not Applicable for the period under review;**
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time); - **Not Applicable for the period under review;**
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (as amended from time to time) regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (as amended from time to time); - **Not Applicable for the period under review.**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (as amended from time to time); - **Not Applicable for the period under review;**
   i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended from time to time); - **Not Applicable for the period under review.**
vi. Based on the Compliance mechanism processes as explained by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and authorized departmental compliance officers of the Company and taken on record by the Board of Directors at their duly convened and held meetings, we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with industry specific applicable laws, rules, regulations and guidelines.

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

- Secretarial Standards as issued and notified by The Institute of Company Secretaries of India relating to Board Meetings and General Meetings.
- The Listing agreement entered by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended from time to time).

During the period under review the Company has complied with the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

Sr. No.	Relevant Provision for Compliance Requirement	Observation
1.	Regulation 31(2) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015	Misrilall Properties P Ltd. Member of Promoter group holding 23,527 shares aggregating to 0.01% of the total share capital of the company is holding the said shares in physical form.
2.	Regulation 15 of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 issued vide Notification No. FEMA 120/ RB-2004 dated: July 7, 2004 as amended from time to time	The Company has not filed Annual Performance Report (APR) in Part II of Form ODI with Reserve Bank of India through AD Bank in respect of its subsidiary named Structo Hydraulics AB, Sweden.

Details of notices received from Statutory Authorities during the Audit Period is tabled below:

Sr. No.	Action Taken By	Details	Details of Action taken, E. g. fines, warning letter, debarment etc.	Observation/ Remarks of the Practicing Company Secretary
1.	NSE & BSE	**Regulation 33 of SEBI (LODR), 2015** There was delay of 12 days in submission of Annual Audited Standalone & Consolidated Financial Statement along with Audit Report for the year ended 31st March 2021 to Stock Exchanges. Also, there was a delay of 21 days in submission of Quarterly unaudited Standalone and Consolidated Financial Results along with the Limited Review Report for the quarter ended 30th September 2021.	The Company has paid necessary fine of amounting to INR 70,800/- (Indian Rupees Seventy Thousand Eight Hundred only) including GST to each of Stock Exchange. The Company has paid necessary fine of amounting to INR 1,23,900/- (Indian rupees One Lakh Twenty Three Thousand and Nine Hundred only) including GST to each of Stock Exchange.	As informed by the Company, there was a delay in submitting the Results for 31st March, 2021 & 30th September, 2021 due to delay in financial statements of foreign subsidiaries of the Company & delay in finalizing of the financial results, respectively. The fine was duly paid by the Company to NSE & BSE.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. 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.
2. Generally adequate notices were found to have been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance but there were some notices sent at shorter period of time which were duly ratified in the presence of Independent Director pursuant to Section 173 of the Companies Act, 2013 read with the rules made thereunder 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.
3. All the decisions in the Board meeting were carried through with requisite majority, while there were no dissenting members' views and hence not captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

1) Issued and allotted 15,40,00,000 Equity Shares of face value of INR 5/- each for cash at a price of INR 30.95/- (including premium of INR 25.95/- per Equity Share) ("Subscription Shares"), Equity Shares to Kirloskar Ferrous Industries Limited (KFIL) through Preferential Allotment.
2) The Company has availed Unsecured Loan amounting INR 194 crore from Kirloskar Ferrous Industries Limited (KFIL).

As informed to us, we report that there are no Legal Dispute/s, corporate and Industrial issues/ cases going on against the Company, other than of routine nature, which the Company is contesting legally.

For KPRC & Associates
Company Secretaries

CS Kuldeep Ruchandani
Partner
C.P. No. 8563, FCS 7971
UDIN: F007971D000292343

Date:- May 9, 2022
Place:- Pune

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form as integral part of this report.

'ANNEXURE A' TO SECRETARIAL AUDIT REPORT

To,
The Members,
ISMT LIMITED
(CIN: L27109PN1999PLC016417)
Panama House (Earlier Known As Lunkad Towers)
Vimannagar Pune - 411014

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to ISMT LIMITED (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts are reflected in secretarial and other records. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period including the notices received from regulatory authorities.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of efficiency or effectiveness with which management has conducted affairs of the Company.

For KPRC & Associates
Company Secretaries

CS Kuldeep Ruchandani
Partner
C.P. No. 8563, FCS 7971
UDIN: F007971D000292343

Date:- May 9, 2022
Place:- Pune

INDEPENDENT AUDITOR'S REPORT

To the Members of ISMT Limited

Report on the Audit of standalone financial statements

1. Opinion

We have audited the accompanying Standalone Financial Statements of ISMT Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended, of the state of affairs of the Company as at 31 March 2022 and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Material uncertainty Related to Going Concern

We draw attention to Note No 3.22 of the Standalone Financial Statements, which indicates that successful debt resolution is inter alia resulting into positive net worth of the Company and its current liabilities does not exceed its current assets as of March 31, 2022. The Company is having cash profit for the year ended March 31, 2022. These events and conditions and based on the other matters as set forth in Note No 3.21 of the Standalone Financial Statement, indicate that a material certainty exists on the Company's ability to continue as a going concern and are the basis for preparation of Standalone Financial Statements on going concern basis.

Our opinion is not modified in respect of this matter.

4. Emphasis of Matter (s)

a) Note No. 3.2 of the Standalone Financial Statements, regarding remuneration to Erstwhile Managing Director and Erstwhile Non-Executive Director of the Company amounting to Rs 2.61 Crore and Rs 0.40 Crore respectively for the period ended March 10, 2022 (Rs. 4.60 Crore cumulative up to March 31, 2022) is subject to approval of appropriate authorities.

b) Note No. 3.13 of the Standalone Financial Statements, regarding write off of Minimum Alternate Tax (MAT) credit (Deferred Tax) of Rs 82.05 Crore on exercise of the tax rate option permitted under section 115BAA of the Income-tax Act, 1961 as of March 31, 2022.

c) Note No 3.19 and Note No 3.20 of the Standalone Financial Statements, regarding impairment provision made by the Company of Rs 78.41 Crore in respect of its investment (including long term advances considered as equity component) in wholly owned subsidiaries "Structo Hydraulic Sweden" (SHAB) (including investment through Its Subsidiary Company, ISMT Enterprises S.A., Luxembourg) and "Tridem Port and Power Company Private Limited" (TPPCL) based on the management assessment and valuation report of independent valuer.

d) Note No. 3.22 of the Standalone Financial Statements, regarding writeback of outstanding principal debt and unpaid interest due to lenders amounting to Rs 2,775.96 Crore pursuant to the One-time settlement of dues with the lenders;

e) Note No. 3.23 (i) of the Standalone Financial Statements, regarding write off of Rs 39.53 Crores Government dues from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) for non-implementation of Energy Banking Agreement;

f) Note No. 3.23 (ii) of the Standalone Financial Statements, regarding impairment provision made by the Company in respect of carrying value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra of Rs 163.92 Crore based on the management assessment and valuation report of an independent valuer.

Our opinion is not modified in respect of above stated matter.

5. Key Audit Matters

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

6. **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, 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.

7. **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

8. **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

9. Report on Other Legal and Regulatory Requirements

A. As required by The Companies (Auditor's Report) Order, 2016 issued by the Central Government of India (Ministry of Corporate Affairs) in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

B. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Company has no branch offices whose accounts are audited by branch auditors;

d) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

e) The aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act and the rules prescribed there under, as amended;

f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164 (2) of the Act.

g) with respect to the adequacy of the internal financial controls with respect to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C";

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except to the extent referred in Annexure III to this report;

i) 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 3.1 of Standalone Financial Statements;

   ii. The Company does not have any long-term contracts including derivative contracts, having any material foreseeable losses, for which provision was required.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company' Board of Director has not proposed any dividend for the financial year covered under Audit. The Company had not paid dividend in respect of previous financial year.

For DNV & Co.
Chartered Accountants
Firm's registration No.:102079W

CA Bharat Jain
Partner
Membership No.: 100583
UDIN: 22100583AIQVRY3304

Place: Pune
Date: May 9, 2022

Annexure A: KEY AUDIT MATTERS as referred in Para 5 of the Standalone Auditor's Report on Standalone Financial Statements:

<table>
<tr><th>Key Audit matters</th><th>How Was the Key Audit Matter Addressed in the Audit</th></tr>
<tr><td>
Property, Plant and Equipment (including Right of Use Assets).
(Refer Note No 1.1, 2.5, 2.6 and 2.20 of the Standalone Financial Statements)
The carrying amount of Property, Plant and Equipment ("PPE") (including Right of Use Assets) and Capital work in progress is Rs 1,083.28 Crore, which represents about 54.89% of the total assets of the Company.
The Company has made provision for impairment of Rs 163.92 Crore against carrying value of PPE as on March 31, 2022.
The value in use so determined of each Cash Generating Unit (CGU) identified by the management have been used for the impairment evaluation of the Property, Plant and Equipment
Management has under taken an impairment assessment at year end of the carrying value of PPE (including Right of Use Assets) and Intangibles in accordance with Ind AS 36 "Impairment of Assets".
Due to the significance of the value of the PPE, the inherent uncertainty and judgment involved for determining value in use and impairment analysis thereof, we have considered these estimates to be significant to our overall audit strategy and planning.
</td><td>
In view of the significance of the matter our procedures in this area included the following:
a. Review the existence assessment of PPE through records maintained and periodical verification process adopted by the Company;
b. Testing the design, implementation and operating effectiveness of key controls over asset capitalisation and impairment review process including the review and approval of forecasts and review of valuation models;
c. Assessing the valuation methodology used by Company's specialists and testing the mechanical accuracy of the impairment models;
d. Evaluating reasonableness of valuation assumptions, such as discount rates, used by Company's specialists through reference to external market data;
e. Considering the potential impact of possible downside changes in the key assumptions;
f. Evaluated the objectivity and independence of Company's specialists involved in the valuation process and;
g. Assessed the adequacy of the disclosures made in the Standalone Financial Statements for compliance with disclosure requirements.
</td></tr>
<tr><td>
Evaluation of Uncertain outcome of pending litigation
(Refer Note No 3.1 and 2.21 of the Standalone Financial Statements)
The Company is subject to periodic challenges by local tax authorities during the normal course of business in respect of indirect tax Matters. The Company is having indirect tax liabilities in dispute amounting to Rs 31.10 Crore as on March 31, 2022
Further the Company is having pending legal cases filed against the Company with the claim amount involved of Rs 11.96 Crore.
These litigations involve significant management judgment to determine the possible outcome of uncertain tax positions & legal cases, consequently having an impact on related accounting & disclosures in Standalone Financial Statements.
</td><td>
In view of the significance of the matter our procedures in this area included the following:
a. Obtained understanding of key issues involved in pending tax and other litigations;
b. Testing key controls surrounding litigation, regulatory and tax procedures;
c. Read and analyzed select key correspondences, external legal opinions / consultations by management;
d. Discussed with appropriate senior management and evaluated management's underlying key assumptions in assessing management's estimate of the possible outcome of the disputed matters;
e. Review the basis and amounts of provisions made by the Company against pending litigation;
f. Obtained representation letter from the management on the assessment of these matters;
g. Based on the evidence obtained, while noting the inherent uncertainty with such legal and tax matters, we determined the level of provisioning as at March 31, 2022 to be appropriate and;
h. Assessed the adequacy of the disclosures made in the Standalone Financial Statements for compliance with disclosure requirements.
</td></tr>
</table>

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 9 A under the heading "Report on Other legal and Regulatory Requirements" of our report on even date:

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE") and relevant details of right-of-use assets.

b) The Company has maintained proper records showing full particulars of intangible assets.

c) The Company has a program of verification to cover all the items of PPE and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain PPE and right-of-use assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

d) According to the information and explanations given to us and based on the examination of the records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold and disclosed in the standalone financial statements, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right of Use Asset ("ROU") in the Standalone Financial Statements, the lease agreements are in the name of the Company.

e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

f) According to the information and explanations given to us, the records examined by us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a) As explained to us, the inventories including goods lying with third parties have been physically verified by the management at reasonable intervals during the year. In our opinion and according to the information and explanations given to us, the discrepancies noticed on physical verification between physical stock and the book records were not exceeding 10% or more in case of aggregate for each class of inventory.

b) The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, except long term advance (considered as equity component) to a wholly owned subsidiary company of Rs 0.47 Lakhs and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax, Central Sales Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2022 for a period of more than six months from the day they become payable.

b) The disputed statutory dues that have not been deposited on account of disputes pending before the appropriate authorities are as mentioned in the Annexure- I to this report.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) According to the information and explanations given to us, during the year, there are defaults in repayment of dues to lenders till execution of one-time settlement agreement (OTS) with lenders and post that outstanding principal and unpaid interest are paid as per the terms of OTS. Details of defaults are mentioned in Annexure- II to this report.

b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) In our opinion and according to the information and explanations given to us, the Company has utilized funds raised by way of preferential allotment of equity shares for the purposes for which they were raised

(xi) Based upon the audit procedures performed by us and according to the information and explanations given to us

a) No fraud on or by the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) a) The Company has an internal audit system in place. In our opinion and based on our examination, we are of the opinion that the internal audit system is required to be strengthened in certain areas commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.

b) According to the information and explanation given to us, the Company is not a Core Investment Company (CIC) and there is no CIC within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the current financial year but has incurred cash losses of Rs 31.36 Crore in the immediately preceding financial year. The cash losses figures have been arrived after considering the effect of the qualifications whose effect have been quantified and the effect of unquantified qualifications have not been taken into consideration for reporting under this clause.

(xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.

(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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) In view of losses in three immediately preceding financial years , the Company is not required to incur expenditure on CSR Activities under Section 135(5) of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For DNV & Co.
Chartered Accountants
Firm's registration No.:102079W

CA Bharat Jain
Partner
Membership No.: 100583
UDIN: 22100583AIQVRY3304

Place: Pune
Date: May 9, 2022

Annexure - I

Particulars of dues of Sales Tax / Excise Duty /Custom Duty/ Income Tax not deposited on account of disputes:

Rs. In Crore

Nature of Statue	Nature of Dues	Amount Disputed	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	0.08 0.01 2.37 1.36	Assessing Officer High Court, Mumbai Maharashtra Sales Tax Tribunal Joint Commissioner (Appeals)
Maharashtra Sales Tax Act, 1959	Sales Tax	0.33 0.07	Maharashtra Sales Tax Tribunal Joint Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	16.43 6.74 1.96 0.88	CESTAT High Court, Bombay Commissioner Appeals Appellate Commissioner
Customs Act,1962	Custom Duty	1.49 0.25 2.01	Deputy Commissioner Assistant Commissioner CESTAT
Income Tax Act, 1961	Income Tax	1.43	Income Tax Tribunal

Annexure II

Default in repayment of dues to Lenders including interest up to the date of payment as per One Time Settlement Agreement:

Rs. In Crore

Name of the Lenders	0-30 Days	31-60 Days	61- 90 Days	More than 90 Days	Total
Andhra Bank	1.14	0.93	2.33	134.48	138.88
Bank of Baroda	4.75	2.84	7.65	543.11	558.35
Central Bank of India	0.44	0.36	0.57	53.72	55.09
ICICI Bank Limited	0.68	0.00	0.91	125.70	127.29
IKB Deutsche Industrie Bank AG	0.52	0.00	0.69	102.06	103.27
*Edelweiss Asset Reconstruction Co. Ltd.	0.93	0.76	0.76	77.10	79.55
**Asset Reconstruction Company India Ltd.	23.75	22.56	24.97	2,413.04	2,484.32
*** SC Lowy Primary Investment Limited	0.37	0.00	0.49	62.45	63.31
Total	**32.58**	**27.45**	**38.37**	**3,511.66**	**3,610.06**

* Loans Assigned by ICICI Bank Limited.
** Loans Assigned by Indian Overseas Bank, Bank of India, IDBI Bank, Bank of Maharashtra and State Bank of India.
***Loans Assigned by Bank of India.

Refer Note No 3.22 of the Standalone Financial Statements regarding execution of one time settlement agreement with lenders in respect of settlement of principal outstanding debt and unpaid interest and accordingly payment has been made by the Company in March 2022.

Annexure III

Details of Managerial Remuneration paid / provided in excess of requisite approval:

Rs. in Crore

Designation	Amount paid / provided	Amount paid / provided in excess of requisite approval	Amount due as recoverable from Balance Sheet	Steps taken for recovery
Erstwhile Managing Director Remuneration:				
Paid	-	-	-	-
Provided	2.61	2.61	-	-
Erstwhile Non-Executive Director Remuneration:				
Paid	-	-	-	-
Provided	0.40	0.40	-	-
Total	**3.01**	**3.01**	**-**	**-**

Note: Rs. 4.60 Crore up to financial year 2021-22 is subject to approval of Appropriate Authorities.

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9 B (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of ISMT Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statement included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements 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 DNV & Co.
Chartered Accountants
Firm's registration No.:102079W

CA Bharat Jain
Partner
Membership No.: 100583
UDIN: 22100583AIQVRY3304

Place: Pune
Date: May 9, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs. In Crore

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
ASSETS					
Non - Current Assets					
a) Property, Plant and Equipment	1.1	**1,079.71**		1,282.92	
b) Capital Work-in-Progress	1.1	**3.57**		12.23	
c) Financial Assets					
i) Investments	1.2	**64.31**		142.25	
ii) Trade Receivables	1.3	**-**		-	
iii) Others Financial Assets	1.4	**19.33**		28.76	
d) Deferred Tax Asset (Net)	1.5	**-**		82.05	
e) Other Non Current Assets	1.6	**2.23**		54.83	
Sub Total			**1,169.15**		1,603.04
Current Assets					
a) Inventories	1.7	**424.42**		351.56	
b) Financial Assets					
i) Trade Receivables	1.8	**303.55**		284.92	
ii) Cash and Cash Equivalents	1.9	**47.70**		30.31	
iii) Bank Balance other than (ii) above	1.10	**2.18**		7.68	
iv) Loans	1.11	**1.00**		0.96	
v) Others Financial Assets	1.12	**1.50**		10.83	
c) Current Tax Assets (Net)	1.13	**-**		1.35	
d) Other Current Assets	1.14	**24.02**		48.54	
Sub Total			**804.37**		736.15
Total Assets			**1,973.52**		2,339.19
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share Capital	1.15	**150.25**		73.25	
b) Other Equity	1.16	**1,265.53**		(1,485.63)	
Total Equity			**1,415.78**		(1,412.38)
LIABILITIES					
Non - Current Liabilities					
a) Financial Liabilities					
i) Borrowings	1.17	**-**		65.68	
ia) Lease Liabilities	1.18	**2.91**		2.38	
b) Provisions	1.19	**6.50**		7.75	
c) Deferred Tax Liabilities	1.20	**43.52**		-	
Sub Total			**52.93**		75.81
Current Liabilities					
a) Financial Liabilities					
i) Borrowings	1.21	**201.75**		2,021.22	
ia) Lease Liabilities	1.22	**0.70**		1.53	
ii) Trade Payables	1.23				
- Dues of Micro and Small Enterprises		**18.49**		16.16	
- Dues of Creditors other than Micro and Small Enterprises		**181.25**		114.19	
iii) Other Financial Liabilities	1.24	**42.66**		1,496.70	
b) Other Current Liabilities	1.25	**36.92**		23.22	
c) Provisions	1.26	**9.74**		2.74	
d) Current Tax Liabilities (Net)	1.27	**13.30**		-	
Sub Total			**504.81**		3,675.76
Total Equity and Liabilities			**1,973.52**		2,339.19
Significant Accounting Policies	2		-		-
Notes to Accounts	3				

As per our report of even date

For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836

Pune, May 9, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. In Crore

Particulars	Note No.	2021-22		2020-21	
INCOME					
Revenue from Operations					
Sale of Products	1.28	**3,216.84**		1,681.70	
Less: Inter Segment Transfers		**1,003.79**		415.99	
: Inter Division Transfers		**89.64**		48.55	
Net Sales			**2,123.41**		1,217.16
Other Operating Income	1.29		**29.13**		17.51
Other Income	1.30		**18.12**		49.61
Total Income			**2,170.66**		1,284.28
EXPENSES:					
Cost of Materials Consumed	1.31		**1,283.16**		683.49
Changes in Inventories of Finished Goods & Work-in-Progress	1.32		**(44.58)**		28.92
Employee Benefits Expense	1.33		**158.84**		123.94
Finance Costs	1.34		**13.78**		262.21
Depreciation	1.35		**59.93**		61.28
Other Expenses	1.36		**693.58**		416.68
Total Expenses			**2,164.71**		1,576.52
Profit / (Loss) Before Exceptional Item and Tax			**5.95**		(292.24)
Exceptional Items (net) (Refer Note 3.18)			**(2,494.10)**		58.37
Profit / (Loss) Before Tax			**2,500.05**		(350.61)
Tax Expenses					
Current Tax			**17.22**		-
Deferred Tax			**43.52**		-
Earlier Years Tax			**(0.13)**		0.10
MAT Credit written off (Refer Note No 3.13)			**82.05**		-
Profit / (Loss) for the Year			**2,357.39**		(350.71)
Other Comprehensive Income					
a) Items that will not be reclassified to profit or loss					
(i) Re-measurement of gain/ (loss) on defined benefit plans			**(7.83)**		0.53
(ii) Income tax effect on above			**1.97**		-
Other Comprehensive Income			**(5.86)**		0.53
Total Comprehensive Income for the year			**2,351.53**		(350.18)
Earnings Per Share (in Rs.) (Basic and Diluted) (Face Value of Rs. 5/- each) (Refer Note No. 3.14)			**151.32**		(23.94)
Significant Accounting Policies	2				
Notes to Accounts	3				

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. In Crore

		2021-22		2020-21	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit/ (Loss) Before Tax		**2,500.05**		(350.61)
	Adjustments for :				
	Depreciation	**59.93**		61.28	
	Finance Costs	**13.78**		262.21	
	Interest Income	**(4.36)**		(6.94)	
	Excess Provision written back	**(12.42)**		(22.08)	
	Exceptional Items (net) (Refer Note No. 3.18)	**(2,494.10)**		58.37	
	Claim Receivable Written off	**11.07**		-	
	Unrealised Exchange (Gain)/ Loss	**0.52**		(2.86)	
	Provision for Doubtful Debts /Others (net)	**1.33**		9.26	
	Loss/ (Profit) on Sale of assets (net) and asset discarded	**-**		0.01	
	Provision for expected credit loss	**0.54**	**(2,423.71)**	(3.69)	355.56
	Operating Cash Profit before Working Capital Changes		**76.34**		4.95
	Adjustments for working capital changes:				
	(Increase) / Decrease in trade receivable	**(21.11)**		(51.40)	
	(Increase) / Decrease in Inventories	**(72.86)**		27.44	
	(Increase) / Decrease in non current financial assets others	**9.42**		(4.66)	
	(Increase) / Decrease in other non current assets	**1.10**		3.33	
	(Increase) / Decrease in current loans	**(0.59)**		0.19	
	(Increase) / Decrease in other current financial assets	**9.83**		(9.65)	
	(Increase) / Decrease in other current assets	**24.52**		(4.44)	
	Increase / (Decrease) in trade payables	**70.32**		28.13	
	Increase / (Decrease) in other current financial liabilities	**(7.31)**		31.59	
	Increase / (Decrease) in other current liabilities	**13.70**		8.25	
	Increase / (Decrease) in current provisions	**7.00**		0.44	
	Increase / (Decrease) in non current provisions	**(9.08)**	**24.94**	0.88	30.10
	Taxes (Paid) / Refund		**(0.47)**		0.45
	Net Cash flow from Operating Activities		**100.81**		35.50
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	**(10.54)**		(15.50)	
	Other Bank balance not considered as cash and cash equivalent	**5.51**		18.52	
	Interest received	**4.41**		6.85	
	Investments	**(0.47)**		(0.39)	
	Net Cash used in Investing Activities		**(1.09)**		9.48
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from/ (Repayment of) Borrowings	**(543.70)**		(34.88)	
	Payment of Lease Liability	**(2.72)**		(2.56)	
	Finance Costs	**(12.54)**		(5.25)	
	Receipt from issue of Preferential Equity Shares	**476.63**		-	
	Net Cash from Financing Activities		**(82.33)**		(42.69)
	Net Increase/ (Decrease) in Cash and Cash Equivalents		**17.39**		2.29
	Cash and Cash Equivalents at the beginning of the year*		**30.31**		28.03
	Cash and Cash Equivalents at the end of the year *		**47.70**		30.31
	Net Increase/ (Decrease) in Cash and Cash Equivalents		**17.39**		2.28

Note: The cash flow statement is prepared using the “indirect method” set out in Ind AS 7 - “Statement of Cash Flows”.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

***Cash and Cash Equivalents comprises the following**

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balance with Banks (in current accounts)	**6.67**	19.42
(b) Cash on Hand	**0.02**	0.04
(c) Deposits with banks (maturity less than 3 months)	**41.01**	8.94
(d) Money- in- Transit	**-**	1.91
Cash and Cash Equivalents	**47.70**	30.31

As per our report of even date

For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836

Pune, May 9, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a) Equity Share Capital

Rs. In Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	**14,65,01,383**	**73.25**	14,65,01,383	73.25
Add/ (Less): Changes in equity share capital during the year (Refer Note No 3.22)	**15,40,00,000**	**77.00**	-	-
Balance as the end of the reporting year	**30,05,01,383**	**150.25**	14,65,01,383	73.25

b) Other Equity

Rs. In Crore

Particulars	Reserve & Surplus						Items of Other Comprehensive Income - Items that will not be reclassified to Profit or Loss	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Revaluation Reserve	General Reserve	Retained Earnings	Remeasurement of the net defined benefit plans	
As at April 1, 2020 (A)	**6.94**	**80.60**	**-**	**193.98**	**435.96**	**(1,849.54)**	**(3.39)**	**(1,135.45)**
Adjustments:								
Add: Transferred to General Reserve	-	-	-	(3.14)	3.14			**-**
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	0.53	**0.53**
Add: Profit / (Loss) for the year	-	-	-	-	-	(350.71)	-	**(350.71)**
Total (B)	**-**	**-**	**-**	**(3.14)**	**3.14**	**(350.71)**	**0.53**	**(350.18)**
As at March 31, 2021 (C) = (A+B)	**6.94**	**80.60**	**-**	**190.84**	**439.10**	**(2,200.25)**	**(2.86)**	**(1,485.63)**
Adjustments:								
Add: Transferred to General Reserve	-	-	-	(3.14)	3.14	-	-	**-**
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	(5.86)	**(5.86)**
Add: Issue of Preferential Equity Shares	-	-	399.63	-	-	-	-	**399.63**
Add: Profit / (Loss) for the year	-	-	-	-	-	2,357.39	-	**2,357.39**
Total (D)	**-**	**-**	**399.63**	**(3.14)**	**3.14**	**2,357.39**	**(5.86)**	**2,751.16**
As at March 31, 2022 (E) = (C+D)	**6.94**	**80.60**	**399.63**	**187.70**	**442.24**	**157.14**	**(8.72)**	**1,265.53**

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

Notes to Financial Statement for the year ended March 31, 2022

NOTE NO. 1.1 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

A) PROPERTY, PLANT AND EQUIPMENT

Rs. In Crore

Particulars	Land Freehold	Land Lease-hold #	Buildings	Plant and machinery	Furni-ture and Fixtures	Office Equip-ment	Vehicles	ROU of Asset-Building @	ROU of Asset-Plant & Machinery @	Total
Cost or valuation										
As at April 1, 2020	**13.47**	**217.49**	**136.49**	**1,957.24**	**5.02**	**13.11**	**1.04**	**3.67**	**7.88**	**2,355.41**
Additions	-	-	-	2.03	0.001	0.37	-	0.36	-	**2.76**
Disposals	-	-	-	0.02	0.13	0.08	0.11	1.94		**2.26**
As at March 31, 2021	**13.47**	**217.49**	**136.49**	**1,959.27**	**4.89**	**13.40**	**0.93**	**2.09**	**7.88**	**2,355.91**
Additions	-	-	0.30	17.66	0.01	0.46	0.21	0.61	1.55	**20.80**
Disposals	-	-	-	-	-	0.01	0.07	2.17	1.24	**3.49**
As at March 31, 2022	**13.47**	**217.49**	**136.79**	**1,976.93**	**4.90**	**13.85**	**1.07**	**0.53**	**8.19**	**2,373.22**
Depreciation										
As at April 1, 2020	**-**	**17.84**	**65.34**	**909.75**	**4.71**	**12.39**	**0.79**	**1.17**	**1.55**	**1,013.54**
Charge for the year	-	3.23	3.99	51.11	0.04	0.25	0.06	1.22	1.38	**61.28**
Disposals	-	-	-	0.02	0.13	0.08	0.11	1.51		**1.83**
As at March 31, 2021	**-**	**21.07**	**69.33**	**960.86**	**4.62**	**12.56**	**0.74**	**0.88**	**2.93**	**1,072.99**
Charge for the year	-	3.23	3.98	49.79	0.02	0.34	0.08	1.34	1.15	**59.93**
Disposals	-	-	-	-	-	0.01	0.05	2.03	1.24	**3.33**
As at March 31, 2022	**-**	**24.30**	**73.31**	**1,010.65**	**4.64**	**12.89**	**0.77**	**0.19**	**2.84**	**1,129.59**
Impairment										
As at April 1, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-		-
As at March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year [Refer Note No 3.23 (ii)]	-	3.55	-	160.37	-	-	-	-	-	163.92
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**-**	**3.55**	**-**	**160.37**	**-**	**-**	**-**	**-**	**-**	**163.92**
Net Block										
As at March 31, 2021	**13.47**	**196.42**	**67.16**	**998.41**	**0.27**	**0.84**	**0.19**	**1.21**	**4.95**	**1,282.92**
As at March 31, 2022	**13.47**	**189.64**	**63.48**	**805.91**	**0.26**	**0.96**	**0.30**	**0.34**	**5.35**	**1,079.71**

The Company had revalued its Leasehold Land located at Ahmednagar and Baramati in the year 2014-15. Additions so made, due to revaluation, in the leasehold lands amounting to Rs. 210.46 Crore has been credited to Revaluation Reserve in the year 2014-15. Depreciation provided on the revalued amount of Rs. 3.14 Crore (Previous Year Rs. 3.14 Crore) has been transferred from Revaluation Reserve to General Reserve.

@ Refer Note No 3.8 regarding leased assets

* Additions to Plant and Machinery includes Foreign Exchange gain of Rs. Nil (Previous Year Gain of Rs.4.91 Crore).

Refer Note No. 1.17 for Property, Plant and Equipment pledged as security with lenders of the Company

Title deeds of immovable properties and lease agreements for the leased premises are held in the name of the Company.

B) CAPITAL WORK IN PROGRESS

Rs. In Crore

Particulars	As at April 1, 2020	Additions	Transfer	As at March 31, 2021	Additions	Transfer	As at March 31, 2022
Capital Work in Progress	**5.91**	**8.72**	**2.40**	**12.23**	**9.97**	**18.63**	**3.57**

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Capital work in progress ageing as at March 31, 2022 **Rs. In Crore**

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in Progress	3.40	-	0.17	-	3.57

Capital work in progress ageing as at March 31, 2021 **Rs. In Crore**

Capital Work in Progress	Amount in CWIP for a period of				Total
Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in Progress	11.38	0.85	-	-	12.23

The Company does not have any project temporary suspended or any project which is overdue or has exceeded its cost compared to its original plan.

NOTE NO. 1.2 NON CURRENT FINANCIAL ASSETS - INVESTMENTS **Rs. In Crore**

Particulars	As at March 31, 2022	As at March 31, 2021
I) Investment in Equity Instruments-Unquoted		
a) In Subsidiary Companies (At Cost)		
i) ISMT Enterprises S.A.,Luxembourg	**48.43**	48.43
8,06,757 (Previous Year 8,06,757) Equity Shares of Euro 10 each fully paid		
ii) Tridem Port and Power Company Pvt. Ltd	**2.58**	2.58
25,80,300 (Previous Year 25,80,300) Equity Shares of Rs 10 each fully paid		
iii) Indian Seamless INC. U.S.A.	**1.78**	1.78
3,17,900 (Previous Year 3,17,900) Equity Shares of USD 1 each fully paid		
iv) Structo Hydraulics AB, Sweden	**16.75**	16.75
40,73,627 (Previous Year 40,73,627) Equity Shares of SEK 5 each fully paid		
Sub Total - I	**69.54**	69.54
II) Investment in Subsidiary – Equity Component (At Cost)	**131.55**	131.08
(Refer Note. No. 3.17)		
Sub Total - II	**131.55**	131.08
Total Non Current Investment (I+II)	**201.09**	200.62
Less : Provision for Impairment	**136.78**	58.37
(Refer Note. No. 3.19 & Note No. 3.20)		
Total Non Current Investment	**64.31**	142.25
Aggregate amount of unquoted non current investments (at cost)	**201.09**	200.62
Less : Aggregate amount of impairment in value of unquoted non current investments (at cost)	**136.78**	58.37
Total Non Current Investment	**64.31**	142.25

NOTE NO. 1.3 NON CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES **Rs. In Crore**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Considered Doubtful	**15.60**	34.48
Less: Provision for Doubtful	**15.60**	34.48
Total	**-**	-

Notes to Financial Statement for the year ended March 31, 2022

Trade Receivables ageing schedule

Outstanding for following periods from due date of payment

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good		
Not Due	**-**	-
Less than 6 months	**0.08**	0.26
6 months - 1 years	**1.31**	2.98
1 -2 years	**0.40**	13.56
2 -3 years	**0.41**	2.08
More than 3 years	**13.40**	15.60
	15.60	34.48
Less: Provision for Doubtful	**15.60**	34.48
	-	-
(ii) Disputed Trade receivables	**-**	-
Total	**-**	-

NOTE NO. 1.4 NON CURRENT FINANCIAL ASSETS - OTHERS **Rs. In Crore**

Particulars	As at March 31, 2022		As at March 31, 2021	
i) Deposits with Banks (maturity more than 12 months)		**0.66**		0.87
(Margin Money Deposits against Guarantees/ Letter of Credit)				
ii) Security Deposits		**18.67**		27.89
- Considered good Unsecured (Including paid under protest)				
- Credit impaired Unsecured	**-**		2.72	
Less Provision for doubtful deposits	**-**	**-**	2.72	-
Total	**-**	**19.33**	-	28.76

NOTE NO. 1.5 DEFERRED TAX ASSETS (Net) **Rs. In Crore**

Particulars	As at March 31, 2022	As at March 31, 2021@
I) Deferred Tax Liabilities		
Depreciation	**-**	248.07
	-	248.07
II) Deferred Tax Assets		
a) Accumulated Tax Losses	**-**	149.73
b) Unabsorbed Tax Depreciation	**-**	189.09
c) Provision for Impairment in Value of Investment in Subsidiaries	**-**	20.40
d) Deduction eligible in future period in respect of expenses already debited to the statement of Profit and Loss	**-**	517.06
	-	876.28
Restricted to Deferred Tax Liabilities	**-**	248.07
III) MAT Credit Entitlement	**-**	82.05
Deferred Tax Assets (Net)	**-**	82.05

@ Deferred Tax Assets have been recognised to the extent of Deferred Tax Liability under prudence.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.6 NON CURRENT ASSETS - OTHERS

Rs. In Crore

Particulars		**As at March 31, 2022**	As at March 31, 2021
i)	Capital Advances	**1.53**	2.05
ii)	Statutory Refunds from Government Authorities	**0.70**	52.78
	Total	**2.23**	54.83

NOTE NO. 1.7 CURRENT ASSETS - INVENTORIES

Rs. In Crore

Particulars		**As at March 31, 2022**	As at March 31, 2021
i)	Raw Materials	**119.47**	89.67
	[Includes Goods- in-Transit of Rs. 15.34 Crore, (Previous Year Rs. 5.37 Crore)]		
ii)	Work-in-progress	**110.76**	82.81
iii)	Finished goods	**98.99**	82.36
	[Includes Goods- in-Transit of Rs. 12.18 Crore, (Previous Year Rs. 17.44 Crore)]		
iv)	Stores, Spares, Tools and Consumables #	**95.20**	96.72
	Total	**424.42**	351.56

net off write - down to net realisable value during the year Rs. 8.92 Crore (Previous Year Rs. 1.05 Crore)

NOTE NO. 1.8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Unsecured		
Considered Good	**304.57**	285.40
Less: Provision for Expected Credit Loss	**1.02**	0.48
Total	**303.55**	284.92

Trade Receivables ageing schedule

Outstanding for following periods from due date of payment

Rs. In Crore

Particulars		**As at March 31, 2022**	As at March 31, 2021
(i)	Undisputed Trade receivables – considered good		
	Not Due	**202.18**	216.18
	Less than 6 months	**89.07**	62.31
	6 months - 1 years	**13.27**	4.31
	1 -2 years	**0.02**	2.60
	2 -3 years	**0.03**	-
	More than 3 years	**-**	-
		304.57	285.40
(ii)	Disputed Trade receivables – considered good	**-**	-
		304.57	285.40
Less: Provision for Expected Credit Loss		**1.02**	0.48
	Total	**303.55**	284.92

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
i) Balances with Banks	**6.67**	19.42
ii) Cash on Hand	**0.02**	0.04
iii) Deposits with Banks (maturity less than 3 months)	**41.01**	8.94
iv) Money in Transit	**-**	1.91
Total	**47.70**	30.31

NOTE NO. 1.10 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with Banks	**2.18**	7.68
Total	**2.18**	7.68
Deposits with Banks includes:		
Margin Money Deposits against Guarantees / Letter of Credit	**2.18**	1.87

NOTE NO. 1.11 CURRENT FINANCIAL ASSETS - LOANS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Loans and Advances to Employees	**1.00**	0.96
Total	**1.00**	0.96

NOTE NO. 1.12 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) Security Deposits	**0.79**	10.06
ii) Interest Receivables	**0.71**	0.77
Total	**1.50**	10.83

NOTE NO. 1.13 CURRENT TAX ASSETS (NET)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid	**-**	1.35
Total	**-**	1.35

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.14 OTHER CURRENT ASSETS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balance with Custom, Excise and GST	**4.14**	2.95
ii) Export Incentives and Other Refunds	**3.13**	7.20
iii) Prepaid Expenses	**5.25**	2.84
iv) Deferred Expenses	**-**	0.27
v) Others	**11.50**	35.28
Total	**24.02**	48.54

NOTE NO. 1.15 EQUITY SHARE CAPITAL

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
i) 31,70,00,000 (Previous Year 17,50,00,000) Equity Shares of Rs.5/- each.	**158.50**	87.50
ii) Unclassified Shares	**-**	71.00
	158.50	158.50
Issued, Subscribed and fully Paid up:		
30,05,01,383 (Previous Year 14,65,01,383) Equity Shares of Rs 5/- each fully paid.	**150.25**	73.25

The Company has only one class of issued shares having par value of Rs. 5/- each holder of equity shares is entitled to one vote per share.

The reconciliation of number of shares outstanding and the amount of share capital is set-out below.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Equity Shares Number	Rs. in Crore	Equity Shares Number	Rs. in Crore
Shares outstanding at the beginning of the year	**14,65,01,383**	**73.25**	14,65,01,383	73.25
Shares issued during the year (Refer Note No. 3.22)	**15,40,00,000**	**77.00**	-	-
Shares bought back during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**30,05,01,383**	**150.25**	14,65,01,383	73.25

The details of Shares held by its Holding Company.

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirloskar Ferrous Industries Limited (KFIL)	**15,40,00,000**	**51.25%**	-	-

The details of shareholders holding more than 5% shares.

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirloskar Ferrous Industries Limited (KFIL)	**15,40,00,000**	**51.25%**	-	
Indian Seamless Enterprises Limited	**6,90,20,151**	**22.97%**	6,90,20,151	47.11%

During the period of five years immediately preceding the balance sheet date, there are no shares issued without payment being received in cash, issued as bonus shares and shares bought back by the Company.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Shareholding Pattern of Promoters :

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of Holding	% changes during the year	No of Shares	% of Holding	% changes during the year
Promoter						
Kirloskar Ferrous Industries Ltd	**15,40,00,000**	**51.25%**	**51.25%**	-	0.00%	0.00%
Indian Seamless Enterprises Ltd	**6,90,20,151**	**22.97%**	**-51.25%**	6,90,20,151	47.11%	0.00%
Baldevraj Topanram Taneja	**1,45,534**	**0.05%**	**-51.25%**	1,45,534	0.10%	0.00%
Savitri Devi Sureka	**99,834**	**0.03%**	**-51.25%**	99,834	0.07%	0.00%
Promoter Group						
Misrilall Mines Pvt Ltd	**6,01,197**	**0.20%**	**-51.25%**	6,01,197	0.41%	0.00%
Satya Leasing Company Ltd	**4,24,899**	**0.14%**	**-31.87%**	3,04,027	0.21%	0.00%
B R Taneja (HUF)	**3,14,800**	**0.10%**	**-51.25%**	3,14,800	0.21%	0.21%
Ramesh Sureka	**1,32,155**	**0.04%**	**-51.25%**	1,32,155	0.09%	0.00%
Shentracon Finalease Pvt Ltd	**1,14,802**	**0.04%**	**-51.25%**	1,14,802	0.08%	0.00%
Priti Sureka	**1,05,967**	**0.04%**	**-51.25%**	1,05,967	0.07%	0.00%
Jagdish Prasad Sureka (HUF)	**79,932**	**0.03%**	**-51.25%**	79,932	0.05%	0.00%
Alka Mehta	**73,473**	**0.02%**	**-51.25%**	73,473	0.05%	0.00%
Shentracon Holdings Pvt Ltd	**58,543**	**0.02%**	**-51.25%**	58,543	0.04%	0.00%
Misrilall Properties Pvt Ltd	**23,527**	**0.01%**	**-51.25%**	23,527	0.02%	0.00%
Avishi Sureka	**10,000**	**0.00%**	**-51.25%**	10,000	0.01%	0.00%
Rohin Raj Sureka	**10,000**	**0.00%**	**-51.25%**	10,000	0.01%	0.00%
Laurus Tradecon Pvt Ltd	**300**	**0.00%**	**-51.25%**	300	0.00%	0.00%
Prismo (India) Ltd	**-**	**0.00%**	**-100.00%**	1,20,872	0.08%	0.00%
Ashok Kumar Jain (HUF)*	**-**	**0.00%**	**-100.00%**	25,36,181	1.73%	0.00%
Tara Jain*	**-**	**0.00%**	**-100.00%**	14,14,848	0.97%	0.00%
Aayushi Jain*	**-**	**0.00%**	**-100.00%**	41,424	0.03%	0.00%
Akshay Jain*	**-**	**0.00%**	**-100.00%**	10,313	0.01%	0.00%
Tulika Estates and Holdings Pvt Ltd *	**-**	**0.00%**	**-100.00%**	5,43,023	0.37%	0.00%

***Reclassified from Promoter category to Public category w.e.f. April 5, 2021**

Note: Aforesaid change in % share holdings is mainly due to preferential allotment by the Company of equity shares to Kirloskar Ferrous Industries Limited equivalent to 51.25% of post issue paid up share capital on March 10, 2022.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.16 OTHER EQUITY

Rs. In Crore

Particulars	Reserve and Surplus						Items of Other Comprehensive Income	Total
							Items that will not be reclassified to profit or Loss	
	Capital Reserve	Capital Redemption Reserve	Revaluation Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of the net defined benefit plans	
As at April 1, 2020 (A)	**6.94**	**80.60**	**193.98**	**-**	**435.96**	**(1,849.54)**	**(3.39)**	**(1,135.45)**
Adjustments:								
Add : Transferred to General Reserves	-	-	(3.14)	-	3.14	-	-	-
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	0.53	0.53
Add: Profit / (Loss) for the year	-	-	-	-	-	(350.71)	-	(350.71)
Total (B)	**-**	**-**	**(3.14)**	**-**	**3.14**	**(350.71)**	**0.53**	**(350.18)**
As at March 31, 2021 (C) = (A) + (B)	**6.94**	**80.60**	**190.84**	**-**	**439.10**	**(2,200.25)**	**(2.86)**	**(1,485.63)**
Adjustments:								
Add : Transferred to General Reserves	-	-	(3.14)	-	3.14	-	-	-
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	(5.86)	(5.86)
Add: Issue of Preferential Equity Shares	-	-	-	399.63	-	-	-	399.63
Add: Profit / (Loss) for the year	-	-	-	-	-	2,357.39	-	2,357.39
Total (D)	**-**	**-**	**(3.14)**	**399.63**	**3.14**	**2,357.39**	**(5.86)**	**2,751.16**
As at March 31, 2022 (E) = (C) + (D)	**6.94**	**80.60**	**187.70**	**399.63**	**442.24**	**157.14**	**(8.72)**	**1,265.53**

NATURE AND PURPOSE OF RESERVES

A Capital Reserve

Represents application money on Equity Share Warrants not exercised.

B Capital Redemption Reserve

Represents Reserve created at the time of redemption of Preference Shares.

C Revaluation Reserve

Represents revaluation of Leasehold Land located at Ahmednagar and Baramati.

D Securities Premium

Represents premium on preferential allotment of Equity Shares

E General Reserve

Represents profit transferred from Statement of Profit and Loss Account and are available for distribution to Shareholders.

F Retained Earnings

Represents Net Profit earned by the Company as on March 31, 2022.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.17 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS **Rs. In Crore**

Particulars	As at March 31, 2022		As at March 31, 2021	
SECURED LOANS : @				
Term Loans :				
i) Banks				
Rupee Loans	-		19.29	
		-		19.29
ii) Assigned Term Loans *				
Rupee Loans		-		39.56
UNSECURED LOANS :				
Associate Company	-		7.75	
Less : Ind AS Fair Value Adjustments	-		0.92	
		-		6.83
Total		-		65.68

* Term Loans assigned by Banks to Asset Reconstruction Companies (ARC's) .

@ Pursuant to the One-Time Settlement Agreement executed between the Company and Lenders as on January 31, 2022, the Company has paid full and final settlement amount of Rs. 670.00 Crore. (Refer Note No. 3.22)

Security

i) Term Loans of Rs. NIL (Previous Year Rs 757.83 Crore including maturities of Rs. 712.48 Crore) were stipulated to be secured by a first charge ranking pari passu on the Company's immovable properties and movable fixed assets both present and future with other term lenders, excluding term loan lenders where exclusive charge on movable fixed assets as mentioned in clause (iii) and (iv) has been stipulated and assets of Captive Power Project of the Company located at Chandrapur district as mentioned in clause (v). These loans are further stipulated to be secured by a second charge ranking pari passu by way of hypothecation with other term lenders on the current assets of the Company on which the first pari passu charge is stipulated to be covered in favour of consortium of banks as mentioned in Note No. 1.21.

(ii) Term Loans of Rs. NIL (Previous Year Rs 108.00 Crore including maturities of Rs. 94.50 Crore) were stipulated to be secured by a first charge ranking pari passu on the Company's immovable properties and movable fixed assets both present and future with other term lenders, excluding term loan lenders where exclusive charge on movable fixed assets as mentioned in clause (iv) has been stipulated and on assets of Captive Power Project of the Company located at Chandrapur district as mentioned in clause (v). These loans are further stipulated to be secured by a second charge ranking pari passu by way of hypothecation with other term lenders on the current assets of the Company on which the first pari passu charge is stipulated to be covered in favour of consortium of banks.

iii) Term Loans of Rs.NIL (Previous Year Rs. 12.80 Crore including maturities of Rs.12.80 Crore) were stipulated to be secured by exclusive charge on the equipment financed.

iv) Term Loans of Rs. NIL (Previous Year Rs. 89.30 Crore including maturities of Rs.89.30 Crore) were stipulated to be secured by exclusive charge on the equipment financed.

v) Term Loans of Rs.NIL (Previous Year Rs. 113.27 Crore including maturities of Rs. 113.27 Crore) were stipulated to be secured by first charge ranking pari passu on the Company's immovable properties and movable fixed assets relating to Captive Power Projects of the Company located in Chandrapur district.

vi) Further out of the above term loans from banks, loans amounting to Rs.400.50 Crore were further secured by unencumbered properties located at Ahmednagar and Jejuri and also personal guarantee given by Mr. B. R. Taneja (Promoter and Erstwhile Managing Director of the Company).

vii) Unsecured interest free Loan from Associate Company was towards promoter's contribution for Term Loan of Rs. 400.50 Crore.

Being an Non Performing Asset (NPA) accounts, Banks freezed all the credit facilities of the Company and hence the Company was not having any banking credit facility during the year. Accordingly the Company has not submitted quarterly returns or statements of current assets to the lenders.

The Company has not been declared a Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.18 NON CURRENT FINANCIAL LIABILITIES - OTHERS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note No.3.8)	**2.91**	2.38
Total	**2.91**	2.38

NOTE NO. 1.19 NON CURRENT LIABILITIES - PROVISIONS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Leave Encashment	**6.50**	7.75
Total	**6.50**	7.75

NOTE NO. 1.20 DEFERRED TAX LIABILITIES (NET)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) **Deferred Tax Liabilities**		
Depreciation	**127.62**	-
	127.62	-
ii) **Deferred Tax Assets**		
a) Provision for Impairment in Value of Investment in Subsidiaries	**34.42**	-
b) Provision for Impairment in Value of PPE	**41.26**	-
c) Deduction eligible in future period in respect of expenses already debited to the statement of Profit and Loss	**8.42**	-
	84.10	-
Deferred Tax Liabilities (Net)	**43.52**	-

NOTE NO. 1.21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

Rs. In Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
SECURED				
Loans Repayable on Demand @				
Working Capital Borrowings- Banks				
Rupee Loans		-		168.02
Assigned Working Capital Borrowings *				
Rupee Loans		-		799.03
Current Maturities of Long-Term Debt @				
a) **SECURED**				
i) **Term Loans – Banks**				
- Rupee Loans	-		167.68	
- Foreign Currency Loans	-		271.82	
		-		439.50
ii) **Assigned Term Loans ***				
- Rupee Loans	-		536.02	
- Foreign Currency Loans	-		46.83	
		-		582.85

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
Unsecured				
i) Holding Company		**194.00**		-
ii) Associate Company		**7.75**		-
Assigned Working Capital Borrowings *				
Rupee Loans		-		31.32
Current Maturities of Long-Term Debt				
- Sales Tax Deferral Loan		-		0.50
Total		**201.75**		2,021.22

@ Refer Note No 3.22.

*Working Capital Borrowings assigned by Banks to ARC's.

Refer Note No. 1.24 for period and amount of default in repayment of borrowings and interest

Security

i) Working Capital Borrowings from Consortium Banks was secured by first charge ranking pari passu by hypothecation in respect of current assets of the Company present and future and are further secured by a second pari passu charge on the Company's immovable properties and all movable fixed assets both present and future as referred in Note No. 1.17(i)

ii) Unsecured Loan of Rs. 194.00 Crore received from Holding Company (KFIL) is for utilisation towards Settlement of the debt in terms of OTS Agreement. The amount is repayable along with interest accrued up to the date of repayment at 9% p.a. at any time on or prior to the expiry of the tenure i.e. December 10, 2022.

iii) Unsecured interest free Loan from Associate Company was towards promoter's contribution for Term Loan of Rs. 400.50 Crore.

NOTE NO. 1.22 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note No 3.8)	**0.70**	1.53
Total	**0.70**	1.53

NOTE NO. 1.23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Other Trade Payables		
i) Dues of Micro and Small Enterprises (Refer Note No.3.7)	**18.49**	16.16
ii) Dues of Creditors other than Micro and Small Enterprises	**181.25**	114.19
Total	**199.74**	130.35

Trade Payable Ageing as at March 31, 2022

Rs. In Crore

Particulars	Outstanding for following periods Particulars from due date of payment						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.19	8.86	0.40	0.04	-	18.49
(ii) Others	21.87	55.00	100.06	1.24	0.75	2.01	180.93
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	0.32	0.32
Total	**21.87**	**64.19**	**108.92**	**1.64**	**0.79**	**2.33**	**199.74**

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Trade Payable Ageing as at March 31, 2021

Rs. In Crore

Particulars	Outstanding for following periods Particulars from due date of payment						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5.35	10.35	0.36	0.10	-	16.16
(ii) Others	13.01	33.68	62.35	1.43	1.02	2.38	113.87
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	0.32	0.32
Total	**13.01**	**39.03**	**72.70**	**1.79**	**1.12**	**2.70**	**130.35**

NOTE NO. 1.24 CURRENT FINANCIAL LIABILITIES - OTHERS

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
a)	**SECURED**		
i)	Interest accrued but not due on borrowings	-	0.61
ii)	Interest accrued and due on borrowings **	-	1,433.90
		-	1,434.51
b)	**UNSECURED**		
	Interest accrued but not due on borrowings	**0.94**	-
c)	Other Payables – Capital creditors	**1.45**	2.68
d)	Provision for Expenses	**18.20**	36.24
e)	Other Liabilities	**22.07**	23.27
		42.66	62.19
	Total	**42.66**	1,496.70

Period and amount of default in repayment borrowings and interest.

Rs. In Crore

Delay in No. of Days	As at March 31, 2022		As at March 31, 2021	
	Principal	Interest	Principal	Interest **
0 - 30 Days	-	-	14.75	23.45
31 - 60 Days	-	-	4.38	18.69
61 - 90 Days	-	-	6.75	20.70
More than 90 Days	-	-	1,908.46	1,371.06
Total	-	-	1934.34	1,433.90

Over due amount of interest & principal installments as on March 31, 2021 are disclosed based on the terms of sanction of loans. Refer Note No. 1.21 and Note No. 3.22 of Notes to Accounts.

NOTE NO. 1.25 OTHER CURRENT LIABILITIES

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Advances From Customers	**27.89**	19.70
ii)	Deferred Sales Tax	-	0.87
iii)	Other Liabilities	**9.03**	2.65
	Total	**36.92**	23.22

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.26 CURRENT LIABILITIES - PROVISIONS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
i) Gratuity	**4.93**	-
ii) Leave Encashment	**2.81**	1.28
iii) Superannuation	**2.00**	1.46
Total	**9.74**	2.74

NOTE NO. 1.27 CURRENT TAX LIABILITIES (NET)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax	**15.25**	-
Less: Taxes Paid	**1.95**	-
Total	**13.30**	-

NOTE NO. 1.28 REVENUE FROM OPERATIONS

SALE OF PRODUCTS

Rs. In Crore

Particulars	2021-22	2020-21
I) Tube (Including Inter Division Transfers)	**1,592.51**	846.10
ii) Steel (Including Inter Segment Transfers)	**1,624.33**	835.60
Gross Sales	**3,216.84**	1,681.70

NOTE NO. 1.29 OTHER OPERATING REVENUE (GROSS)

Rs. In Crore

Particulars	2021-22		2020-21	
Other Operating Revenues				
i) Sale of Scrap (Gross)	**77.74**		49.78	
Less : Inter Segment Transfers	**51.05**		35.20	
		26.69		14.58
ii) Export Incentives		**2.44**		2.93
Total		**29.13**		17.51

NOTE NO. 1.30 OTHER INCOME

Rs. In Crore

Particulars	2021-22	2020-21
i) Interest Income (Refer Note. No. 3.24)	**2.70**	4.45
ii) Interest Income on financial instruments measured at amortised cost	**1.66**	2.49
iii) Government Grant-Sales Tax Deferral	**0.01**	0.16
iv) Foreign Exchange Gain (Net)	**0.22**	5.98
v) Miscellaneous Income (Refer Note. No. 3.15)	**13.53**	36.53
Total	**18.12**	49.61

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.31 COST OF RAW MATERIAL CONSUMED

Rs. In Crore

Particulars	2021-22	2020-21
Opening Stock	**89.67**	92.70
Add : Purchases made during the year	**1,312.96**	680.46
	1,402.63	773.16
Less : Closing Stock	**119.47**	89.67
Total	**1,283.16**	683.49

RAW MATERIAL CONSUMED

Rs. In Crore

Particulars	2021-22	2020-21
Tube Segment		
Steel Bars	**1,167.45**	589.30
Less : Inter Segment Transfer	**997.77**	413.29
Net Consumption	**169.68**	176.01
Steel Segment		
i) Pig & Sponge Iron, DRI and Scrap	**1,029.44**	489.14
ii) Ferro Alloys	**135.09**	53.54
	1,164.53	542.68
Less : Inter Segment Transfer	**51.05**	35.20
Net Consumption	**1,113.48**	507.48
Total Raw Material Consumed	**1,283.16**	683.49

NOTE NO. 1.32 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Rs. In Crore

Particulars	2021-22	2020-21
Closing Stock		
i) Finished goods	**98.99**	82.36
ii) Work-in-Progress	**110.76**	82.81
	209.75	165.17
Opening Stock		
i) Finished goods	**82.36**	114.10
ii) Work-in-Progress	**82.81**	79.99
	165.17	194.09
(Increase)/ Decrease in Inventories		
i) Finished Goods	**(16.63)**	31.74
ii) Work-in-Progress	**(27.95)**	(2.82)
Total	**(44.58)**	28.92

PRODUCTWISE DETAILS OF CLOSING FINISHED GOODS AND WORK-IN-PROGRESS

Rs. In Crore

Particulars	2021-22	2020-21
a) Finished Goods		
i) Tube	**66.56**	52.95
ii) Steel	**32.43**	29.41
	98.99	82.36
b) Work -in Progress		
i) Tube	**102.97**	65.04
ii) Steel	**7.79**	17.77
Total	**110.76**	82.81

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.33 EMPLOYEE BENEFITS EXPENSE

Rs. In Crore

Particulars		2021-22	2020-21
i)	Salaries, Wages, Bonus and Allowances #	**131.20**	103.83
ii)	Contributions to Provident Fund & Other Funds #	**18.32**	12.98
iii)	Staff Welfare Expenses	**9.32**	7.13
	Total	**158.84**	123.94

includes remuneration (including other benefits) payable to Erstwhile the Managing Director of the Company for the period ended March 10, 2022 amounting to Rs. 2.61 Crore (Previous Year of Rs. 0.99 Crore) and remuneration payable to Erstwhile Non-Executive Directors amounting to Rs 0.40 Crore (Previous Year Rs. Nil) is subject to approval of appropriate authorities.

NOTE NO. 1.34 FINANCE COSTS

Rs. In Crore

Particulars		2021-22		2020-21	
I)	Interest Expenses				
	a) Term Loans	**-**		118.04	
	b) Working Capital and others	**11.25**		142.68	
			11.25		260.72
ii)	Other Finance Costs *		**2.53**		1.49
	Total		**13.78**		262.21

* Net of interest cost on Employee Defined Benefits Plan- loss of Rs. 0.18 Crore (Previous Year Gain of Rs. 0.05 Crore).

NOTE NO. 1.35 DEPRECIATION

Rs. In Crore

Particulars	2021-22	2020-21
Depreciation for the year	**59.93**	61.28
Total	**59.93**	61.28

NOTE NO. 1.36 OTHER EXPENSES

Rs. In Crore

Particulars		2021-22		2020-21	
i)	**Materials**				
	a) Stores and Spares	**82.71**		38.92	
	b) Consumables	**107.93**	**190.64**	59.17	98.09
ii)	**Energy**				
	a) Power Charges	**230.03**		170.10	
	b) Fuel	**96.62**		47.72	
	c) Gases	**27.82**		14.81	
			354.47		232.63
iii)	**Direct Manufacturing**				
	a) Processing Charges	**7.70**		5.57	
	b) Other Direct Expenses	**30.13**		20.03	
	c) Repairs Maintenance to Plant and Machinery	**7.38**		4.37	
	d) Repairs to Factory Building	**0.91**		0.76	
	e) Machine Rentals	**-**		0.17	
			46.12		30.90

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	**2021-22**		2020-21	
iv) Selling & Distribution				
a) Freight Charges	**48.00**		11.04	
b) Commission on Sales	**6.01**		4.11	
c) Selling and Other Expenses	**2.54**		0.55	
		56.55		15.70
v) Administrative Expenses				
a) Rates and Taxes	**1.10**		0.50	
b) Travelling	**1.88**		1.26	
c) Communication	**0.71**		0.55	
d) Repair and Maintenance (Others)	**0.60**		0.38	
e) Insurance	**1.60**		1.70	
f) Equipment Lease Rentals	**0.47**		0.56	
g) Miscellaneous Expenses	**39.44**		34.41	
(Refer Note. No. 3.16)		**45.80**		39.36
Total		**693.58**		416.68

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

1. Corporate Information:

ISMT Limited ("ISMT" or "the Company") is a public limited company incorporated in India (CIN: L27109PN1999PLC016417) having its Registered Office in Pune. The Company is mainly engaged in manufacturing of seamless tubes and engineering steels. As on March 10, 2022, Kirloskar Ferrous Industries Limited ("KFIL") owns 51.25% of the Ordinary Shares of the Company, and has become Parent Company of the Company.

These financial statements for the year ended March 31, 2022 were approved for the issue by the Board of Directors at their Board Meeting dated May 9, 2022.

2. Significant Accounting Policies:

2.1 Basis of Preparation:

Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the of the Companies Act 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; as amended and the other relevant provisions of the Act and Rules thereunder.

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.2 Functional and presentation currency and rounding off of the amounts:

The functional and presentation currency of the Company is Indian rupees. This standalone financial statements are presented in Indian rupees and all values are stated in Crore of Rupees except otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.3 Current versus non-current classification:

The Company has classified all its assets and liabilities under current and non-current as required by Ind AS 1-Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

All liabilities are current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.4 Revenue Recognition:

The Company derives revenue primarily from manufacturing of seamless tubes and engineering steels.

The Company follows specific recognition criteria as described below before the revenue is recognized.

i Sales :

a) Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by delivering a promised goods or service to customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government and net of returns and allowances, trade discounts and volume rebates.

b) Inter Division Transfer represents transfer of finished / semi-finished products within the Segment for further processing and sale.

ii Other Operating Revenue:

Other Operating revenue comprises of following items:

- Export incentives
- Sale of scrap

Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

iii Interest Income:

Interest income from financial assets is recognized using effective interest rate method.

2.5 Property, Plant and Equipment (PPE):

i. Property, plant and equipment are stated at their original cost of acquisition including taxes, duties, freight, other incidental expenses related to acquisition and installation of the concerned assets and exclude refundable taxes and duties.

ii. 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 entity and the cost can be measured reliably.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in statement of profit and loss as and when incurred.

iii. All incidental expenses incurred during project implementation, for the project as well as trial run expenses are treated as expenditure during construction and are capitalized.

2.6 Depreciation:

i Leasehold Land is amortized over lease period.

ii Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

iii Depreciation on Building and Plant & Machinery of Captive Power Plant is provided as per the useful life specified in Part ‘C‘of Schedule II of the Companies Act, 2013 on Straight Line Method.

iv Deprecation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified in Part ‘C‘of Schedule II of the Companies Act, 2013 on Written Down Value Method.

v The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.7 Leases:

The Company’s leased assets consist of leases for Buildings and Plant and Machinery. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

2.8 Inventories:

i. Classification: Scrap generated from Tube Segment is classified as raw material as the same is mostly used by Steel Segment.

ii. Valuation

a) Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

b) Semi-finished and finished goods are valued at lower of cost or net realisable value. The cost includes raw material on weighted average basis, labour cost, manufacturing expenses, production overheads and depreciation.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

c) Stores, Spares and Coal are valued at cost determined on weighted average basis except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

iii. Inventories include goods in transit under the appropriate heads.

2.9 Employee Benefits:

i. Defined Contribution Plan

The Company makes defined contribution to Provident Fund and Superannuation Schemes, which are recognized in the statement of profit and loss on accrual basis.

ii. Defined Benefit Plan

- **Superannuation Plan:**

  Some employees of the Company are entitled to superannuation, a defined contribution plan which is administrated through Life Insurance Corporation of India ("LIC"). Superannuation benefits are recognized in the statement of profit and loss.

- **Leave Encashment:**

  The Company provides for the liability at year end on account of un availed earned leave as per the actuarial valuation.

- **Gratuity:**

  The Company provides for gratuity obligations through a Defined Benefits Retirement plan ('The Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method with actuarial valuations being carried out at the end of each reporting period.

  Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

  The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund.

2.10 Research and Development:

Research and Development costs (other than costs of fixed assets acquired) are charged to statement of profit and loss in the year in which they are incurred.

2.11 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the statement of profit and loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are also recognized in OCI or statement of profit and loss, respectively).

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date (April 1, 2016).

2.12 Borrowing Costs:

Borrowing Costs directly attributed to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of asset till the asset is ready for its intended use of sale. Other Borrowing Costs are charged to the statement of profit and loss in the year in which they are incurred.

2.13 Government Incentives:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

2.14 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at bank and demand deposits with banks which are short-term,

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

highly liquid investments with original maturities of three months or less, that are readily convertible into a known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Fair Value Measurement:

The Company measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices)

Level 3 –inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

2.16 Financial instruments:

A Company recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument.

I. Financial Assets:

(a) Initial recognition and measurement:

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in statement of profit and loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

(b) Subsequent measurement:

For subsequent measurement, the Company classifies financial asset in following broad categories:

i. Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the statement of profit and loss. Cash and bank balances, trade receivables, loans and other financial asset of the Company are covered under this category.

ii. Financial asset carried at fair value through other comprehensive income (FVTOCI):

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

iii. Financial asset carried at fair value through profit or loss (FVTPL):

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit and loss.

(c) Investment in subsidiaries:

Investments in Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

(d) Other equity instruments:

All other equity instruments are measured as fair value, with value changes recognized in statement of profit and loss, except for those equity instruments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

(e) De-recognition of Financial Assets:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

(f) Impairment of financial asset:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit or loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

For trade receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss under the head 'Other expenses'

II. Financial Liabilities:

a) Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b) Subsequent measurement:

Financial liabilities are carried at amortized cost using the Effective Interest Rate (EIR) method. For trade and other payable maturing within one year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

c) De-recognition of financial liabilities:

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

III. Offsetting of Financial Instruments:

Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Segment accounting:

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

2.18 Earnings per share:

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Company and weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Company and weighted average number of equity and potential equity shares outstanding during the year

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.19 Provision for Current and Deferred Tax:

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the other comprehensive income or in Equity. In which case, the tax is also recognised in the other comprehensive income or in Equity.

Current tax:

Provision for Current tax is made on the basis of relevant provision of The Income Tax Act, 1961 as applicable to the financial year.

Deferred tax:

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

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences. to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

2.20 Impairment of non-financial Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

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

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

2.21 Provision and Contingencies:

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that 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. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/ contribution towards provision made.

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities:

Contingent Liabilities are not provided and are disclosed in Notes on Accounts. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

2.22 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

2.23 Events occurring after the Balance Sheet Date:

Events occurring after the Balance Sheet date and till the date on which the standalone financial statements are approved, which are material in the nature and indicate the need for adjustments in the financial statements have been considered

2.24 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 and amendments were made in Ind AS 103, Ind AS 16, Ind AS 37, Ind AS 109 and Ind AS 106. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated these amendments and in the opinion of the Company management the impact on these amendments, are not expected to be material.

2.25 Key accounting judgments, estimates and assumptions:

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

a. Assessment of functional currency (Refer Note No: 2.2);

b. Financial instruments (Refer Note No 2.16);

c. Estimates of useful lives and residual value of PPE and intangible assets (Refer Note No. 2.5 and 2.6);

d. Impairment of financial and non-financial assets (Refer Note No. 2.16 and 2.20);

e. Valuation of inventories (Refer Note No. 2.8);

f. Measurement of Defined Benefit Obligations and actuarial assumptions (Refer Note No. 2.9);

g. Allowances for uncollected trade receivable and advances (Refer Note No. 2.16):

h. Evaluation of recoverability of deferred tax assets (Refer Note No. 2.19); and

i. Contingencies and Provisions (Refer Note No. 2.21).

Revisions to accounting estimates are recognized prospectively in the statement of profit and loss in the period in which the estimates are revised and in any future periods affected.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO 3 NOTES TO ACCOUNTS

3.1 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Rs. In Crore

Sr No	Particulars	As at March 31, 2022	As at March 31, 2021
A	**Contingent Liabilities**		
	Claims against the Company not acknowledged as debt		
i)	Sales Tax	**3.60**	7.43
ii)	Income Tax disputed by the Company	**1.43**	2.34
iii)	Excise and Customs Duty	**27.50**	27.13
iv)	Claims filed by Banks / Lenders with Debt Recovery Tribunal *	**-**	119.37
v)	Others	**11.96**	11.93
B)	**Commitments**		
	Capital Commitments		
	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	**9.48**	5.21

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, result of operations or cash flows. Future cash outflows in respect of liability under clause A (i) to (iii) is dependent on decisions by relevant authorities of respective disputes and in respect of liability under clause A (iv & v) is dependent on terms agreed upon with the parties.

* Refer Note No. 3.22 to Notes to Accounts, the lenders are in the process of withdrawing their claim before DRT, Pune, consequent to One Time Settlement Agreement.

3.2 The Company has in the past obtained Central Government approval for payment of Managerial Remuneration to Erstwhile the Managing Director. ("Managing Director"). The approval of lenders was still awaited pending restructuring. Pending the same, in compliance with Section 197 of the Companies Act 2013, the Managing Director has refunded Salary drawn for the period December 01, 2016 to November 30, 2019 and salary from December 01, 2019 has not been paid. As a result of One Time Settlement, the lenders dues have been paid off and the lenders approval is no longer applicable. The Board and the shareholders had also approved payment of remuneration to Erstwhile Non-Executive Director effective April 01, 2021 which is still payable. Accordingly, Employee Benefits Expense includes amounts provided for remuneration to the Managing Director of Rs.2.61 Crore for the period ended March 10, 2022 (Rs.9.24 Crore cumulative up to March 10, 2022, including Rs. 5.04 Crore refunded to the Company and disclosed as contingent liability) is payable to the Managing Director and Rs.0.40 Crore for the period ended March 10, 2022 is payable to Erstwhile Non-Executive Director. The Company is considering suitable steps including approval of appropriate authorities, if required, for discharging the above obligations.

3.3 Considering the uncertainty related to realisation, the following items are not considered to accrue till they are settled/ sanctioned / received as the case may be:

a) Insurance claims except specific claims stated separately

b) Interest on receivables

3.4 The outbreak of corona virus (COVID-19) pandemic globally has caused significant disturbance and slowdown of economic activity. The Company's operations and revenue during the year has improved, yet the full impact of COVID-19 is not ascertainable. The Company continues to closely monitor the developments and possible effects that may result from current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. The full assessment of the impact of the same on the Company and SHAB's operations, CPP and on Port and Power Project (TPPCL) will be only possible once the pandemic settled down and the eventual impact may be different from the estimates made as of the date of approval of these financial statements.

3.5 Segment Reporting :

I Identification of Segments:

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These segments have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company is engaged primarily into manufacturing of Steel and Tubes. The Company's primary segments are Tube Segment and Steel Segment.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

Segment assets & segment liabilities represent assets & liabilities in respective segments. Investments, tax related assets & other assets & liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets/ Liabilities".

Inter Division Transfer represents transfer of finished / semi-finished products within the Segment for further processing and sale. Profit or loss on inter Division transfers are eliminated at the Company level.

3.5 I Segment Information

Rs. In Crore

Sr No	Particulars	As on March 31, 2022				As on March 31, 2021			
		Tube Segment	Steel Segment	Unallocable	Total	Tube Segment	Steel Segment	Unallocable	Total
i)	**Segment Revenue**								
	Total External Sales (Gross)	**1,502.87**	**620.54**		**2,123.41**	797.55	419.61		1,217.16
	Add : Inter Segment Transfers (Gross)	**-**	**1,003.79**		**1,003.79**	-	415.99		415.99
	: Inter Division Transfers (Gross)	**89.64**	**-**		**89.64**	48.55	-		48.55
		1,592.51	**1,624.33**		**3,216.84**	846.10	835.60		1,681.70
	Less : Inter Segment Transfers (Net)	**-**	**1,003.79**		**1,003.79**	-	415.99		415.99
	Inter Division Transfers (Net)	**89.64**	**-**		**89.64**	48.55	-		48.55
	Net Sales	**1,502.87**	**620.54**		**2,123.41**	797.55	419.61		1,217.16
ii)	**Segment Results**								
	Profit Before Finance Costs and Taxes	**6.19**	**40.90**	**(27.36)**	**19.73**	(33.18)	(12.12)	15.27	(30.03)
	Less : Finance Costs				**13.78**				262.21
	Less : Exceptional Items:				**(2,494.10)**				58.37
	(Refer Note No. 3.18)								
	Profit / (Loss) Before Tax				**2,500.05**				(350.61)
	Less : Tax Expenses				**142.66**				0.10
	Profit / (Loss) After Tax				**2,357.39**				(350.71)
	Add : Other Comprehensive Income				**(7.83)**				0.53
	Less : Income Tax on above				**1.97**				-
	Profit/ (Loss) After Comprehensive Income				**2,351.53**				(350.18)
iii)	**Other Information**								
	Total Segment Assets	**1,404.81**	**386.41**	**-**	**1,791.22**	1,325.00	459.16	-	1,784.16
	Total Segment Liabilities	**124.68**	**166.25**	**-**	**290.93**	113.77	113.62	-	227.39
	Total cost incurred for acquiring Segment Assets	**4.42**	**4.25**	**-**	**8.67**	1.37	6.18	0.58	8.13
	Segment Depreciation	**41.32**	**11.99**	**6.62**	**59.93**	42.61	12.04	6.63	61.28
	Total Unallocable Assets				**182.30**				555.03
	Total Unallocable Liabilities				**266.81**				3,524.18

Note : Steel Segment Results include profit on steel captively consumed by Tube Segment.

II Information about Geographical Segment - Secondary Segment

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Rs. In Crore

Particulars	2021-22	2020-21
Revenue from External Customers		
Domestic	**1,934.04**	1,144.20
Exports	**189.37**	72.96
Total revenue	**2,123.41**	1,217.16

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

III Revenue from Major Customers

Revenue under the segment 'Steel' include Rs 101.72 Crore (Previous Year: Rs 56.42 Crore of one customer) from one customer having more than 10% revenue of total segment revenue. There is no single customer that accounts for more than 10% of the revenue in Tube Segment.

3.6 Pending reconciliation/ confirmations of Trade Receivables/ Trade Payables, adjustments for differences, if any, would be made at the time of reconciliation or on receipt of confirmation. The management is of the opinion that the impact of such adjustments, if any, is not likely to be significant.

3.7 Dues to Micro and Small Enterprises

Disclosure as required by the Micro, Small and Medium Enterprises Act, 2006 is as given below, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Principal outstanding amount due to MSME suppliers as on March 31,2022 is Rs. 18.49 Crore (Previous Year 16.16 Crore). Interest accrued and remaining unpaid of Rs. 0.99 Crore (Previous Year Rs. 0.69 Crore) and an amount of Rs.Nil (Previous Year Rs. 0.08 Crore) has been paid to MSME suppliers during the year.

3.8 Leases

The Company have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 11 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

A) Following are the changes in the carrying amount of Right-of-Use Assets for the year ended March 31, 2022.

Rs. In Crore

Particulars	Office Building		Plant and Machinery	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Balance as on April 1,	**1.21**	2.50	**4.95**	6.33
Addition during the year	**0.61**	0.36	**1.55**	-
Deletion on cancellation of lease	**2.17**	1.94	**1.24**	-
Depreciation on ROU of Assets	**1.34**	1.22	**1.15**	1.38
Depreciation on Deletion	**2.03**	1.51	**1.24**	-
Balance as on March 31,	**0.34**	1.21	**5.35**	4.95

B) The following is the movement in Lease Liabilities for the year ended March 31, 2022

Rs. In Crore

Particulars	Office Building		Plant and Machinery	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Balance as on April 1,	**1.39**	2.64	**2.52**	3.27
Additions during the year	**0.59**	0.36	**1.21**	-
Finance Cost incurred during the year	**0.14**	0.28	**0.48**	0.35
Deletion on Cancellation of lease	**-**	0.43	**-**	-
Payment of lease liabilities	**(1.75)**	(1.46)	**(0.97)**	(1.10)
Balance as on March 31	**0.37**	1.39	**3.24**	2.52

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

C) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Due within one year	**1.13**	1.94
Due within one year to five years	**3.64**	2.69
Due for more than five years	**-**	0.52
Total Undiscounted Lease Liabilities	**4.77**	5.15
Lease Liabilities included in the Statement of financial position		
Non- Current Financial Liabilities	**2.91**	2.38
Current Financial Liabilities	**0.70**	1.53
Total	**3.61**	3.91

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

D) The following amounts are recognized in the Statement of Profit and Loss for the year ended March 31, 2022:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Interest Expenses on Financial Liabilities	**0.62**	0.63
Depreciation on ROU Assets	**2.49**	2.60
Expenses relating to Short Term Lease	**0.47**	0.73
Total	**3.58**	3.96

E) The following amounts are recognized in the Statements of Cash Flows for the year ended March 31, 2022:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Total Cash outflows for Leases	**2.72**	2.56

3.9 Foreign currency fluctuation on long term borrowing capitalised

The Company has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of April 1, 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset. Accordingly, the Company has capitalised such exchange fluctuation gain to Plant & Machinery of Rs Nil and Rs 4.91 Crore (gain) for the year ended March 31, 2022 and March 31, 2021 respectively.

3.10 Related Party Transactions.

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions, outstanding balances and with whom transactions have taken place during the reporting periods are given below:

Name and Relationships of the Related Parties:

Sr No	**Name of the Related Party**
A	**Ultimate Holding Company**
1	Kirloskar Industries Limited (w.e.f. March 10, 2022)
B	**Holding Company**
1	Kirloskar Ferrous Industries Limited ("KFIL") (w.e.f. March 10, 2022)
C	**Entity having Significant Influence**
1	Indian Seamless Enterprises Limited
D	**Direct Subsidiary Companies**
1	ISMT Enterprises SA, Luxembourg
2	Tridem Port and Power Company Private Limited
3	Indian Seamless Inc, USA.
4	Structo Hydraulics AB, Sweden

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Sr No	Name of the Related Party
E	**Indirect Subsidiary Companies**
1	ISMT Europe AB, Sweden
2	Nagapattinam Energy Private Limited.
3	Best Exim Private Limited.
4	Success Power and Infraprojects Private Limited
5	Marshal Microware Infrastructure Development Company Private Limited.
6	PT ISMT Resources, Indonesia

I Key Management Personnel (KMP)

Sr No	Name of the Related Party	Designation
1	Mr. Rahul Kirloskar	Chairman (w.e.f. March 10, 2022)
2	Mr. Ravindranath Gumaste	Vice Chairman (w.e.f. March 10, 2022)
3	Mr. B.R. Taneja	Managing Director (upto March 10, 2022)
4	Mr. Nishikant Ektare	Managing Director (w.e.f. March 10, 2022)
5	Mr. Rajiv Goel	Chief Financial Officer
6	Mr. O P Kakkar	Non-Executive Director (upto March 10, 2022)
7	Mr. S. Venkataramani	Independent Director (w.e.f. March 10, 2022)
8	Dr. Shalini Sarin	Independent Director (w.e.f. March 10, 2022)
9	Mr. R Poornalingam	Independent Director
10	Mr. Kanakraj M	Independent Director
11	Ms. Deepa Mathur	Non-Executive Director (up to March 10, 2022)
12	Mr. Shyam Powar	Independent Director (up to September 30, 2020)

i) Details of Transactions with Key Management Personnel: (KMP)

Rs. In Crore

Sr No	Nature of Transactions	2021-22	2020-21
1	Managerial Remuneration*	**3.91**	1.91
2	Managerial Remuneration payable as on	**3.78**	2.68
3	Sitting Fees	**0.58**	0.15

* Excludes provision for compensated leave and gratuity for KMP as liabilities are provided on overall Company basis and is not identified separately in actuarial valuation.

ii) Details of transactions with Holding/ Subsidiary Companies and Entities having significant influence:

Rs. In Crore

Sr No	Nature of Transactions / Relationship	Holding/Subsidiary Companies		Entities having significant influence	
		2021-22	2020-21	**2021-22**	2020-21
1	Sale of Finished Goods	**63.70**	37.95	**12.57**	10.39
2	Purchase of Raw Material (w.e.f. March 10, 2022)	**13.32**	-	**-**	-
3	Commission on Sales	**4.60**	3.30	**-**	-
4	Quality Claims	**-**	0.14	**-**	-
5	Interest on Unsecured Loan	**1.05**	-	**-**	-
6	Provision for Doubtful debts (net)	**-**	6.69	**-**	-
7	Provision for Impairment in the Value of Investment in Subsidiary Companies	**78.41**	58.37	**-**	-

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Sr No	Nature of Transactions / Relationship	Holding/Subsidiary Companies		Entities having significant influence	
		2021-22	2020-21	**2021-22**	2020-21
8	Advance for Tender Deposit	**-**	-	**-**	0.50
9	Advance Given - Equity Component	**0.47**	0.39	**-**	-
	Outstanding as at Balance Sheet date				
1	- Receivables (net of provisions)	**29.73**	21.73	**12.57**	5.25
2	- Payables	**5.30**	0.89	**-**	-
3	- Interest Payables on Unsecured Loan	**0.94**	-	**-**	-
4	- Investment in Subsidiary Companies (Net of Impairment provision)	**64.31**	142.25	**-**	-
5	- Unsecured Loan Payable	**194.00**	-	**7.75**	7.75

a) Sale of finished goods to Subsidiary Companies includes sales to Structo Hydraulics AB Rs. 18.67 Crore (Previous Year Rs. 3.97 Crore) and ISMT Europe AB Rs. 45.03 Crore (Previous Year Rs. 33.98 Crore). Sale of finished goods to Associate Companies include sales to Indian Seamless Enterprises Limited Rs. 12.57 Crore (Previous Year Rs.10.39 Crore).

b) Commission on sales to Subsidiary Companies include paid/ provided for to ISMT Europe AB, Rs. 4.47 Crore (Previous Year Rs. 3.17 Crore) and Indian Seamless Inc, USA Rs. 0.13 Crore (Previous Year Rs. 0.13 Crore).

c) Quality claims to Subsidiary Company - paid/ provided for to Structo Hydraulics AB Rs. Nil (Previous Year Rs. 0.14 Crore).

d) Interest on unsecured loan from Holding Company - KFIL is Rs 1.05 Crore (Previous Year Rs N.A.)

e) Provision fo doubtful debts includes Rs. NIL (Previous Year Rs. 6.69 Crore - net) is relating to Subsidiary Company Structo Hydraulic AB.

f) Provision for impairment in the value of investment in subsidiary Companies includes Rs. 53. 17 Crore (Previous Year NIL) and Rs. 25.24 Crores (Previous year Rs. 58.37 Crore) is relating to Sructo Hydraulic AB and TPPCL respectively.

g) Purchases of Raw Material from Holding Company – KFIL is Rs. 13.32 Crore (Previous Year Rs. N.A.).

h) Advance given to Associate Company -Indian Seamless Enterprises Ltd. of Rs. Nil towards tender deposit (Previous Year Rs 0.50 Crore).

i) Advances given to Subsidiary Company Tridem Port and Power Company Private Limited Rs. 0.47 Crore (Previous Year Rs. 0.39 Crore) for operational expenses of its Port and Power Project.

j) The Company has not considered transactions with KFIL till March 10, 2022 i.e. transactions being prior to establishment of related party relationship between the Company and KFIL in the above stated Related Party Disclosure. These transactions are in the nature of purchase of Raw Material, Allotment of equity shares on preferential basis amounting to Rs 476.63 Crore (including share premium) and receipt of Unsecured Loan of Rs 194.00 Crore pursuant to Share Subscription Agreement and Unsecured Loan Agreement, respectively.

3.10 Income Tax Expenses

A The major components of income tax expenses for the year are as under:

Rs. In Crore

Sr No.	Particulars	2021-22	2020-21
I	**Income Tax recognised in the statement of profit and loss**		
	Current tax	**17.22**	-
	Deferred tax	**43.52**	-
	Earlier Year Tax	**(0.13)**	0.10
	MAT Credit written off	**82.05**	-
	Total Income Tax recognised in the statement of profit and loss	**142.66**	0.10

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Sr No.	Particulars	2021-22	2020-21
II	**Income Tax recognised in Other Comprehensive Income**		
	Income Tax on Remeasurement of Defined Benefit Plan	**(1.97)**	-
	Total Income Tax recognised in Other Comprehensive Income	**(1.97)**	Nil

B Reconciliation of tax expenses and the accounting profit for the year is under:

Rs. In Crore

Particulars	2021-22	2020-21
Accounting profit before income tax expenses	**2,500.05**	(350.61)
Enacted tax rates in India (%)	**25.168%**	34.944%
Expected income tax expenses	**629.21**	(122.52)
Tax Effect of :		
Expenses not deductible	**(4.33)**	114.68
Change in Tax Rate	**175.75**	
Income not taxable	**(78.89)**	
Accelerated capital allowances	**(48.24)**	5.63
Expenses on which no deduction is admissible	**(0.11)**	(0.80)
Deferred tax assets not recognised in earlier years	**(628.21)**	
(Profit) / Loss in respect of which deferred tax assets not recognized for the year*	**-**	3.01
Utilisation of Brought Forward Losses	**13.59**	-
Tax expenses recognised in statement of profit and loss	**58.77**	0.00
Adjustments recognised in current year in relation to the current tax of earlier years	**(0.13)**	0.10
MAT Credit written off	**82.05**	
Income Tax Expenses	**140.69**	0.00
Effective tax rate (%)	**2.35%**	Nil

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for.

*Deferred tax assets have been recognised to the extent of deferred tax liabilities on taxable temporary differences available.

C Significant components of Deferred tax assets & liabilities recognized in Financial Statements
As at March 31, 2022

Rs. In Crore

Particulars	As at April 1, 2021	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2022
Tax effect of item constituting Deferred Tax Liabilities				
Depreciation	248.07	(120.45)	-	**127.62**
	248.07	(120.45)	-	**127.62**
Tax effect of item constituting Deferred Tax Assets				
i) Accumulated Tax Lossess	149.73	149.73	-	**-**
ii) Unabsorbed Tax Depreciation	189.09	189.09	-	**-**
iii) Provision for impairment in the Value of Investment in Subsidiaries	20.40	(55.28)	-	**75.68**

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	As at April 1, 2021	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2022
iv) Deduction eligible in future period in respect of expenses already debited to the Statement of Profit and Loss *	517.06	508.64	-	**8.42**
v) Deferred tax assets restricted to the extent of deferred tax liabilities as on March 31, 2021	(628.21)	(628.21)	-	**-**
	248.07	163.97	**-**	**84.10**
vi) MAT Credit Entitlement	82.05	82.05	-	**-**
	330.12	246.02	**-**	**84.10**
Net Deferred Tax Asset /(Liability)	82.05	125.57	**-**	**(43.52)**

As at March 31, 2021 *

Rs. In Crore

Particulars	As at April 1, 2020	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2021 #
Tax effect of item constituting Deferred Tax Liabilities				
Depreciation	257.95	(9.88)	-	248.07
	257.95	**(9.88)**	**-**	**248.07**
Tax effect of item constituting Deferred Tax Assets				
i) Accumulated Tax Lossess	153.18	(3.45)	-	149.73
ii) Unabsorbed Tax Depreciation	178.34	10.75	-	189.09
iii) Provision for impairment in the Value of Investment in Subsidiaries	-	20.40		20.40
iii) Deduction eligible in future period in respect of expenses already debited to the Statement of Profit and Loss*	422.80	94.26	-	517.06
	754.32	**121.96**	**-**	**876.28**
Restricted to Deferred Tax Liabilities	**257.95**	**(9.88)**	**-**	**248.07**
iv) MAT Credit Entitlement	82.05	-	-	82.05
	340.00	**(9.88)**	**-**	**330.12**
Net Deferred Tax Asset/ (Liability)	**82.05**	**-**	**-**	**82.05**

#Deferred tax assets have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

The Company has unused tax losses under the head Business Loss and unabsorbed depreciation as per the Income Tax Act, 1961 as on March 31, 2021. These losses have been utilised in financial year 2021-22 against the taxable income for for the year ended March 31, 2022. Details of tax losses under the head business losses and unabsorbed depreciation with expiry is as follows:

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Within five years	-	428.50
Greater than five years	-	-
No expiry	-	541.11
Total	-	969.61

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

3.12 Disclosure as required by Ind AS - 19 Employee Benefits

Retirement benefit obligations

1 Defined Contribution plan

The Company has recognized the following amounts as an expense and included under the head "Employee Benefits Expense" – Contribution to Provident and other Fund:

Rs. In Crore

Particulars	2021-22	2020-21
a) Employer's Contribution to Provident Fund and Employee Pension Scheme	**8.51**	6.70
b) Employer's Contribution to Superannuation Fund	**7.78**	3.98
Total	**16.29**	10.68

In respect of provident fund trust of the Company, there is no deficit of interest shortfall with regards to future obligation arising due to interest shortfall.

2 Defined benefit plan

Gratuity

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

The following tables summarises the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as at March 31, 2022 and March 31, 2021, being the respective measurement dates:

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
a)	**Changes in present value of defined benefit obligations**		
	Present value of defined benefit obligation at the beginning of the Year	**41.06**	39.41
	Current Service Cost	**1.82**	1.84
	Interest Cost	**2.69**	2.61
	Actuarial changes arising from change in financial assumptions	**(0.76)**	(0.23)
	Actuarial changes arising from change in experience adjustments	**8.47**	(0.33)
	Benefits paid	**(4.05)**	(2.24)
	Present value of defined benefit obligation at the end of the Year	**49.23**	41.06
b)	**Changes in fair value of Plan Assets:**		
	Fair value of Plan Assets as at beginning of the Year	**41.57**	38.93
	Interest Income	**2.75**	2.53
	Employer Contribution	**(0.12)**	1.63
	Return on plan assets excluding interest income	**4.15**	(0.03)
	Benefits paid	**(4.05)**	(1.50)
	Fair value of plan Assets as at end of the Year	**44.30**	41.57

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
				(Funded)	(Non Funded)
		2021-22	2020-21	**2021-22**	2020-21
c)	**Net asset/ (liability) recognised in the balance sheet**				
	Present value of defined benefit obligation at the end of the Year	**49.23**	41.06	**10.87**	9.03
	Fair value of plan Assets as at end of the Year	**44.30**	41.57	**1.56**	-
	Amount recognised in the Balance Sheet	**4.93**	(0.51)	**9.31**	9.03
	Net (liability) / assets - Current	**4.93**	(0.51)	**2.81**	1.28
	Net (liability) / assets - Non - Current	**-**	-	**6.50**	7.75
d)	**Expenses recognised in the Statement of Profit and Loss for the year**				
	Current Service Cost	**1.82**	1.84	**0.66**	0.66
	Interest Cost on benefit obligation (net)	**(0.18)**	(0.05)	**0.54**	0.50
	Actuarial (gain)/ Loss	**-**	-	**2.10**	1.82
	Total expenses included in employee benefits expenses	**1.64**	1.79	**3.30**	2.98

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
e)	**Recognised in other comprehensive income for the year**		
	Actuarial changes arising from change in financial assumptions	**(0.76)**	(0.23)
	Actuarial changes arising from change in experience adjustments	**8.47**	(0.33)
	Return on plan assets excluding interest income	**0.12**	0.03
	Recognised in other comprehensive income	**7.83**	(0.53)
f)	**Estimate of expected defined benefit obligation (in absolute terms i.e undiscounted)**		
	within the next 12 months	**10.88**	8.27
	Between 2 to 5 Years	**24.75**	18.32
	6 years and onwards	**35.11**	30.53
g)	**Quantitative sensivity analysis for significant assumption**		
	1% increase in discount rate	**46.86**	38.90
	1% decrease in discount rate	**51.85**	43.44
	1% increase in salary growth rate	**51.47**	43.13
	1% decrease in salary growth rate	**47.16**	39.15
	1% increase in employee withdrawal rate	**49.53**	41.38
	1% decrease in employee withdrawal rate	**48.91**	40.70

The above sensitivity analysis is based on a change in an assumption while holding the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be corelated. When calculating the sensivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation within the balance sheet.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
h)	**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at end of the Year**		
	Government of India Securities	**1.60%**	2.00%
	Corporate Bonds	**0.10%**	0.10%
	Special Deposit Scheme	**0.20%**	0.30%
	Insurer Managed Funds	**96.30%**	94.90%
	Others	**1.80%**	2.70%
	Total	**100.00%**	100.00%

Sr No.	Particulars	Gratuity (Funded)		Leave Encashment	
				(Funded)	(Non Funded)
		2021-22	2020-21	**2021-22**	2020-21
i)	**Principal Actuarial Assumptions used as at the Balance Sheet date :**				
	Discount Rate	**7.20%**	6.90%	**7.20%**	6.90%
	Expected Rate of Return on Plan Assets	**6.90%**	6.80%	**6.90%**	6.80%
	Salary Escalation Rate	**4.00%**	4.00%	**4.00%**	4.00%
j)	**Expected Contribution for the next year**	**4.15**	1.63	**2.81**	-

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. The above information is certified by the Actuary.

3.13 After considering the impact of One Time Settlement (OTS) as referred in Note No. 3.22 and business scenario post change in management, the Company based on the evaluation of impact of tax under normal provision of Income Tax Act and on adoption of section 115BAA of the Income Tax Act 1961, decided to exercise one time option of adopting section 115BAA as on March 31, 2022. Accordingly, on adoption of tax option under section 115BAA of the Income Tax Act 1961, the Company has written off MAT Credit (Deferred Tax Asset) of Rs. 82.05 Crore in the statement of profit and loss as on March 31, 2022.

3.14 Earnings per share

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	2021-22	2020-21
Net Profit/ (Loss) for the year attributable to Equity Shareholders (Rs. In Crore)	**2,357.39**	(350.71)
Weighted Average Number of Equity Shares outstanding for basic and diluted	**15,57,83,575**	14,65,01,383
Face Value of Equity Share (in Rs.)	**5.00**	5.00
Earnings Per Share (in Rs.) (Basic and Diluted)	**151.32**	(23.94)

3.15 Miscellaneous Income includes:

Rs. In Crore

Particulars	2021-22	2020-21
i) Provision for Expenses / payables no longer required written back	**12.62**	22.08
ii) Insurance claim	**-**	4.38
iii) Reversal of Expected Credit Loss.	**-**	3.69
iv) Refund of Managerial Remuneration	**-**	5.04

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

3.16 Miscellaneous Expenses includes:

Rs. In Crore

Particulars	**2021-22**	2020-21
i) Repair and Maintenance - Others	**0.03**	0.03
ii) Directors Sitting Fees	**0.58**	0.15
iii) Auditors Remuneration		
a) Statutory Audit Fees	**0.30**	0.30
b) Out of Pocket Expenses	**0.08**	0.01
c) Others	**0.01**	-
iv) Provisions for doubtful debts (net)	**1.33**	9.24
v) Provisions for pending Legal Cases – Others	**1.09**	3.48
vi) Provision/Payment against Legal cases - Sales Tax, Excise and Customs	**-**	5.52
vii) Financial Restructuring Expenses	**15.95**	-
viii) Claim receivable written off	**11.07**	-

3.17 Non Current Financial Assets – Investments

Investment in Subsidiary – Others (At Cost)

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
i) Structo Hydraulics AB, Sweden (Refer Note No. 3.19)	**16.58**	16.58
ii) Advance to Tridem Power and Port Company Pvt. Ltd. (Refer Note No. 3.20)	**114.97**	114.50
Total	**131.55**	131.08

3.18 Exceptional Items :

Rs. In Crore

Particulars	**Refer Note No**	**2021-22**	2020-21
i) Provision for Impairment in the value of Investments in Subsidiaries	3.19 & 3.20	**78.41**	58.37
ii) Write back of outstanding principal debt and unpaid interest	3.22	**(2,775.96)**	-
iii) Government Dues Receivable written off	3.23 (i)	**39.53**	-
iv) Provision for Impairment in value of CPP Plant	3.23 (ii)	**163.92**	-
Total		**(2,494.10)**	58.37

3.19 The Company and through its Subsidiary Company, ISMT Enterprises S.A., Luxembourg has invested Rs. 48.43 Crore in Structo Hydraulics AB, Sweden (SHAB). The Company has received approval from regulatory authorities for conversion into equity of an amount of Rs. 33.33 Crore (USD 5 Million) due from SHAB, out of which Rs. 16.75 Crore has been converted into equity and the balance of Rs. 16.58 Crore is pending allotment. The net receivables on account of sales made to SHAB as on March 31, 2022 are Rs. 13.13 Crore and the same is considered as collectible. Covid has impacted businesses across the globe, including Europe.

Consequent upon change in management, the Company has initiated review of SHAB operations and its future growth potential to evaluate long term prospects of SHAB. Stronger Balance Sheet and positive net worth of the Company could also contribute in terms of greater market access and availability of working capital. However, there have been significant geo political developments with critical long term implications for Europe and Nordic region apart from continuing Covid impact in various parts of the world. International ocean freight has gone up more than double during the year affecting its business. Considering the challenging emerging global situation and notwithstanding that the business is considered strategic and long term and pending the assessment of the same, after considering the valuation report of the Independent Valuer, the Company has conservatively provided for impairment in the value of investment in SHAB of Rs. 53.17 Crore for the year ended March 31, 2022 as per Ind AS 36 “Impairment of Assets” and disclosed the same under the head “Exceptional items” in the Statement of Profit and Loss.

3.20 Tridem Port and Power Company Private Limited (TPPCL), a wholly owned subsidiary of the Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL could not pursue these projects. Government is giving considerable focus to infrastructure by

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

both higher budgetary allocation and various other initiatives. This is expected to create multiple opportunities leading to positive impact on projects like TPPCL. Consequent upon change in management, considering the above, the Company is evaluating the future potential and opportunities for TPPCL.

Considering inter alia present status of the project, prevailing power sector scenario, long lasting impact of Covid pandemic on the project and recoverable amount as per the current project valuation report, the Company after considering the impairment provision made in previous financial year, have made additional provision for impairment of Rs.25.24 Crore of the amount invested in TPPCL for the year ended March 31, 2022 as per Ind AS 36 “Impairment of Assets” and disclosed under the head “Exceptional Items” in the Statement of Profit and Loss.

3.21 The Company has always been operationally profitable (positive EBIDTA) despite the net losses in earlier years. The successful OTS is inter alia resulting into positive net worth of the Company. Financial stability is also achieved with support of new management (KFIL), thereby enlarging the business opportunities including the abilities to participate in Government tenders. The Company also expects benefits from Atmanirbhar policies of the Government including continuation of Anti-Dumping Duty on import of seamless tubes from China. Accordingly, the Company believes that it can continue to operate as a Going Concern in the foreseeable future and accordingly, has continued to prepare its financial statements on ‘Going Concern Basis’.

3.22 a) In view of the rapidly growing economy, the Company had planned expansion in capacities and also envisaged setting up of Captive Power Plant. However, number of subsequent developments viz economic slow-down leading to steep fall in demand, dumping of tubes by China, regulatory changes and other adverse developments severely impacted the Company. Thus the assets created by the Company were highly under utilized resulting in inability to service the debt. The Company had since been working with lenders for resolution of debt in terms of RBI scheme prevailing from time to time.

The Banks had pursued various schemes for Debt Resolution – the Banks initially contemplated restructuring which was approved by JLM but could not be concluded at banks end. The Banks then opted for OSDR and despite successful conclusion of OSDR resulting in identification of the investor, the OSDR could not be implemented due to RBI Circular dated February 12, 2018 scrapping all their schemes for stressed assets. The Banks then agreed to take up assignment of debt as Resolution Plan in terms of the aforesaid circular, pursuant to which bulk of Bank Debt was assigned to Asset Restructuring Companies (ARCs). The majority of lenders of the Company had also signed Inter Credit Agreement as per RBI guidelines for restructuring of debt. However, restructuring and assignment of further debt could not be concluded due to covid pandemic.

After considering restructuring of debt subsequent to covid pandemic, the lenders opted for One Time Settlement (OTS) of entire outstanding debt for Rs 670 Crore along with change in management. After due process the lenders approved OTS along with change in management by Kirloskar Ferrous Industries Ltd (KFIL) acquiring majority stake in the Company. After requisite approvals, the lenders executed the OTS agreement on January 31, 2022.

(b) In order to fund the OTS, the Board of Directors of the Company proposed to make preferential allotment of 15.40 Crore equity shares at a price of Rs 30.95 per equity share (equivalent to 51.25% of the post issue equity share capital of the Company) to KFIL, for a total consideration of Rs 476.63 Crore, which was duly approved by shareholders of the Company at the Extra Ordinary General Meeting held on December 22, 2021. After obtaining various regulatory approvals, KFIL invested Rs.476.63 Crore towards preferential allotment of 15.40 Crore equity shares at Rs 30.95 per equity share and also extended unsecured loan of Rs 194 Crore. The proceeds of the Preferential Allotment together with unsecured loan from KFIL of Rs 194 Crore were utilized as per terms of Agreements towards payment of OTS amount.

Accordingly, the Company has written back outstanding principal debt and unpaid interest due to lenders amounting to Rs 2,775.96 Crore and disclosed the said write-back amounts under the head “Exceptional Items” in the Statement of Profit and Loss for the year ended March 31, 2022.

3.23 i) The Company had entered into Energy Banking Agreement dated May 07, 2010 with MSEDCL for a period of one year with provision for annual renewals. MSEDCL did not, however, actually permit Banking of energy once the plant was commissioned resulting in significantly higher cost to the Company. The same was challenged by the Company before Maharashtra Electricity Regulatory Commission (MERC) which vide its Interim Order dated June 20, 2014 had allowed Banking. MERC finally disallowed Company’s petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Company filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the said order which was not allowed by the APTEL vide its order dated April 1, 2016. The Company’s appeal, challenging the APTEL order is pending before the Hon’ble Supreme Court. The Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2022 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

The Company has strong case for breach of contract. Consequent upon change in management, considering uncertainties and inordinate delays, the Company has decided to write off the recoverable dues of Rs. 39.53 Crore while continuing to pursue the case on merits and disclosed the said write-off amount under the head "Exceptional Items" in the Statement of Profit and Loss for the year ended March 31, 2022.

ii) Consequent upon change in Management, the Company is evaluating afresh all the available options for Captive Power project (CPP) either operating the plant or closing it down as a whole or otherwise maximizing value. The Company continues to take adequate steps for preserving the value of the plant including pursuing for wrongful denial of the Banking at the Supreme Court. There is, however, an increasing focus on clean and renewable energy being environment friendly. There has also been a surge in commodity prices including coal and the recent geo political developments have added further uncertainty to both availability and pricing of coal. Considering these major developments and the fact that the plant has not been operated for over eight years and unstable CPP policies, the Company has valued the CPP on conservative basis, notwithstanding the upside potential of positive Supreme Court outcome or the surging demand for power, after considering the valuation report of the Independent Valuer provided for impairment of Rs. 163.92 Crore to the carrying amount of CPP for the year ended March 31, 2022 as per Ind AS 36 "Impairment of Assets" and disclosed the same under the head "Exceptional Items" in the Statement of Profit and Loss.

3.24 Interest income includes interest received from Banks of Rs. 1.37 Crore (Previous Year Rs. 2.92 Crore).

3.25 Financial risk management

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

Risk management framework

Company's board of directors has overall responsibility for establishment of Company's risk management framework and formed Risk Management Committee. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Risk Management Committee. Management identifies, evaluate and analyses the risks to which the Company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits. Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company.

Company has exposure to following risk arising from financial instruments:

a) Credit risk

Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from Trade receivables is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal criteria reviewed and monitored from time to time. Majority of the customers are long standing customers and regularly monitored by individual business managers who deal with those customers. Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criteria/ limits.

Management does an impairment analysis at each reporting date as per set procedure and computes credit loss allowance based on a provision matrix. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Gross Carrying Amount	**304.57**	285.40
Less: Expected credit loss at simplified approach	**1.02**	0.48
Carrying amount of trade receivables (net of impairment)	**303.55**	284.92

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

b) Liquidity risk.

The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. Working Capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. The Company aims to maintain the level of its cash and cash equivalents at levels to meet its expected cash outflows on operational and financial liabilities. Also Refer Note No 3.22 regarding debt resolution with the lenders.

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

Rs. In Crore

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2022				
Borrowings	201.75	-	-	201.75
Trade and other payables	199.74	-	-	199.74
Lease Liabilities	0.70			0.70
Other financial liabilities	42.66	-	-	42.66
Other Non Current financial liabilities	-	2.91	-	2.91
Total	**444.85**	**2.91**	**-**	**447.76**
March 31, 2021				
Borrowings	2,021.22	65.68	-	2,086.90
Trade and other payables	130.35	-	-	130.35
Lease Liabilities	1.53			1.53
Other financial liabilities	1,496.70	-	-	1,496.70
Other Non Current financial liabilities	-	2.38	-	2.38
Total	**3,649.80**	**68.06**	**-**	**3,717.86**

c) Competition and pricing risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risks :

i. Interest Rate Risk

Depending upon the business requirements, the Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates. The Company has not used any interest rate derivatives.

Refer Note No 3.22 regarding One -Time Settlement with lenders by making payment of agreed amount on March 11 and March 12, 2022. As of reporting date, there is a short term loan from the Holding Company and Associate Company at the agreed interest rate and hence there is no interest risk exposure related to the long term debt and working capital borrowings.

ii. Foreign Currency Risk and Sensitivity

The Company is exposed to foreign exchange risk arising from export sales, operating and capital expenditure in foreign currency, foreign currency loans and economic exposure on account of mismatch between foreign currency and INR assets and liabilities. The risk is measured through a forecast of highly probable foreign currency cash flows.

Primarily, the exposure in foreign currencies is denominated in USD, EURO. At any point in time, Company covers foreign currency risk by taking appropriate measures. The Company does not enter into derivative instruments.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency in Million	Rs In Crore	Foreign Currency in Million	Rs In Crore
Secured Loans				
USD	-	-	38.48	281.53
EURO	-	-	4.32	37.12
Receivables				
USD	**5.01**	**3.80**	0.37	2.73
EURO	**3.49**	**29.37**	3.42	29.40
Australian Dollar	**0.001**	**0.01**	0.001	0.01
GBP	**0.03**	**0.24**	0.03	0.24
Payables				
USD	**2.25**	**17.11**	1.30	9.47
EURO	**0.10**	**0.44**	0.10	0.82
Interest Payable				
USD	-	-	9.07	66.35
EURO	-	-	1.18	10.13

5% appreciation in USD and EURO with respect to Indian Rupees would have result in increase in gain before tax by Rs 0.78 Crore for March 31, 2021 and increase in Losses before tax by Rs 18.63 Core for March 31, 2021.

5% depreciation in USD and EURO with respect to Indian Rupees would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

iii. Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company reviews the prices of key raw materials on periodically and enters into most of the contracts for procurement of material on short term fixed price basis.

3.26 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's Capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Company's capital management, amongst other things, aim to ensure that its meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

3.27 Fair value measurement

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Rs. In Crore

Particulars	Carrying value of the financial assets/ liabilities		Fair value of the financial assets/ liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets at amortised cost (non-current)				
Deposits with Banks (maturity more than 12 months)	**0.66**	0.87	**0.66**	0.87
Security Deposits	**7.19**	7.56	**7.19**	7.56
Other financial Assets	**11.48**	20.33	**11.48**	20.33
Total	**19.33**	28.76	**19.33**	28.76

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	Carrying value of the financial assets/ liabilities		Fair value of the financial assets/ liabilities	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Financial Assets at amortised cost (current)				
Trade Receivables	**303.55**	284.92	**303.55**	284.92
Cash and Cash Equivalents	**47.70**	30.31	**47.70**	30.31
Bank Balance other than Cash and Cash Equivalents	**2.18**	7.68	**2.18**	7.68
Loans	**1.00**	0.96	**1.00**	0.96
Other financial Assets	**1.50**	10.83	**1.50**	10.83
Total	**355.93**	334.70	**355.93**	334.70
Financial Liabilities at amortised cost (non-current)				
Borrowings	**-**	65.68	**-**	65.68
Lease Liabilities	**2.91**	2.38	**2.91**	2.38
Total	**2.91**	68.06	**2.91**	68.06
Financial Liabilities at amortised cost (current)				
Borrowings	**201.75**	2,021.22	**201.75**	2,021.22
Lease Liabilities	**0.70**	1.53	**0.70**	1.53
Trade and Other Payables	**199.74**	130.35	**199.74**	130.35
Other financial Liabilities	**42.66**	1,496.70	**42.66**	1,496.70
Total	**444.85**	3,649.80	**444.85**	3,649.80

B) B) Level wise disclosures of financial assets and liabilities by categories are as follows :

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Valuation techniques and key inputs
Financial Assets at amortised cost (non-current)				
Deposit for premises/ Security Deposits	**7.19**	7.56	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Assets at amortised cost (current)				
Deposit for premises/ Security Deposits	**0.55**	9.71	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Liabilities at amortised cost (non-current)				
Unsecured Loan from Associate Company	**7.75**	6.83	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Liabilities at amortised cost (current)				
Sales tax Deferral Loan	**-**	0.50	3	Discounted cash flow method using interest rate for similar financial instrument

Fair value of cash and cash equivalents, loan and advances, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021

During the reporting period ended March 31, 2022 and March 31, 2021, there were no transfers between level 1, level 2 and level 3 fair value measurements.

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Reconciliation of Level 3 fair values :

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

Rs. In Crore

Particulars	Deposit for premises / Security Deposits	Sales Tax Deferral Loan	Loan from Associate Company
Opening Balance (April 01, 2020)	**15.67**	**2.89**	**7.75**
Additions during the year	-	-	-
Interest Income	1.65	-	-
Interest Expenses	-	0.09	0.84
Fair valuation of financial instrument	-	-	(1.76)
Repayment of Loan	(0.05)	(2.48)	-
Closing Balance (March 31, 2021)	**17.27**	**0.50**	**6.83**
Additions during the year	0.13	-	-
Interest Income	0.80	-	-
Interest Expenses	-	-	0.92
Fair valuation of financial instrument	(0.35)	-	-
Repayment of Loan	(10.11)	(0.50)	-
Closing Balance (March 31, 2022)	**7.74**	**-**	**7.75**

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

3.28 Loans or Advances to Specified Persons :

During the year, the Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

3.29 Relationship with Struck off Companies :

The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and details of the same are as per below :

Sr. No.	Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on March 31, 2022	Number of Shares held as on March 31, 2021
1	Beriwal Finance And Holdings Private Limited	Shares held in the Company	Shareholder	1	1
2	Devdoot Investment And Leasing Co Pvt Ltd	Shares held in the Company	Shareholder	200	200
3	HMG Financial Services Company Ltd	Shares held in the Company	Shareholder	1,100	1,100
4	Maskai Financial Consultants Private Limited	Shares held in the Company	Shareholder	100	100
5	N.R.I. Financial Services Limited	Shares held in the Company	Shareholder	433	433
6	North Point Properties Private Limited	Shares held in the Company	Shareholder	155	155
7	PCI Vanijya Pvt Ltd	Shares held in the Company	Shareholder	500	500
8	Sarvopari Solid Investment Ltd	Shares held in the Company	Shareholder	1,800	1,800
9	Vighnaharta Investment and Finance Company Private Limited	Shares held in the Company	Shareholder	300	300
10	Alpvij Investments Private Limited	Shares held in the Company	Shareholder	8,500	8,500

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

3.30 Registration of charges or satisfaction with Registrar of Companies (ROC)

Sr. No.	Brief Description of Charge	Location of the Registrar	Amount of Charge (Rs. In Crore)	Period up to which charge satisfaction to be registered	Reason for delay
1	Bank of India	Pune	51.65	-	Bank of India loan account had been assigned to SC Lowy Primary Investment Limited. The Company has got the no dues certificate from SC Lowy Primary Investment Limited. The Company is awaiting NOC from Bank of India, post receipt of which, charge satisfaction form will be filed with ROC.
2	Bank of India	Pune	60.00	-	
3	Industrial Development Bank of India Limited	Pune	10.00	06-May-22	The Company has received NOC from lender and e-form was digitally signed by the lender. However, due to technical error, the e-form could not be uploaded on MCA website. The Company has submitted application with ROC informing the said technical error and requesting to update its record with charge satisfaction.
4	Bank of Baroda	Pune	82.79	19-Feb-22	
5	Bank of Maharashtra	Pune	115.56	10-Jan-22	

3.31 Ultimate Beneficiary : Utilisation of Borrowed funds and share premium:

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.32 Analytical Ratios:

Particulars		2021-22		2020-21		Deviation
		Amount	Ratio	Amount	Ratio	
a) Current Ratio **	Current Assets	804.37	1.59	736.15	0.20	N.A
	Current Liabilities	504.81		3,675.76		
b) Debt-Equity Ratio *	Total Debt	202.69	0.14	3,521.41	-ve	N.A
	Shareholders Equity	1,415.78		(1,412.38)		
c) Debt Service Coverage Ratio **	Earnings Available for Debt Service	62.44	0.75	31.25	0.73	N.A
	Total Debt Service	82.96		42.69		
d) Return on Equity Ratio *	Net Profit Before Tax	5.95	0.4%	(292.24)	-ve	N.A
	Shareholders Equity at the year end	1,415.78		(1,412.38)		
e) Inventory Turnover Ratio #	Net Sales	2,123.41	5.47	1,217.16	3.33	64.24%
	Average Inventory	387.99		365.28		
f) Trade Receivables Turnover Ratio #	Net Sales	2,123.41	7.22	1,217.16	4.65	55.05%
	Average Accounts Receivable	294.24		261.51		

Notes to Financial Statement for the year ended March 31, 2022 (Contd.)

Particulars		2021-22		2020-21		Deviation
		Amount	Ratio	Amount	Ratio	
g) Trade Payables Turnover Ratio ^	Net Credit Purchases	1,502.08	9.10	782.53	6.61	37.67%
	Average Accounts Payables	165.05		118.38		
h) Net Capital Turnover Ratio *	Net Sales	2,123.41	7.09	1,217.16	-ve	N.A
	Working Capital	299.56		(2,936.61)		
i) Net Profit Ratio *	Net Profit Before Tax	5.95	0.3%	(292.24)	-ve	N.A
	Net Sales	2,123.41		1,217.16		
j) Return on Capital Employed *	Earning Before Interest and Taxes	19.73	1.2%	(30.03)	-ve	N.A
	Total Assets - Current Liabilities	1,665.60		2,112.94		
k) Return on Investment @	Income from Investment	N.A.		N.A.		N.A
	Average Investments					

Notes :

1 The amounts of assets, liabilities and net profits for the current year as well as previous year is inclusive of components of exceptional nature and hence these analytical ratios are not truly reflecting the operations and financials of the Company. These exceptional components includes negative net worth and unpaid overdue debts in previous year and one time settlement with lenders through infusion of capital and loan by investor and impairment of assets and investments in subsidiaries in current year.

2 Ratio of current year and previous year are strictly not comparable on account of Covid impact in the previous year and the exceptional item in the current year which results in wide deviation in ratio.

3 Exceptional items are not considered for the purpose of calculation of ratios pertaining to profitability (Net Profit / Earnings)

4 *In case of any negative components in ratio working, the said ratio is considered as Not Applicable. (N.A.)

5 **Improvement in current ratio and debt service coverage ratio is due to one time settlement of principle outstanding debt and unpaid interest with lenders.

6 # On account of lockdown due to Covid-19 pandemic, net sales for the previous financial year were low. The same for the year 2021-22 are higher by 74% over previous year. However, the inventory and trade receivables as on balance sheet dates in absolute terms were marginally higher. This resulted in higher turnover ratio in both the cases.

7 ^ As a result of better inventory and debtors turnover ratios, the Company could bring down average payment to suppliers from 55 days to 40 days.

8 @ Not applicable as the Company has not made any investments.

3.33 Corporate Social Responsibility (CSR)

In view of losses in three immediately preceding financial years, the Company is not required to incur expenditure on CSR Activities under Section 135(5) of the Companies Act, 2013.

3.34 Events occurring after the Balance Sheet date

No adjusting or significant non - adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

3.35 Previous Year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836

Pune, May 9, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of ISMT Limited

Report on the Audit of the Consolidated Financial Statements

1. **Opinion**

We have audited the accompanying consolidated financial statements of **ISMT Limited** ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the ISMT Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, notes to the consolidated financial statements, including a summary of the 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended, of the consolidated state of affairs of the ISMT Group as at March 31, 2022, the consolidated Profit (Including consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the ISMT Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in sub-paragraph 9(a) of the "Other Matter" paragraph below, other than the unaudited financial Statement/financial information as certified by the management and referred to in subparagraph 9(b) of the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. **Material uncertainty Related to Going Concern**

We draw attention to Note No 3.20 in the Consolidated Financial Statements, which indicates that successful debt resolution is inter alia resulting into positive net worth of the Parent Company and its current liabilities does not exceed its current assets as of March 31, 2022. The Parent Company is having cash profit during the year ended March 31, 2022. These events and conditions and based on the other matters as set forth in Note No 3.16 of the Consolidated Financial Statements, indicate that a material certainty exists on the Group's ability to continue as a going concern and are the basis for preparation of Consolidated Financial Statements on going concern basis.

Our opinion is not modified in respect of this matter.

4. **Emphasis of Matter (s)**

We draw attention to:

a) Note No 3.2 of the Consolidated Financial Statements, regarding remuneration to Erstwhile Managing Director and Non-Executive Director of the Parent Company amounting to Rs.2.61 Crore and Rs.0.40 Crore respectively for the period ended March 10, 2022 (Rs. 4.60 Crore cumulative up to March 31, 2022) is subject to approval of appropriate authorities;

b) Note No 3.12 of the Consolidated Financial Statements, regarding write off of Minimum Alternate Tax (MAT) credit (Deferred Tax Assets) of Rs 82.05 Crore on exercise of the tax rate option permitted under section 115BAA of the Income-tax Act, 1961 as of March 31, 2022 by the Parent Company;

c) Note No 3.18 of the Consolidated Financial Statements, regarding impairment provision of carrying value of Goodwill on consolidation of Rs 31.24 Crores recognised at the time of investment made by Parent Company in Structo Hydraulics AB Sweden (SHAB);

d) Note No 3.19 of the Consolidated Financial Statements, regarding additional impairment provision made by the Group in respect of its investment in thermal power project and captive port (TPP) at Tamilnadu of Rs 29.89 Crore (Rs 88.26 cumulative up to March 31, 2022) based on the management assessment and valuation report of an independent valuer;

e) Note No 3.20 of the Consolidated Financial Statements, regarding writeback of outstanding principal debt and unpaid interest due to lenders amounting to Rs 2,775.96 Crore by the Parent Company pursuant to the One-time settlement of dues with the lenders;

f) Note No 3.21(i) of the Consolidated Financial Statements, regarding write off of Rs 39.53 Crores Government Dues from Maharashtra State Electricity

Distribution Company Ltd. (MSEDCL) by the Parent Company for non-implementation of Energy Banking Agreement;

g) Note No 3.21(ii) of the Consolidated Financial Statements, regarding impairment provision made by the Parent Company in respect of carrying value of 40 MW Captive Power Project (CPP) at Chandrapur, Maharashtra of Rs 163.92 Crore based on the management assessment and valuation report of an independent valuer.

Our opinion is not modified in respect of these matters.

5. Key Audit Matters

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

6. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other Information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed including the work done/audit report of other auditors and on the other information obtained prior to the date of this auditor's report, 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.

7. Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the ISMT Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the ISMT Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the ISMT Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the ISMT Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the ISMT Group are also responsible for overseeing the financial reporting process of each company.

8. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ISMT Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ISMT Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the ISMT Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

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

9. Other Matters

a) We did not audit the financial statements/ financial information of Nine (9) subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 176.62 Crore as at March 31, 2022, total revenues of Rs. 83.80 Crore and net cash inflows amounting to Rs 2.22 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) We did not audit the financial statements/ financial information of one (1) subsidiary, whose financial statements/ financial information reflect total assets of Rs. 0.001 Crore as at March 31, 2022, total revenues of Rs Nil Crore and net cash outflows amounting to Rs. 0.001 Crore for the year ended on that date, as considered in the consolidated financial statements. This financial statements/ financial information is unaudited and has been furnished to us as certified by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement/ financial information. In our opinion and according to information and explanations given to us by the management, this financial statements/ financial information is not material to the ISMT Group.

In case of subsidiaries located outside India, this financial statements/financial information have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by their respective independent auditors. The Parent Company's management has converted this financial statements/financial information of such subsidiaries to the Indian GAAP and the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us in the above paragraph and our audit of the conversion adjustments made.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors as referred in para (a) above and the financial statements / financial information certified by the Management as referred in para (b) above.

10. Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate Financial Statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Parent Company and its Subsidiaries companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act except to the extent referred in Annexure B to this report. Subsidiaries incorporated in India have not paid any remuneration to its directors.

h) 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the ISMT Group Refer Note No 3.1 of consolidated financial statements.

ii. The ISMT Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company. There are no amounts which are required to be transferred to the Investment Education and Protection Funds by its subsidiary companies incorporated in India during the year ended March 31 2022.

iv. a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("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 Parent Company or any of such subsidiaries to ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries 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;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. Board of Directors of the Parent Company and Subsidiaries incorporated in India have not proposed any dividend for the financial year covered under Audit and have not paid dividend in respect of previous financial year.

B. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" I "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For DNV & Co.
Chartered Accountants
Firm's registration No.:102079W

CA Bharat Jain
Partner
Membership No.: 100583
UDIN: 22100583AIQWBL6600

Place: Pune
Date: May 9, 2022

Annexure A: KEY AUDIT MATTERS as referred in Para 5 of the Independent Auditor's Report on Consolidated Financial Statements:

<table>
<tr><th>KEY AUDIT MATTERS</th><th>RESPONSE TO KEY AUDIT MATTERS</th></tr>
<tr><td>Property, Plant and Equipment (including Right of Use Assets).
(Refer Note No 1.1, 2.6, 2.7 and 2.21 of the Consolidated Financial Statements)
The carrying amount of Property, Plant and Equipment including Capital work in progress is Rs 1,123.60 Crore, which represents about 57.48 % of the total assets of the ISMT Group.
ISMT group has made provision for impairment of Rs 193.81 Crore against carrying value of PPE and CWIP as on March 31, 2022.
The value in use so determined of each Cash Generating Unit (CGU) identified by the management have been used for the impairment evaluation of the Property, Plant and Equipment
Management has under taken an impairment assessment at year end of the carrying value of PPE (including Right of Use Assets) and Intangibles in accordance with Ind AS 36 "Impairment of Assets".
Due to the significance of the value of the PPE, the inherent uncertainty and judgment involved for determining value in use and impairment analysis thereof, we have considered these estimates to be significant to our overall audit strategy and planning.</td><td>In view of the significance of the matter our procedures in this area included the following:
a) Review the existence assessment of PPE through records maintained and periodical verification process adopted by the Group;
b) Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;
c) Assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models;
d) Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;
e) Considering the potential impact of possible downside changes in the key assumptions;
f) Evaluated the objectivity and independence of Company's specialists involved in the valuation process and;
g) Review of the adequacy of the disclosures made in the consolidated financial statements.</td></tr>
<tr><td>Evaluation of Uncertain outcome of pending litigation</td><td></td></tr>
<tr><td>Refer Note No 3.1 and 2.22 of the Consolidated Financial Statements)
The Parent Company is subject to periodic challenges by local tax authorities during the normal course of business in respect of indirect tax Matters. The Parent Company is having indirect tax liability in dispute amounting to Rs 31.10 Crore as on March 31, 2022
Further the ISMT Group is having pending legal cases filed against the company with the claim amount involved of Rs 23.35 Crore as on March 31, 2022
These litigations involve significant management judgment to determine the possible outcome of the uncertain tax positions and legal cases, consequently having an impact on related accounting and disclosures in the Consolidated Financial Statements.</td><td>Our audit procedures include the following substantive procedures:
a) Obtained understanding of key issues involved in pending tax and other litigations;
b) Testing key controls surrounding litigation, regulatory and tax procedures;
c) Read and analysed select key correspondences, external legal opinions / consultations by management;
d) Discussed with appropriate senior management and evaluated management's underlying key assumptions in assessing management's estimate of the possible outcome of the disputed matters;
e) Review the basis and amount of provisions made by the company against pending litigation;
f) Obtained representation letter from the management on the assessment of these matters;
g) Based on the evidence obtained, while noting the inherent uncertainty with such legal and tax matters, we determined the level of provisioning as at March 31, 2022 to be appropriate and;
h) Review of the adequacy of the disclosures made by the Group in the Consolidated Financial Statements in this regard.</td></tr>
</table>

Annexure B

Details of Managerial Remuneration paid / provided in excess of requisite approval:

Rs. in Crore

Designation	Amount paid / provided	Amount paid / provided in excess of requisite approval	Amount due as recoverable from Balance Sheet	Steps taken for recovery
Erstwhile Managing Director Remuneration:				
Paid	-	-	-	-
Provided	2.61	2.61	-	-
Erstwhile Non-Executive Director Remuneration:				
Paid	-	-	-	-
Provided	0.40	0.40	-	-
Total	**3.01**	**3.01**	**-**	**-**

Note: Rs. 4.60 Crore up to financial year 2021-22 is subject to approval of Appropriate Authorities

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to consolidated financial statements of ISMT Limited ('the Parent Company') and its subsidiary Companies which are companies incorporated in India, as at March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Group for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Parent Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements:

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (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 with reference to consolidated financial statements:

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

Opinion:

In our opinion, the Parent Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements 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 ICAI.

Other Matter:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 5 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For DNV & Co.
Chartered Accountants
Firm's registration No.:102079W

CA Bharat Jain
Partner
Membership No.: 100583
UDIN: 22100583AIQWBL6600

Place: Pune
Date: May 9, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

Rs. In Crore

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
ASSETS					
Non - Current Assets					
a) Property, Plant and Equipment	1.1	**1,120.03**		1,326.74	
b) Capital Work-in-Progress	1.1	**3.57**		42.12	
c) Goodwill on Consolidation	1.1	**6.43**		37.67	
d) Financial Assets					
i) Trade Receivables	1.2	**-**		-	
ii) Others Financial Assets	1.3	**19.38**		28.80	
e) Deferred Tax Asset (Net)	1.4	**-**		82.05	
f) Other Non Current Assets	1.5	**2.23**		54.84	
Sub Total			**1,151.64**		1,572.22
Current Assets					
a) Inventories	1.6	**435.05**		357.40	
b) Financial Assets					
i) Trade Receivables	1.7	**286.09**		273.86	
ii) Cash and Cash Equivalents	1.8	**52.43**		32.79	
iii) Bank Balance other than (ii) above	1.9	**2.18**		7.68	
iv) Loans	1.10	**1.00**		0.96	
v) Others Financial Assets	1.11	**1.50**		10.83	
c) Current Tax Assets (Net)	1.12	**-**		2.03	
d) Other Current Assets	1.13	**24.77**		50.10	
Sub Total			**803.02**		735.65
Total Assets			**1,954.66**		2,307.87
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share Capital	1.14	**150.25**		73.25	
b) Other Equity	1.15	**1,236.21**		(1,531.42)	
Equity attributable to Parent		**1,386.46**		(1,458.17)	
Non Controlling Interest		**0.11**		0.24	
Total Equity			**1,386.57**		(1,457.93)
LIABILITIES					
Non - Current Liabilities					
a) Financial Liabilities					
i) Borrowings	1.16	**-**		65.68	
ia) Lease Liabilities	1.17	**2.91**		2.38	
b) Provisions	1.18	**7.57**		8.86	
c) Deferred Tax Liabilities (Net)	1.19	**43.52**		-	
Sub Total			**54.00**		76.92
Current Liabilities					
a) Financial Liabilities					
i) Borrowings	1.20	**205.76**		2,026.87	
ia) Lease Liabilities	1.21	**0.70**		1.53	
ii) Trade Payables	1.22				
Dues of Micro and Small Enterprises		**18.49**		16.16	
Dues of Creditors other than Micro and Small Enterprises		**182.80**		116.57	
iii) Others Financial Liabilities	1.23	**44.84**		1,499.03	
b) Other Current Liabilities	1.24	**38.79**		25.95	
c) Provisions	1.25	**9.78**		2.77	
d) Current Tax Liabilities (Net)	1.26	**12.93**		-	
Sub Total			**514.09**		3,688.88
Total Equity and Liabilities			**1,954.66**		2,307.87
Significant Accounting Policies	2				
Notes to Accounts	3				

As per our report of even date

For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. In Crore

Particulars	Note No.	2021-22		2020-21	
INCOME					
Revenue from Operations					
Sale of Products	1.26	**3,288.25**		1,736.63	
Less: Inter Segment Transfers		**1,003.79**		415.99	
: Inter Division Transfers		**89.64**		48.55	
: Sales to Subsidiary / Parent Company		**63.70**		37.95	
Net Sales			**2,131.12**		1,234.14
Other Operating Income	1.27		**29.48**		17.61
Other Income	1.28		**21.43**		56.80
Total Income			**2,182.03**		1,308.55
EXPENSES:					
Cost of Materials Consumed	1.29		**1,279.83**		692.01
Changes in Inventories of Finished Goods & Work-in-Progress	1.30		**(45.36)**		30.14
Employee Benefits Expense	1.31		**169.21**		133.66
Finance Costs	1.32		**14.30**		262.65
Depreciation	1.33		**62.43**		64.00
Other Expenses	1.34		**696.09**		410.14
Total Expenses			**2,176.50**		1,592.60
Profit/ (Loss) Before Exceptional Item and Tax			**5.53**		(284.05)
Exceptional Items (net) (Refer Note No. 3.17)			**(2,511.38)**		58.37
Profit/ (Loss) Before Tax			**2,516.91**		(342.42)
Tax Expenses					
Current Tax			**17.22**		-
Deferred Tax			**43.52**		-
Earlier Years Tax			**0.04**		0.10
MAT Credit written off (Refer Note No 3.12)			**82.05**		-
Profit/ (Loss) for the Year			**2,374.08**		(342.52)
Other Comprehensive Income					
a) Items that will not be reclassified to profit or loss					
(i) Re-measurement of gain/ (loss) on defined benefit plans			**(7.83)**		0.53
(ii) Income tax effect on above			**1.97**		-
b) Items that will be reclassified to profit or loss					
(i) Foreign Currency Translation Reserve			**(0.35)**		(1.56)
(ii) Income tax effect on above			**-**		-
Other Comprehensive Income			**(6.21)**		(1.03)
Total Comprehensive Income for the year			**2,367.87**		(343.55)
Profit/(Loss) attributable to :					
Equity Shareholders of Parent			**2,374.21**		(342.51)
Non Controlling Interest			**(0.13)**		(0.01)
Other Comprehensive Income attributable to :					
Equity Shareholders of Parent			**(6.21)**		(1.04)
Non Controlling Interest			**-**		0.01
Total Comprehensive Income attributable to :					
Equity Shareholders of Parent			**2,368.00**		(343.55)
Non Controlling Interest			**(0.13)**		-
Earnings Per Share (in Rs.) (Basic and Diluted) (Face Value of Rs. 5/- each) (Refer Note No. 3.13)			**152.40**		(23.38)
Significant Accounting Policies	2				
Notes to Accounts	3				

As per our report of even date

For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. In Crore

		2021-22		2020-21	
i)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit/ (Loss) Before Tax		**2,516.91**		(342.42)
	Adjustments for :				
	Depreciation	**62.43**		64.00	
	Finance Costs	**14.30**		262.65	
	Interest Income	**(4.36)**		(6.94)	
	Excess Provision written back	**(12.52)**		(22.08)	
	Claim Receivable written off	**11.07**		-	
	Exceptional Items (net) (Refer Note No 3.17)	**(2,511.38)**		58.37	
	Unrealised Exchange (Gain)/ Loss/ Foreign Currency Translation Reserve	**1.18**		(7.62)	
	Provision for Doubtful Debts	**1.33**		9.25	
	Loss/ (Profit) on Sale of assets (net) and asset discarded	**-**		0.01	
	Provision for expected credit loss	**0.54**		(3.77)	
			(2,437.41)		353.87
	Operating Cash Profit before Working Capital Changes		**79.50**		11.45
	Adjustments for :				
	(Increase)/ Decrease in trade receivable	**(14.72)**		(79.54)	
	(Increase)/ Decrease in Inventories	**(77.65)**		30.82	
	Decrease/ (Increase) in non current financial assets others	**9.21**		(4.66)	
	(Increase)/ Decrease in other non current assets	**1.12**		4.03	
	(Increase)/ Decrease in current loans	**(0.04)**		0.19	
	(Increase)/ Decrease in other current financial assets	**9.27**		(9.65)	
	(Increase)/ Decrease in other current assets	**25.34**		(3.71)	
	Increase/ (Decrease) in trade payables	**69.48**		28.42	
	Increase/ (Decrease) in other current financial liabilities	**(6.71)**		28.98	
	Increase/ (Decrease) in other current liabilities	**12.84**		8.41	
	Increase/ (Decrease) in current provisions	**7.01**		0.44	
	Increase/ (Decrease) in non current provisions	**(9.13)**	**26.02**	**0.91**	4.64
	Taxes (Paid)/ Refund		**(0.33)**		0.33
	Net Cash flow from Operating Activities		**105.19**		16.42
ii)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	**(10.69)**		(15.68)	
	Sale of Property, Plant and Equipment	**0.13**		-	
	Decrease/ (Increase) in other bank balances	**5.72**		18.52	
	Interest Received	**4.41**		6.85	
	Net Cash used in Investing Activities		**(0.43)**		9.69
iii)	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from/ (Repayment of) Borrowings	**(545.34)**		(37.81)	
	Payment of Lease Liabilities	**(2.72)**		(2.56)	
	Receipt from issue of Preferential Equity Shares	**476.63**		-	
	Finance Costs	**(13.69)**		(5.92)	
	Net Cash from Financing Activities		**(85.12)**		**(46.29)**
	Net Increase/ (Decrease) in Cash and Cash Equivalents		**19.64**		(20.18)
	Cash and Cash Equivalents at the beginning of the year*		**32.79**		52.97
	Cash and Cash Equivalents at the end of the year*		**52.43**		32.79
	Net Increase/ (Decrease) in Cash and Cash Equivalents		**19.64**		(20.18)

Note: The consolidated cash flow statement is prepared using the “indirect method” set out in Ind AS 7 - “Statement of Cash Flows”.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

***Cash and Cash Equivalents comprises the following**

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balance with Banks (in current accounts)	**11.40**	21.90
(b) Cash on Hand	**0.02**	0.04
(c) Deposits with Banks (maturity less than 3 Months)	**41.01**	8.94
(d) Money in Transit	**-**	1.91
Cash and Cash Equivalents	**52.43**	32.79

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022.

a) Equity Share Capital

Rs. In Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	**14,65,01,383**	**73.25**	14,65,01,383	73.25
Add/(Less): Changes in equity share capital during the year (Refer Note No 3.20)	**15,40,00,000**	**77.00**	-	-
Balance as the end of the reporting year	**30,05,01,383**	**150.25**	14,65,01,383	73.25

b) Other Equity

Rs. In Crore

Particulars	Reserve & Surplus						Items of Other Comprehensive Income		Total impact on Other equity
							Items that will be reclassified to Profit or Loss	Items that will not be reclassified to Profit or Loss	
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Revaluation Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Re-measurement of the net defined benefit plans	
As at April 1, 2020 (A)	**6.94**	**80.60**	**-**	**197.78**	**441.48**	**(1,912.71)**	**1.43**	**(3.39)**	**(1,187.87)**
Adjustments:									
Add : Transferred to General Reserves	-	-	-	(3.83)	3.83	-	-	-	**-**
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	-	0.53	**0.53**
Add: Foreign Currency Translation Reserve	-	-	-	-	-	-	(1.57)	-	**(1.57)**
Add: Profit / (Loss) for the year	-	-	-	-	-	(342.51)	-	-	**(342.51)**
Total (B)	**-**	**-**	**-**	**(3.83)**	**3.83**	**(342.51)**	**(1.57)**	**0.53**	**(343.55)**
As at March 31, 2021 (C) = (A) + (B)	**6.94**	**80.60**	**-**	**193.95**	**445.31**	**(2,255.22)**	**(0.14)**	**(2.86)**	**(1,531.42)**
Adjustments:									
Add : Transferred to General Reserves	-	-	-	(3.83)	3.83	-	-	-	**-**
Add: Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.35)	-	**(0.35)**
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	-	(5.86)	**(5.86)**
Add: Issue of Preferential Equity Shares	-	-	399.63	-	-	-	-	-	**399.63**
Add: Profit / (Loss) for the year	-	-	-	-	-	2,374.21	-	-	**2,374.21**
Total (D)	**-**	**-**	**399.63**	**(3.83)**	**3.83**	**2,374.21**	**(0.35)**	**(5.86)**	**2,767.63**
As at March 31, 2022 (E) = (C) + (D)	**6.94**	**80.60**	**399.63**	**190.12**	**449.14**	**118.99**	**(0.49)**	**(8.72)**	**1,236.21**

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836
Pune, May 9, 2022

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.1 PROPERTY, PLANT AND EQUIPMENT

Rs. In Crore

Particulars	Land Freehold	Land Lease-hold #	Buildings	Plant and machinery	Furni-ture and Fixtures	Office Equip-ment	Vehicles	ROU – Building @	ROU – Plant & Machinery @	Total
Cost or valuation										
As at April 1, 2020	**29.77**	**217.49**	**163.90**	**2,037.72**	**5.02**	**13.40**	**1.05**	**3.67**	**7.88**	**2,479.90**
Additions	-	-	0.19*	2.03	0.01	0.37	-	0.36	-	**2.96**
Foreign currency translation reserve	-	-	2.86	8.81	-	-	-	-	-	**11.67**
Disposals	-	-	-	0.00	0.13	0.08	0.11	1.94	-	**2.26**
As at March 31, 2021	**29.77**	**217.49**	**166.95**	**2,048.56**	**4.90**	**13.69**	**0.94**	**2.09**	**7.88**	**2,492.27**
Additions	-	-	0.30*	17.66	0.01	0.46	0.21	0.61	1.55	**20.80**
Foreign currency translation reserve	-	-	(0.99)	(7.40)	-	-	-	-	-	**(8.39)**
Disposals	-	-	-	4.44	-	0.01	0.05	2.17	1.24	**7.91**
As at March 31, 2022	**29.77**	**217.49**	**166.26**	**2,054.38**	**4.91**	**14.14**	**1.10**	**0.53**	**8.19**	**2,496.77**
Depreciation										
As at April 1, 2020	**-**	**17.84**	**79.14**	**976.92**	**4.76**	**12.65**	**0.80**	**1.17**	**1.55**	**1,094.83**
Charge for the year	-	3.23	5.00	52.82	0.04	0.25	0.06	1.22	1.38	**64.00**
Foreign currency translation reserve	-	-	1.48	7.05	-	-	-	-	-	**8.53**
Disposals	-	-	-	0.00	0.13	0.08	0.11	1.51		**1.83**
As at March 31, 2021	**-**	**21.07**	**85.62**	**1,036.79**	**4.67**	**12.82**	**0.75**	**0.88**	**2.93**	**1,165.53**
Charge for the year	-	3.23	5.02	51.25	0.02	0.34	0.08	1.34	1.15	**62.43**
Foreign currency translation reserve	-	-	(0.52)	(6.85)	-	-	-	-	-	**(7.37)**
Disposals	-	-	-	4.44	-	0.01	0.05	2.03	1.24	**7.77**
As at March 31, 2022	**-**	**24.30**	**90.12**	**1,076.75**	**4.69**	**13.15**	**0.78**	**0.19**	**2.84**	**1,212.82**
Impairment										
As at April 1, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve										-
Disposals										-
As at March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year (Refer Note No 3.21 (ii))		3.55		160.37						163.92
Foreign currency translation reserve										-
Disposals										-
As at March 31, 2022	**-**	**3.55**	**-**	**160.37**	**-**	**-**	**-**	**-**	**-**	**163.92**
Net Block										
As at March 31, 2021	**29.77**	**196.42**	**81.33**	**1,011.77**	**0.23**	**0.87**	**0.19**	**1.21**	**4.95**	**1,326.74**
As at March 31, 2022	**29.77**	**189.64**	**76.14**	**817.26**	**0.22**	**0.99**	**0.32**	**0.34**	**5.35**	**1,120.03**

The Parent Company had revalued its Leasehold Land located at Ahmednagar and Baramati in the year 2014-15. Additions so made, due to revaluation, in the leasehold lands amounting to Rs. 210.46 Crore has been credited to Revaluation Reserve in the year 2014-15. Depreciation provided on the revalued amount of Rs. 3.14 Crore (Previous Year Rs. 3.14 Crore) has been transferred from Revaluation Reserve to General Reserve.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

@ Refer Note No 3.7 regarding leased assets

* Additions to Plant and Machinery includes Foreign Exchange gain of Rs. Nil (Previous Year Gain of Rs.4.91 Crore).
Refer No. 1.16 for Property, Plant and Equipment pledged as security with lenders of the Group.
Title deeds of immovable properties and lease agreements for the leased premises are held in the name of the Group.

B) CAPITAL WORK IN PROGRESS Rs. In Crore

Particulars	As at April 1, 2020	Additions	Transfer	Impairment/ Adjustment	As at March 31, 2021	Additions	Transfer	Impairment/ Adjustment	As at March 31, 2022
Capital Work in Progress	**94.18**	**8.90**	**2.59**	**58.37**	**42.12**	**9.99**	**18.65**	**29.89**	**3.57**

Capital work in progress ageing as at March 31, 2022 **Rs. In Crore**

	Amount in CWIP for a period of				Total
Capital Work in Progress	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	
Project in Progress	3.40	-	0.17	88.26	91.83
Less: Provision for Impairment					88.26
Total					**3.57**

Capital work in progress ageing as at March 31, 2021 **Rs. In Crore**

Capital Work in Progress	Amount in CWIP for a period of				Total
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	
Project in Progress	11.38	0.84	-	88.27	100.49
Less: Provision for Impairment					58.37
Total					**42.12**

The Group except TPPCL Group, does not have any project , which is overdue or has exceeded its cost compared to its original plan.

Refer Note No 3.19 for TPPCL Group Project

C) Goodwill on Consolidation:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Carrying value at the beginning	**37.67**	37.67
Less: Impairment of Goodwill (Refer Note No 3.18)	**31.24**	-
Carrying value at the end	**6.43**	37.67

NOTE NO. 1.2 NON CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES **Rs. In Crore**

Particulars	**As at March 31, 2022**	As at March 31, 2021
Unsecured Considered Doubtful	**15.60**	35.22
Less: Provision for Doubtful	**15.60**	35.22
Total	**-**	-

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Trade Receivables ageing schedule

Outstanding for following periods from due date of payment

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good		
Not Due	**-**	-
Less than 6 months	**0.08**	0.26
6 months - 1 years	**1.31**	2.97
1 -2 years	**0.40**	13.58
2 -3 years	**0.41**	2.07
More than 3 years	**13.40**	16.34
	15.60	35.22
Less: Provision for Doubtful	**15.60**	35.22
	-	-
(ii) Disputed Trade receivables	**-**	-
Total	**-**	-

NOTE NO. 1.3 NON CURRENT FINANCIAL ASSETS - OTHERS **Rs. In Crore**

Particulars	As at March 31, 2022		As at March 31, 2021	
i) Deposits with Banks (maturity more than 12 months) (Margin Money Deposits against Guarantees/ Letter of Credit)		**0.66**		0.87
ii) Security Deposits				
- Considered good Unsecured (Including paid under protest)		**18.72**		27.93
- Credit impaired Unsecured	**-**		2.72	
Less Provision for doubtful deposits	**-**	**-**	2.72	-
Total	**-**	**19.38**	-	28.80

NOTE NO. 1.4 DEFERRED TAX ASSETS (Net)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) Deferred Tax Liabilities		
Depreciation	-	249.07
	-	249.07
ii) Deferred Tax Assets	-	
a) Accumulated Tax Losses	-	149.81
b) Unabsorbed Tax Depreciation	-	189.09
c) Provision for Impairment in Value of Project (Capital Work in Progress)	-	20.40
d) Deduction eligible in future period in respect of expenses already debited to the statement of Profit and Loss	-	517.98
	-	877.28
Restricted to Deferred Tax Liabilities	-	249.07
iii) MAT Credit Entitlement	-	82.05
Deferred Tax Liabilities (Net)	-	82.05

@ Deferred Tax Assets have been recognised to the extent of Deferred Tax Liability under prudence.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.5 NON CURRENT ASSETS - OTHERS

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Capital Advances	**1.53**	2.06
ii)	Statutory Refunds from Government Authorities	**0.70**	52.78
	Total	**2.23**	54.84

NOTE NO. 1.6 CURRENT ASSETS - INVENTORIES

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Raw Materials	**125.65**	91.90
	[Includes Goods-in-Transit of Rs. 15.34 Crore, (Previous Year Rs. 5.37 Crore)]		
ii)	Work-in-progress	**111.01**	83.33
iii)	Finished goods #	**102.97**	85.29
	[Includes Goods-in-Transit of Rs. 12.18 Crore, (Previous Year Rs. 17.44 Crore)]		
iv)	Stores, Spares and Consumables #	**95.42**	96.88
	Total	**435.05**	357.40

net off write -down to net realisable value during the year Rs. 10.16 Crore (Previous Year Rs. 1.05 Crore)

NOTE NO. 1.7 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good	**287.15**	274.36
Less: Provision for Expected Credit Loss	**1.06**	0.50
Total	**286.09**	273.86

Trade Receivables ageing schedule

Outstanding for following periods from due date of payment

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Undisputed Trade receivables – considered good		
Not Due	**184.54**	201.50
Less than 6 months	**92.10**	69.37
6 months - 1 years	**10.45**	0.89
1 -2 years	**0.02**	2.60
2 -3 years	**0.04**	-
More than 3 years	**-**	-
	287.15	274.36
(ii) Disputed Trade receivables – considered good	**-**	-
Less: Provision for Expected Credit Loss	**1.06**	0.50
Total	**286.09**	273.86

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.8 CURRENT FINANCIAL ASSETS - CASH AND BANK BALANCES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
i) Balances with Banks	**11.40**	21.90
ii) Cash on Hand	**0.02**	0.04
iii) Deposits with Banks (maturity less than 3 months)	**41.01**	8.94
iv) Money in Transit	**-**	1.91
Total	**52.43**	32.79

NOTE NO. 1.9 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with Banks	**2.18**	7.68
Total	**2.18**	7.68
Deposits with Banks includes:		
Margin Money Deposits against Guarantees / Letter of Credit	**2.18**	1.87
Total	**2.18**	1.87

NOTE NO. 1.10 CURRENT FINANCIAL ASSETS - LOANS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Loans and Advances to Employees	**1.00**	0.96
Total	**1.00**	0.96

NOTE NO. 1.11 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) Security Deposits	**0.79**	10.06
ii) Interest Receivables	**0.71**	0.77
Total	**1.50**	10.83

NOTE NO. 1.12 CURRENT TAX ASSETS (NET) (UNSECURED, CONSIDERED GOOD)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes paid	**-**	2.03
Total	**-**	2.03

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.13 OTHER CURRENT ASSETS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
i) Balance with Custom, Excise and GST	4.27	3.05
ii) Export Incentives and Other Refunds	3.13	7.20
iii) Prepaid Expenses	5.75	3.39
iv) Deferred Expenses	-	0.27
v) Others	11.62	36.19
Total	24.77	50.10

NOTE NO. 1.14 EQUITY SHARE CAPITAL

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
i) 31,70,00,000 (Previous Year 17,50,00,000) Equity Shares of Rs.5/- each.	158.50	87.50
ii) Unclassified Shares	-	71.00
	158.50	158.50
Issued, Subscribed and fully Paid up:		
30,05,01,383 (Previous Year 14,65,01,383) Equity Shares of Rs 5/- each Fully paid	150.25	73.25

Parent Company has only one class of issued shares having par value of Rs. 5 /- each holder of equity shares is entitled to one vote per share.

The reconciliation of number of shares outstanding and the amount of share capital is set-out below.

Particulars	March 31, 2022		March 31, 2021	
	Equity Shares Number	Rs. in Crore	Equity Shares Number	Rs. in Crore
Shares outstanding at the beginning of the year	14,65,01,383	73.25	14,65,01,383	73.25
Shares issued during the year (Refer Note No. 3.20)	15,40,00,000	77.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,05,01,383	150.25	14,65,01,383	73.25

The details of Shares held by its Holding Company.

Name of Shareholders	March 31, 2022		March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirloskar Ferrous Industries Limited (KFIL)	15,40,00,000	51.25%	-	-

The details of shareholders holding more than 5% shares.

Name of Shareholders	March 31, 2022		March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kirloskar Ferrous Industries Limited (KFIL)	15,40,00,000	51.25%	-	
Indian Seamless Enterprises Limited	6,90,20,151	22.97%	6,90,20,151	47.00%

During the period of five years immediately preceding the balance sheet date, there are no shares issued without payment being received in cash, issued as bonus shares and shares bought back by the Parent Company.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Shareholding Pattern of Promoters :

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of Holding	% changes during the year	No of Shares	% of Holding	% changes during the year
Promoter						
Kirloskar Ferrous Industries Limited	**15,40,00,000**	**51.25%**	**51.25%**	-	0.00%	0.00%
Indian Seamless Enterprises Limited	**6,90,20,151**	**22.97%**	**-51.25%**	6,90,20,151	47.11%	0.00%
Baldevraj Topanram Taneja	**1,45,534**	**0.05%**	**-51.25%**	1,45,534	0.10%	0.00%
Savitri Devi Sureka	**99,834**	**0.03%**	**-51.25%**	99,834	0.07%	0.00%
Promoter Group						
Misrilall Mines Private Limited	**6,01,197**	**0.20%**	**-51.25%**	6,01,197	0.41%	0.00%
Satya Leasing Company Limited	**4,24,899**	**0.14%**	**-31.87%**	3,04,027	0.21%	0.00%
B R Taneja (HUF)	**3,14,800**	**0.10%**	**-51.25%**	3,14,800	0.21%	0.21%
Ramesh Sureka	**1,32,155**	**0.04%**	**-51.25%**	1,32,155	0.09%	0.00%
Shentracon Finalease Private Limited	**1,14,802**	**0.04%**	**-51.25%**	1,14,802	0.08%	0.00%
Priti A Sureka	**1,05,967**	**0.04%**	**-51.25%**	1,05,967	0.07%	0.00%
Jagdish Prasad Sureka (HUF)	**79,932**	**0.03%**	**-51.25%**	79,932	0.05%	0.00%
Alka Mehta	**73,473**	**0.02%**	**-51.25%**	73,473	0.05%	0.00%
Shentracon Holdings Private Limited	**58,543**	**0.02%**	**-51.25%**	58,543	0.04%	0.00%
Misrilall Properties Private Limited	**23,527**	**0.01%**	**-51.25%**	23,527	0.02%	0.00%
Avishi Sureka	**10,000**	**0.00%**	**-51.25%**	10,000	0.01%	0.00%
Rohin Raj Sureka	**10,000**	**0.00%**	**-51.25%**	10,000	0.01%	0.00%
Laurus Tradecon Pvt Ltd	**300**	**0.00%**	**-51.25%**	300	0.00%	0.00%
Prismo (India) Limited	**-**	**0.00%**	**-100.00%**	1,20,872	0.08%	0.00%
Ashok Kumar Jain (HUF)*	**-**	**0.00%**	**-100.00%**	25,36,181	1.73%	0.00%
Tara Jain*	**-**	**0.00%**	**-100.00%**	14,14,848	0.97%	0.00%
Aayushi Jain*	**-**	**0.00%**	**-100.00%**	41,424	0.03%	0.00%
Akshay Jain*	**-**	**0.00%**	**-100.00%**	10,313	0.01%	0.00%
Tulika Estates and Holdings Private Limted*	**-**	**0.00%**	**-100.00%**	5,43,023	0.37%	0.00%

*** Reclassified from Promoter category to Public category w.e.f. April 5, 2021**

Note: Aforesaid change in % share holdings is mainly due to preferential allotment of equity shares to Kirloskar Ferrous Industries Limited equivalent to 51.25% of post issue paid up share capital on March 10, 2022.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.15 OTHER EQUITY

Rs. In Crore

Particulars	Reserve and Surplus						Items of Other Comprehensive Income		Total impact on Other equity
							Items that will be reclassified to Profit or Loss	Items that will not be reclassified to Profit or Loss	
	Capital Reserve	Capital Redemption Reserve	Revaluation Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Re-measurement of the net defined benefit plans	
As at April 1, 2020 (A)	**6.94**	**80.60**	**-**	**197.78**	**441.48**	**(1,912.71)**	**1.43**	**(3.39)**	**(1,187.87)**
Adjustments:									
Add : Adjustment pursuant to Acquisition of new Shares				-					-
Add : Transferred to General Reserves	-	-	(3.83)		3.83	-	-	-	-
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	-	0.53	0.53
Add: Foreign Currency Translation Reserve	-	-	-	-	-	-	(1.57)	-	(1.57)
Add : Reclassification of Retained earnings	-	-	-	-	-	-		-	-
Add: Profit / (Loss) for the year	-	-	-	-	-	(342.5)	-	-	(342.51)
Total (B)	**-**	**-**	**(3.83)**	**-**	**3.83**	**(342.51)**	**(1.57)**	**0.53**	**(343.55)**
As at March 31, 2021 (C) = (A) + (B)	**6.9**	**80.6**	**194.0**	**-**	**445.3**	**(2,255.2)**	**(0.14)**	**(2.86)**	**(1,531.42)**
Adjustments:									
Add : Transferred to General Reserves	-	-	(3.83)	-	3.83	-	-	-	-
Add: Foreign Currency Translation Reserve	-	-	-	-	-	-	(0.35)	-	(0.35)
Add: Remeasurement of the net defined benefit plans	-	-	-	-	-	-	-	(5.86)	(5.86)
Add: Issue of Preferential Equity Shares				399.63					399.63
Add: Profit / (Loss) for the year	-	-	-	-	-	2,374.21	-	-	2,374.21
Total (D)	**-**	**-**	**(3.83)**	**399.63**	**3.83**	**2,374.21**	**(0.35)**	**(5.86)**	**2,767.63**
As at March 31, 2022 (E) = (C) + (D)	**6.94**	**80.60**	**190.12**	**399.63**	**449.14**	**118.99**	**(0.49)**	**(8.72)**	**1,236.21**

NATURE AND PURPOSE OF RESERVES

A Capital Reserve

Represents application money on Equity Share Warrants not exercised.

B Capital Redemption Reserve

Represents Reserve created at the time of redemption of Preference Shares.

C Revaluation Reserve

Represents revaluation of Leasehold Land located at Ahmednagar and Baramati of Parent Company and Building and Plant & Machinery of its subsidiary “Structo Hydraulics AB”.

D Securities Premium

Represents premium on preferential allotment of Equity Shares

E General Reserve

Represents profit transferred from Consolidated Statement of Profit and Loss Account and are available for distribution to Parent Company Shareholders.

F Retained Earnings

Represents Net Profit incurred by the Group as on March 31, 2022.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.16 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

Rs. In Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
SECURED LOANS : @				
Term Loans :				
i) Banks				
Rupee Loans	-		19.29	
		-		19.29
ii) Assigned Term Loans *				
Rupee Loans		-		39.56
UNSECURED LOANS :				
Associate Company	-		7.75	
Less : Ind AS Fair Value Adjustments	-		0.92	
		-		6.83
Total		-		65.68

*Term Loans assigned by Banks to Asset Reconstruction Companies (ARC's) .

@ Pursuant to the One-Time Settlement Agreement executed between the Parent Company and Lenders as on January 31, 2022, the Parent Company has paid the full and final settlement amount of Rs. 670.00 Crore (Refer Note No.3.20).

Security

Parent Company

i) Term Loans of Rs. NIL (Previous Year Rs 757.83 Crore including maturities of Rs. 712.48 Crore) were stipulated to be secured by a first charge ranking pari passu on the Company's immovable properties and movable fixed assets both present and future with other term lenders, excluding term loan lenders where exclusive charge on movable fixed assets as mentioned in clause (iii) and (iv) has been stipulated and assets of Captive Power Project of the Company located at Chandrapur district as mentioned in clause (v). These loans are further stipulated to be secured by a second charge ranking pari passu by way of hypothecation with other term lenders on the current assets of the Company on which the first pari passu charge is stipulated to be covered in favour of consortium of banks as mentioned in Note No. 1.20

(ii) Term Loans of Rs. NIL (Previous Year Rs 108.00 Crore including maturities of Rs. 94.50 Crore) were stipulated to be secured by a first charge ranking pari passu on the Company's immovable properties and movable fixed assets both present and future with other term lenders, excluding term loan lenders where exclusive charge on movable fixed assets as mentioned in clause (iv) has been stipulated and on assets of Captive Power Project of the Company located at Chandrapur district as mentioned in clause (v). These loans are further stipulated to be secured by a second charge ranking pari passu by way of hypothecation with other term lenders on the current assets of the Company on which the first pari passu charge is stipulated to be covered in favour of consortium of banks.

iii) Term Loans of Rs.NIL (Previous Year Rs. 12.80 Crore including maturities of Rs. 12.80 Crore) were stipulated to be secured by exclusive charge on the equipment financed.

iv) Term Loans of Rs. NIL (Previous Year Rs. 89.30 Crore including maturities of Rs. 89.30 Crore) were stipulated to be secured by exclusive charge on the equipment financed.

v) Term Loans of Rs.NIL (Previous Year Rs. 113.27 Crore including maturities of Rs. 113.27 Crore) were stipulated to be secured by first charge ranking pari passu on the Company's immovable properties and movable fixed assets relating to Captive Power Projects of the Company located in Chandrapur district.

vi) Further out of the above term loans from banks, loans amounting to Rs. 400.50 Crore were further secured by unencumbered properties located at Ahmednagar and Jejuri and also personal guarantee given by Mr. B. R. Taneja (Promoter and Erstwhile Managing Director of the Company).

vii) Unsecured interest free Loan from Associate Company was towards promoter's contribution for Term Loan of Rs. 400.50 Crore.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Structo Hydraulics AB:

vii) Term Loans of Rs. Nil Crore (including current maturities of Rs. Nil Crore) (Previous Year Rs. 1.72 Crore including maturities of Rs. 1.72 Crore) are secured by Company's Fixed Assets and Receivables.

Being a Non Performing Asset (NPA) accounts, Banks freezed all the credit facilities of the Parent Company and hence the Parent Company was not having any banking credit facility during the year. Accordingly, the Parent Company has not submitted any quarterly returns or statements of current assets to the lenders.

The Parent Company and its subsidiary Companies registered in India has not been declared a Wilful Defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

NOTE NO. 1.17 NON CURRENT FINANCIAL LIABILITIES - OTHERS

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Lease Liabilities (Refer Note No. 3.7)	**2.91**	2.38
Total	**2.91**	2.38

NOTE NO. 1.18 NON CURRENT LIABILITIES - PROVISIONS

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Provision for Employee Benefits		
Leave Encashment	**7.57**	8.86
Total	**7.57**	8.86

NOTE NO. 1.19 DEFERRED TAX LIABILITES (NET)

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
i) Deferred Tax Liabilities		
Depreciation	**127.62**	-
	127.62	-
ii) Deferred Tax Assets		
a) Provision for Impairment in Value of Investment in Subsidiary Companies	**34.68**	
b) Provision for Impairment in Value of PPE	**41.00**	
c) Deduction eligible in future period in respect of expenses already debited to the statement of Profit and Loss	**8.42**	
	84.10	-
Deferred Tax Liabilities (Net)	**43.52**	-

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.20 CURRENT FINANCIAL LIABILITIES - BORROWINGS

Rs. In Crore

Particulars	**As at March 31, 2022**		As at March 31, 2021	
SECURED				
Loans Repayable on Demand @				
Working Capital Borrowings- Banks				
i) Rupee Loans		-		168.02
ii) Foreign Currency Loans		**4.01**		3.93
Assigned Working Capital Borrowings *				
Rupee Loans		-		799.03
Current Maturities of Long-Term Debt @				
a) SECURED				
i) Term Loans – Banks				
- Rupee Loans	-		167.68	
- Foreign Currency Loans	-		273.54	
		-		441.22
ii) Assigned Term Loans *				
- Rupee Loans	-		536.02	
- Foreign Currency Loans	-		46.83	
		-		582.85
Unsecured				
i) Parent Company		**194.00**		-
ii) Associate Company		**7.75**		-
Assigned Working Capital Borrowings *				
Rupee Loans		-		31.32
Current Maturities of Long-Term Debt				
- Sales Tax Deferral Loan		-		0.50
Total		**205.76**		2,026.87

@ Refer Note No 1.16

*Working Capital Borrowings assigned by Banks to ARC's .

Refer Note No. 1.23 for period and amount of default in repayment of borrowings and interest

Security

Parent Company

i) Working Capital Borrowings from Consortium Banks was secured by first charge ranking pari passu by hypothecation in respect of current assets of the Company present and future and are further secured by a second pari passu charge on the Company's immovable properties and all movable fixed assets both present and future as referred in Note No. 1.16 (i)

ii) Unsecured Loan of Rs. 194.00 Crore received from Holding Company (KFIL) is for utilisation towards Settlement of the debt in terms of OTS Agreement. The amount is repayable along with interest accrued up to the date of repayment at 9% p.a. at any time on or prior to the expiry of the tenure i.e. December 10, 2022.

iii) Unsecured interest free Loan from Associate Company was towards promoter's contribution for Term Loan of Rs. 400.50 Crore.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Subsidiary Companies

Structo Hydraulics AB

Working Capital Loan is secured against fixed and current assets of the Company excluding immovable property.

NOTE NO. 1.21 CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note No. 3.7)	**0.70**	1.53
Total	**0.70**	1.53

NOTE NO. 1.22 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Other Trade Payables		
i) Dues of Micro and Small Enterprises	**18.49**	16.16
ii) Dues of Creditors other than Micro and Small Enterprises	**182.80**	116.57
Total	**201.29**	132.73

Trade Payable Ageing as at March 31, 2022

Rs. In Crore

Particulars	Outstanding for following periods Particulars from due date of payment						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.19	8.86	0.40	0.04	-	18.49
(ii) Others	21.87	55.00	100.98	1.24	0.75	2.64	182.48
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	0.32	0.32
Total	**21.87**	**64.19**	**109.84**	**1.64**	**0.79**	**2.96**	**201.29**

Trade Payable Ageing as at March 31, 2021

Rs. In Crore

Particulars	Outstanding for following periods Particulars from due date of payment						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5.35	10.35	0.37	0.09	-	16.16
(ii) Others	13.00	33.68	64.08	1.44	1.67	2.38	116.25
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	0.32	0.32
Total	**13.00**	**39.03**	**74.43**	**1.81**	**1.76**	**2.70**	**132.73**

NOTE NO. 1.23 CURRENT FINANCIAL LIABILITIES - OTHERS

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
a) SECURED		
i) Interest accrued but not due on borrowings	**-**	0.61
ii) Interest accrued and due on borrowings **	**1.25**	1,435.17
	1.25	1,435.78

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
b)	**UNSECURED**		
	Interest accrued but not due on borrowings	**0.94**	-
c)	**Other Payables – Capital creditors**	**1.45**	2.68
d)	**Provision for Expenses**	**18.79**	36.94
e)	**Other Liabilities**	**22.41**	23.63
		43.59	63.25
	Total	**44.84**	1,499.03

Parent Company

Rs. In Crore

Delay in No. of Days	As at March 31, 2022		As at March 31, 2021	
	Principal	**Interest**	Principal	Interest **
0 - 30 Days	-	-	14.75	23.45
31 - 60 Days	-	-	4.38	18.69
61 - 90 Days	-	-	6.75	20.70
More than 90 Days	-	-	1,908.46	1,371.06
Total	-	-	1934.34	1,433.90

Over due amount of interest and principal installments as on March 31, 2021 are disclosed based on the terms of sanction of loans. Refer Note No. 1.16 and Note No. 3.20 of Notes to Accounts.

NOTE NO. 1.24 OTHER CURRENT LIABILITIES

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Advances From Customers	**27.93**	20.29
ii)	Deferred Sales Tax	-	0.87
iii)	Other Liabilities	**10.86**	4.79
	Total	**38.79**	25.95

NOTE NO. 1.25 CURRENT LIABILITIES - PROVISIONS

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits			
i)	Gratuity	**4.96**	0.02
ii)	Leave Encashment	**2.82**	1.29
iii)	Superannuation	**2.00**	1.46
	Total	**9.78**	2.77

NOTE NO. 1.26 CURRENT TAX LIABILITIES (NET)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provison for Tax	**15.54**	-
Less: Taxes Paid	**2.61**	-
Gross Sales	**12.93**	-

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.26 REVENUE FROM OPERATIONS

SALE OF PRODUCTS

Rs. In Crore

Particulars	2021-22	2020-21
I) Tube (Including Inter Division Transfers)	**1,663.92**	901.03
ii) Steel (Including Inter Segment Transfers)	**1,624.33**	835.60
Gross Sales	**3,288.25**	1,736.63

NOTE NO. 1.27 OTHER OPERATING REVENUE (GROSS)

Rs. In Crore

Particulars	2021-22		2020-21	
Other Operating Revenues				
i) Sale of Scrap (Gross)	**78.09**		49.88	
Less : Inter Segment Transfers	**51.05**		35.20	
		27.04		14.68
ii) Export Incentives		**2.44**		2.93
Total		**29.48**		17.61

NOTE NO. 1.28 OTHER INCOME

Rs. In Crore

Particulars	2021-22	2020-21
i) Interest Income	**2.70**	4.45
(Refer Note. No. 3.22)		
ii) Interest Income on financial instruments measured at amortised cost	**1.66**	2.49
iii) Government Grant-Sales Tax Deferral	**0.01**	0.16
iv) Foreign Exchange Gain (Net)	**-**	8.93
v) Miscellaneous Income	**17.06**	40.77
(Refer Note. No. 3.14)		
Total	**21.43**	56.80

NOTE NO. 1.29 COST OF RAW MATERIAL CONSUMED

Rs. In Crore

Particulars	2021-22	2020-21
Opening Stock	**91.90**	97.25
Add : Purchases made during the year	**1,313.58**	686.66
	1,405.48	783.91
Less : Closing Stock	**125.65**	91.90
Total	**1,279.83**	692.01

RAW MATERIAL CONSUMED

Rs. In Crore

Particulars	2021-22	2020-21
Tube Segment		
Steel Bars	**1,164.12**	597.82
Less : Inter Segment Transfer	**997.77**	413.29
Net Consumption	**166.35**	184.53

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	2021-22	2020-21
Steel Segment		
i) Pig & Sponge Iron, DRI and Scrap	**1,029.44**	489.14
ii) Ferro Alloys	**135.09**	53.54
	1,164.53	542.68
Less : Inter Segment Transfer	**51.05**	35.20
Net Consumption	**1,113.48**	507.48
Total Raw Material Consumed	**1,279.83**	692.01

NOTE NO. 1.30 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Rs. In Crore

Particulars	2021-22	2020-21
Closing Stock		
i) Finished goods	**102.97**	85.29
ii) Work-in-Progress	**111.01**	83.33
	213.98	168.62
Opening Stock		
i) Finished goods	**85.29**	118.63
ii) Work-in-Progress	**83.33**	80.13
	168.62	198.76
(Increase)/ Decrease in Inventories		
i) Finished Goods	**(17.68)**	33.34
ii) Work-in-Progress	**(27.68)**	(3.20)
Total	**(45.36)**	30.14

PRODUCTWISE DETAILS OF CLOSING FINISHED GOODS AND WORK-IN-PROGRESS

Rs. In Crore

Particulars	2021-22	2020-21
a) Finished Goods		
i) Tube	**70.54**	55.88
ii) Steel	**32.43**	29.41
	102.97	85.29
b) Work -in Progress		
i) Tube	**103.22**	65.56
ii) Steel	**7.79**	17.77
Total	**111.01**	83.33

NOTE NO. 1.31 EMPLOYEE BENEFITS EXPENSE

Rs. In Crore

Particulars	2021-22	2020-21
i) Salaries, Wages, Bonus and Allowances #	**140.16**	112.27
ii) Contributions to Provident Fund & Other Funds #	**19.51**	14.10
iii) Staff Welfare Expenses	**9.54**	7.29
Total	**169.21**	133.66

Parent Company

includes remuneration (including other benefits) payable to Erstwhile the Managing Director of the Company for the period ended March 10, 2022 amounting to Rs. 2.61 Crore (Previous Year of Rs. 0.99 Crore) and remuneration payable to Erstwhile Non-Executive Directors amounting to Rs 0.40 Crore (Previous Year Rs. Nil) is subject to approval of appropriate authorities..

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO. 1.32 FINANCE COSTS **Rs. In Crore**

Particulars	2021-22		2020-21	
I) Interest Expenses				
a) Term Loans	**0.07**		118.18	
b) Working Capital and others	**11.64**		142.95	
		11.71		261.13
ii) Other Finance Costs *		**2.59**		1.52
Total		**14.30**		262.65

* Net of interest cost on Employee Defined Benefits Plan-loss of Rs. 0.18 Crore (Previous Year Gain of Rs. 0.05 Crore).

NOTE NO. 1.33 DEPRECIATION **Rs. In Crore**

Particulars	2021-22	2020-21
Depreciation for the year	**62.43**	64.00
Total	**62.43**	64.00

NOTE NO. 1.34 OTHER EXPENSES

Rs. In Crore

Particulars	2021-22		2020-21	
i) Materials				
a) Stores and Spares	**83.20**		39.35	
b) Consumables	**107.93**	**191.13**	59.17	98.52
ii) Energy				
a) Power Charges	**230.82**		170.97	
b) Fuel	**96.62**		47.72	
c) Gases	**27.87**		14.89	
		355.31		233.58
iii) Direct Manufacturing				
a) Processing Charges	**8.28**		6.13	
b) Other Direct Expenses	**30.39**		20.12	
c) Repairs Maintenance to Plant and Machinery	**7.44**		4.45	
d) Repairs to Factory Building	**0.91**		0.76	
e) Machine Rentals	**0.28**		0.25	
		47.30		31.71
iv) Selling & Distribution				
a) Freight Charges	**48.55**		11.44	
b) Commission on Sales	**1.40**		0.85	
c) Selling and Other Expenses	**2.56**		0.56	
		52.51		12.85
v) Administrative Expenses				
a) Rent	**0.13**		0.10	
b) Rates and Taxes	**1.16**		0.56	
c) Travelling	**1.91**		1.27	
d) Communication	**0.79**		0.64	
e) Repair and Maintenance (Others)	**0.65**		0.43	
f) Insurance	**1.95**		2.10	
g) Equipment Lease Rentals	**0.47**		0.56	
h) Miscellaneous Expenses (Refer Note No 3.15)	**42.78**		27.82	
		49.84		33.48
Total		**696.09**		410.14

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

1. Corporate Information:

ISMT Limited ("ISMT" or "the Parent Company") is a public limited company incorporated in India (CIN: L27109PN1999PLC016417) having its Registered Office in Pune. The Group is mainly engaged in manufacturing of seamless tubes, cylinder tubes, components and Engineering steels. The consolidated financial statement comprises financials of the parent company and its subsidiaries (referred to collectively as "the Group"). As on March 10, 2022, Kirloskar Ferrous Industries Limited ("KFIL") owns 51.25% of the Ordinary Shares of the Parent Company, and has become Holding Company of the ISMT.

These consolidated financial statements for the year ended March 31, 2022 were approved for the issue by the Board of Directors at their Board Meeting dated May 9, 2022.

2. Significant Accounting Policies:

2.1 Principles of Consolidation:

The consolidated financial statements have been prepared in accordance with Ind AS 110 on "Consolidated Financial Statements" on the following principles:

a) Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

b) The consolidated financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para h below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Parent Company's independent financial statements.

c) In case of foreign subsidiaries, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".

d) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2022.

e) Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
- The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

f) Business Combinations:

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when the control is transferred to the Group. The consideration transferred for the business combinations is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. The Parent Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI as appropriate.

g) Common Control:

Business combinations involving entities that are ultimately controlled by the same part (ies) before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to harmonise accounting policies.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference if any, between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

h) The consolidated Financial Statements present the consolidated accounts of ISMT Limited with its subsidiaries including indirect subsidiary companies.

Sr. No		Name of the Company	Country of Incorporation
i)	*	ISMT Enterprises SA	Luxembourg
ii)	*	Structo Hydraulics AB	Sweden
iii)	*	ISMT Europe AB	Sweden
iv)	*	Tridem Port and Power Company Private Limited	India
v)	*	Nagapattinam Energy Private Limited	India
vi)	*	Best Exim Private Limited	India
vii)	*	Marshal Microware Infrastructure Development Private Limited	India
viii)	*	Success Power and Infraprojects Private Limited	India
ix)	*#	PT ISMT Resources	Indonesia
x)		Indian Seamless Inc.	USA

Compiled by the Management as on March 31, 2022.

* Audited by other Auditors.

- Ownership interest in all the Subsidiary Companies is 100% except in case of ISMT Enterprises SA Luxembourg, it is 99.62%.
- Reporting dates of all Subsidiary Companies is March 31, 2022 except for PT ISMT Resources; it is December 31, 2021.

2.2 Basis of Preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2016; as amended and the other relevant provisions of the Act and Rules there under

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.3 Functional and presentation currency and Rounding off of the amounts:

The Functional and presentation currency of the Group is Indian rupees. Accordingly, all amounts disclosed in the consolidated financial statements and notes have been shown in Indian rupees and all values are shown in Crore and rounded to two decimals except when otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.4 Current versus non-current classification:

The Group has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

All liabilities are current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.5 Revenue Recognition:

The Group derive revenue primarily from manufacturing of seamless tubes, cylinder tubes, components and Engineering steels

The Group follows specific recognition criteria as described below before the revenue is recognized.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

i Sales:

a) Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by delivering a promised goods or services to customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment but excluding taxes or duties collected on behalf of the government and net of returns and allowances, trade discounts and volume rebates.

b) Inter Division/ Segment Transfer represents transfer of finished / semi-finished products within the Division/ Segment for further processing and sale.

ii Other Operating Revenue:

Other Operating revenue comprises of following items:

- Export incentives
- Sale of scrap

Export Incentives are recognized when right to receive credit as per prevalent scheme is established in respect of the exports made and when there is no significant uncertainty regarding realization of such claim.

iii Interest Income:

Interest income from financial assets is recognized using effective interest rate method.

2.6 Property, Plant and Equipment (PPE):

i Property, plant and equipment are stated at their original cost of acquisition including taxes, duties, freight, other incidental expenses related to acquisition and installation of the concerned assets and excludes refundable taxes and duties.

ii 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 entity and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized as expense in profit and loss statement as and when incurred.

iii All incidental expenses incurred during project implementation, for the project as well as trial run expenses are treated as expenditure during construction and are capitalized.

2.7 Depreciation:

i Leasehold Land is amortized over lease period.

ii Depreciation on Plant & Machinery other than Captive Power Plant is provided on its useful life estimated by the management on Written Down Value method. For these classes of assets, based on the technical evaluation carried out by the external experts, the management has estimated the useful lives in the range of 8 years to 65 years.

iii Depreciation on Building and Plant & Machinery of Captive Power Plant is provided as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013 on Straight Line Method

iv Deprecation on Furniture & Fixtures, Office Equipment and vehicle is provided as per the useful life specified in Part ' C ' of Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of Tridem Port and Power Company Private Limited and Nagapattinam Energy Private Limited where straight line method is followed

v Depreciation on property, plant and equipment of the Group's foreign subsidiaries has been provided on straight line method as per the estimated useful life of such assets. Details of estimated useful life of property, plant and equipment of these foreign subsidiaries are as follows:

Sr. No.	Class of Assets	Useful life in Years
1	Building	45 Years
2	Equipment's, Tools, Fixtures and Fittings	3 to 5 years
3	Plant & Machinery and Equipment	3 to 30 Years
4	Computer Hardware and Software	5 Years

vi The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed

2.8 Leases:

The Group's leased assets consist of leases for Buildings and Plant and Machinery. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has the right to

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

obtain substantially all of the economic benefits from use of the asset throughout the period of use; and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

2.9 Inventories:

Parent Company

i. Classification: Scrap generated from Tube Segment is classified as raw material as the same is mostly used by Steel Segment.

ii. Valuation

a) Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

b) Semi finished and finished goods are valued at lower of cost or net realisable value. The cost includes raw material on weighted average basis, labour cost, manufacturing expenses, production overheads and depreciation.

c) Stores, Spares and Coal are valued at cost determined on weighted average basis except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

iii. Inventories include goods in transit under the appropriate heads.

Subsidiary Companies – Structo Hydraulics AB:

Inventory is valued at the lower of the acquisition value on a first in first out principle and net realisable value respectively. Thereby risk of obsolescence have been considered. The acquisition value is estimated according to weighted average prices.

2.10 Employee Benefits:

I. Parent Company / Indian Subsidiary Companies

a. Defined Contribution Plan

The Companies makes defined contribution to Provident Fund and Superannuation Schemes, which are recognized in the Statement of Profit and Loss on accrual basis.

b. Defined Benefit Plan:

- **Leave Encashment:**

  The Companies provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

- **Gratuity:**

  The Parent Company provides for gratuity obligations through a Defined Benefits Retirement plan ('The Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method with actuarial valuations being carried out at the end of each reporting period.

  Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit or Loss in subsequent periods.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

The Parent Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund.

II. Subsidiary Companies - Structo Hydraulics AB and ISMT Europe AB:

The Company makes defined contribution to the Insurance Company as a social security benefit, which is recognized in the Statement of Profit and Loss.

2.11 Research and Development:

Research and Development costs (other than costs of fixed assets acquired) are charged to Statement of Profit and Loss in the year in which they are incurred.

2.12 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss are also recognized in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

The Group has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date (i.e April 1, 2016).

2.13 Borrowing Costs:

Borrowing Costs directly attributed to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of asset up to the date the asset is put to use. Other Borrowing Costs are charged to the profit and loss account in the year in which they are incurred.

2.14 Government Incentives:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

2.15 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at bank and demand deposits with banks which are short-term, highly liquid investments with original maturities of three months or less that are readily convertible into a known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Fair Value Measurement:

The Group measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices)

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

2.17 Financial instruments:

A Group recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

I. Financial Assets:

a) Initial recognition and measurement:

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit and loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

b) Subsequent measurement:

For subsequent measurement, the Group classifies financial asset in following broad categories:

i. Financial asset carried at amortized cost (net of any write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the statement of profit or loss. Cash and bank balances, trade receivables, loans and other financial asset of the Group are covered under this category.

ii. Financial asset carried at fair value through other comprehensive income (FVTOCI):

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

iii. Financial asset carried at Fair Value through profit or loss (FVTPL):

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

c) Other equity instruments:

All other equity instruments are measured as fair value, with value changes recognized in Statement of Profit and Loss, except for those equity instrument for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

d) Derecognition of Financial Assets:

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Group has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

e) Impairment of financial asset:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'

II. Financial Liabilities:

a) Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables,

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

loans and borrowings including bank overdrafts and derivative financial instruments.

b) Subsequent measurement:

Financial liabilities are carried at amortized cost using the Effective Interest Rate (EIR) method. For trade and other payable maturing within one year from balance sheet date, the carrying amount approximate fair value due to short maturity of these instruments.

c) Derecognition of financial liabilities:

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 a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

III. Offsetting of Financial Instruments:

Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.18 Segment accounting:

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders' of the Group and weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to the shareholder's of the Group and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.20 Provision for Current and Deferred Tax:

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the other comprehensive income or in Equity. In which case, the tax is also recognised in other comprehensive income or in Equity.

Current tax:

Provision for Current tax is made on the basis of relevant provision of The Income Tax Act, 1961 as applicable to the financial year.

Deferred tax:

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

Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences. to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

Foreign Subsidiary Companies:

Tax expenses have been accounted for on the basis of tax laws prevailing in respective countries

2.21 Impairment of non-financial Assets:

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

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

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

money and risk specific to the assets.

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

2.22 Provision and Contingencies:

Provisions are recognized when the Group has present obligation (legal or constructive) as a result of past event and it is probable that 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. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/ contribution towards provision made.

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities:

Contingent Liabilities are not provided and are disclosed in Notes to Accounts. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets:

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

2.23 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

2.24 Events occurring after the Consolidated Balance Sheet Date:

Events occurring after the Consolidated Balance Sheet date and till the date on which the consolidated financial statements are approved, which are material in the nature and indicate the need for adjustments in the consolidated financial statements have been considered.

2.25 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 and amendments were made in Ind AS 103, Ind AS 16, Ind AS 37, Ind AS 109 and Ind AS 106. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated these amendments and in the opinion of the Group, the impact on these amendments, are not expected to be material.

2.26 Key accounting judgments, estimates and assumptions:

The preparation of the Group's consolidated Ind AS financial statements requires the management to make judgments', estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumption based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

- Assessment of functional currency (Refer Note no 2.3);
- Financial instruments (Refer Note no 2.17);
- Estimates of useful lives and residual value of PPE and intangible assets (Refer Note no 2.6 & 2.7);
- Impairment of financial and non-financial assets (Refer Note no 2.17 and 2.21);
- Valuation of inventories (Refer Note no 2.9);
- Measurement of Defined Benefit Obligations and actuarial assumptions (Refer Note no 2.10);
- Allowances for uncollected trade receivable and advances (Refer Note No. 2.17):
- Evaluation of recoverability of deferred tax assets (Refer Note no 2.20) and
- Contingencies and Provisions (Refer Note no 2.22).

Revisions to accounting estimates are recognized prospectively in the consolidated Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

NOTE NO 3 NOTES TO ACCOUNTS

3.1 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Rs. In Crore

Particulars		As at March 31, 2022	As at March 31, 2021
A	**Contingent Liabilities**		
	Parent Company		
	Claims against the Company not acknowledged as debt		
i)	Sales Tax	**3.60**	7.43
ii)	Income Tax disputed by the Company	**1.43**	2.34
iii)	Excise and Customs Duty	**27.50**	27.13
iv)	Claims filed by Banks/ Lenders with Debt Recovery Tribunal*	**-**	119.37
v)	Others	**11.96**	11.93
	Subsidiary Companies		
	Claims against the Company not acknowledged as debt		
vi)	Others	**11.39**	11.39
B)	**Commitments**		
	Capital Commitments		
	Parent Company		
	Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	**9.48**	5.21

The Group does not expect the outcome of the matters stated above to have a material adverse impact on the Group's financial condition, result of operations or cash flows. Future cash outflows in respect of liability under clause A (i) to (iii) is dependent on decisions by relevant authorities of respective disputes and in respect of liability under clause A (iv, v & vi) is dependent on terms agreed upon with the parties.

* Refer Note No. 3.20 to Notes to Accounts, the lenders are in the process of withdrawing their claim before DRT, Pune, consequent to one time settlement agreement.

3.2 Parent Company

The Company has in the past obtained Central Government approval for payment of Managerial Remuneration to Erstwhile the Managing Director. ("Managing Director") The Company thereafter was required to approach lenders for approval, which approval was still awaited pending restructuring. Pending the same, in compliance with section 197 of the Companies Act 2013, the Managing Director has refunded Salary drawn for the period December 01, 2016 to November 30, 2019 and salary from December 01, 2019 has not been paid. As a result of One Time Settlement the lenders dues have been paid off and the lenders approval is no longer applicable. The Board and the shareholders had also approved payment of remuneration to Erstwhile Non-Executive Director effective April 01, 2021 which is still payable. Accordingly amount of Rs. 9.24 Crore (including Rs. 5.04 Crore refunded to the Company and disclosed as contingent liability) is payable to the Managing Director and Rs. 0.40 Crore is payable to Erstwhile Non-Executive Director. The Company is considering suitable steps including approval of appropriate authorities, if required, for discharging above obligations.

3.3 Parent Company

Considering the uncertainty related to realisation, the following items are not considered to accrue till they are settled/ sanctioned/ received as the case may be:

a) Insurance claims except specific claims stated separately

b) Interest on receivables

3.4 The outbreak of corona virus (COVID-19) pandemic globally has caused significant disturbance and slowdown of economic activity. The Group's operations and revenue during the year has improved, yet the full impact of COVID-19 is not ascertainable. The Group, continues to closely monitor the developments and possible effects that may result from current pandemic, on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. The full assessment of the impact of the same on the Parent Company and SHAB's operations, CPP and on Port and Power Project (TPPCL) will be only possible once the pandemic settled down and the eventual impact may be different from the estimates made as of the date of approval of these consolidated financial statements.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

3.5 Segment Reporting :

I Identification of Segments :

Group operating segments are established on the basis of those components of the Group that are evaluated regularly by the Executive Committee, the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These segments have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Group is engaged primarily into manufacturing of Steel and Tubes. The Group's primary segments are Tube Segment and Steel Segment.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities which cannot be allocated to a segment on a reasonable basis have been included under "Unallocable Assets/ Liabilities".

Inter Division Transfer represents transfer of finished/ semi-finished products within the Segment for further processing and sale. Profit or loss on inter Division transfers are eliminated at the Group level.

3.5 Segment Information

Rs. In Crore

Sr No	Particulars	As on March 31, 2022				As on March 31, 2021			
		Tube Segment	Steel Segment	Unallocable	Total	Tube Segment	Steel Segment	Unallocable	Total
i)	**Segment Revenue**								
	Total External Sales (Gross)	1,510.57	620.54		2,131.11	814.53	419.61		1,234.14
	Add : Inter Segment Transfers (Gross)	-	1,003.79		1,003.79	-	415.99		415.99
	: Inter Division Transfers (Gross)	89.64	-		89.64	48.55	-		48.55
	: Sale to Subsidiary Companies	63.70	-		63.70	37.95	-		37.95
		1,663.91	1,624.33		3,288.24	901.03	835.60		1,736.63
	Less : Inter Segment Transfers (Net)	-	1,003.79		1,003.79	-	415.99		415.99
	Inter Division Transfers (Net)	89.64	-		89.64	48.55	-		48.55
	Sale to Subsidiary Companies	63.70	-		63.70	37.95	-		37.95
	Net Sales	1,510.57	620.54		2,131.11	814.53	419.61		1,234.14
ii)	**Segment Results**								
	Profit Before Finance Costs ,	7.36	40.90	(28.43)	19.83	(34.14)	(12.12)	24.86	(21.40)
	Less : Finance Costs				14.30				262.65
	: Exceptional Items				(2,511.38)				58.37
	Profit / (Loss) Before Tax				2,516.91				(342.42)
	Less : Tax Expenses				142.83				0.10
	Profit / (Loss) After Tax				2,374.08				(342.52)
	Add : Other Comprehensive Income				(6.21)				(1.03)
	Profit / (Loss) After Comprehensive Income				2,367.87				(343.55)
iii)	**Other Information**								
	Total Segment Assets	1,427.31	386.41		1,813.72	1,351.80	459.16		1,810.96
	Total Segment Liabilities	129.68	166.25		295.93	122.73	113.62		236.35
	Total cost incurred for acquiring Segment Assets	5.74	4.25	-	9.99	1.56	6.18	0.58	8.32
	Segment Depreciation	43.82	11.99	6.62	62.43	45.33	12.04	6.63	64.00
	Total Unallocable Assets				140.94				496.91
	Total Unallocable Liabilities				272.16				3,529.45

Note : Steel Segment Results include profit on steel captively consumed by Tube Segment.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

II Information about Geographical Segment - Secondary Segment

Rs. In Crore

Particulars	2021-22	2020-21
Revenue from External Customers		
Domestic	**1,934.04**	1,144.20
Exports	**197.08**	89.94
Total revenue	**2,131.12**	1,234.14

III Revenue from Major Customers

Revenue under the segment 'Steel' include Rs 101.72 Crore (Previous Year: Rs 56.42 Crore of one customer) from one customer having more than 10% revenue of total segment revenue. There is no single customer that accounts for more than 10% of the revenue in Tube Segment.

3.6 Pending reconciliation/ confirmations of Trade Receivables/ Trade Payables, adjustments for differences, if any, would be made at the time of reconciliation or on receipt of confirmation. The management is of the opinion that the impact of such adjustments, if any, is not likely to be significant

3.7 Leases

The Group have taken various premises and plants and machinery under operating lease. These are generally cancellable and ranges from 11 months to 10 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

A) Following are the changes in the carrying amount of Right-of-Use Assets for the year ended March 31, 2022.

Rs. In Crore

Particulars	Office Building		Plant and Machinery	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Balance as on April 1,	**1.21**	2.50	**4.95**	6.33
Addition during the year	**0.61**	0.36	**1.55**	-
Deletion on cancellation of lease	**2.17**	1.94	**1.24**	-
Depreciation on ROU of Assets	**1.34**	1.22	**1.15**	1.38
Depreciation on Deletion	**2.03**	1.51	**1.24**	-
Balance as on March 31,	**0.34**	1.21	**5.35**	4.95

B) The following is the movement in Lease Liabilities for the year ended March 31, 2022

Rs. In Crore

Particulars	Office Building		Plant and Machinery	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Balance as on April 1,	**1.39**	2.64	**2.52**	3.27
Additions during the year	**0.59**	0.36	**1.21**	-
Finance Cost incurred during the year	**0.14**	0.28	**0.48**	0.35
Deletion on Cancellation of lease	**-**	0.43	**-**	-
Payment of lease liabilities	**(1.75)**	(1.46)	**(0.97)**	(1.10)
Balance as on March 31,	**0.37**	1.39	**3.24**	2.52

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Due within one year	**1.13**	1.94
Due within one year to five years	**3.64**	2.69
Due for more than five years	**-**	0.52
Total Undiscounted Lease Liabilities	**4.77**	5.15
Lease Liabilities included in the Statement of consolidated financial position		
Non- Current Financial Liabilities	**2.91**	2.38
Current Financial Liabilities	**0.70**	1.53
Total	**3.61**	3.91

The Group does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

C) The following amounts are recognized in the Consolidated Statement of Profit and Loss for the year ended March 31,2022:

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Expenses on Financial Liabilities	**0.62**	0.63
Depreciation on ROU Assets	**2.49**	2.60
Expenses relating to Short Term Lease	**0.88**	0.91
Total	**3.99**	4.14

D) The following amounts are recognized in the Consolidated Statements of Cash Flows for the year ended March 31, 2022:

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total Cash outflows for Leases	**2.72**	2.56

3.8 Foreign currency fluctuation on long term borrowing capitalised

Parent Company

The Company has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of April 1, 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset. Accordingly, the Company has capitalised such exchange fluctuation gain to Plant & Machinery of Rs Nil and Rs 4.91 Crore (gain) for the year ended March 31, 2022 and March 31, 2021 respectively.

3.9 Related Party Transactions.

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances with whom transactions have taken place during the reporting periods are given below:

Name and Relationships of the Related Parties:

Sr No	Name of the Related Party
A	**Ultimate Holding Company**
1	Kirloskar Industries Limited (w.e.f. March 10, 2022)
B	**Holding Company**
1	Kirloskar Ferrous Industries Limited ("KFIL") (w.e.f. March 10, 2022)
C	**Entity having Significant Influence**
1	Indian Seamless Enterprises Limited

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

I Key Management Personnel (KMP)

Sr No	Name of the Related Party	Designation
1	Mr. Rahul Kirloskar	Chairman (w.e.f. March 10, 2022)
2	Mr. Ravindranath Gumaste	Vice Chairman (w.e.f. March 10,2022)
3	Mr. B.R. Taneja	Managing Director (upto March 10, 2022)
4	Mr. Nishikant Ektare	Managing Director (w.e.f. March 10, 2022)
5	Mr. Rajiv Goel	Chief Financial Officer
6	Mr. O P Kakkar	Non-Executive Director (upto March 10, 2022)
7	Mr. S. Venkataramani	Independent Director (w.e.f. March 10, 2022)
8	Dr. Shalini Sarin	Independent Director (w.e.f. March 10, 2022)
9	Mr. R Poornalingam	Independent Director
10	Mr. Kanakraj M	Independent Director
11	Ms. Deepa Mathur	Non-Executive Director (up to March 10, 2022)
12	Mr. Shyam Powar	Independent Director (up to September 30, 2020)
13	Mr. Sinna Durai Rajanbabu	Whole Time Director (TPPCPL Group)
14	Ms. Anne Karlsson	Director (Structo Hydraulics AB)

i) Details of Transaction with Key Management Personnel:

Rs. In Crore

Sr No	Nature of Transactions	2021-22	2020-21
1	Managerial Remuneration*	**5.08**	2.73
2	Managerial Remuneration payable as on	**3.78**	2.69
3	Sitting Fees	**0.58**	0.15

* Excludes provision for compensated leave and gratuity for KMP as liabilities are provided on overall company basis and is not identified separately in actuarial valuation.

ii) Details of transactions with Holding Companies and Entities having significant influence:

Rs. In Crore

Sr No	Nature of Transactions / Relationship	Holding/Subsidiary Companies		Entities having significant influence	
		2021-22	2020-21	**2021-22**	2020-21
1	Sale of Finished Goods	-	-	**12.57**	10.39
2	Purchase of Raw Material (w.e.f. 10/03/22)	**13.32**	-	-	-
3	Interest on Unsecured Loan	**1.05**	-	-	-
4	Advance for Tender Deposit	-	-	-	0.50
	Outstanding as at Balance Sheet date				
1	- Receivables (net of provisions)	-	-	**12.57**	5.25
2	- Payables	**4.39**	-	-	-
3	- Interest Payables on Unsecured Loan	**0.94**	-	-	-
4	- Unsecured Loan Payable	**194.00**	-	**7.75**	7.75

a) Sales of finished goods to Entities having significant influence include sales to Indian Seamless Enterprises Limited Rs. 12.57 Crore (Previous Year Rs. 10.39 Crore).

b) Purchases of Raw Material from Holding Company – KFIL is Rs. 13.32 Crore (Previous Year Rs. N.A.).

c) Advance given to Associate Company -Indian Seamless Enterprises Ltd. Rs. Nil towards tender deposit (Previous Year Rs 0.50 Crore).

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

d) Interest on unsecured Loan from Holding Company - KFIL is Rs 1.05 Crore (Previous Year Rs N.A.)

e) The Parent Company has not considered transactions with KFIL till March 10, 2022 i.e. transactions being prior to establishment of related party relationship between the Company and KFIL in the above stated Related Party Disclosure. These transactions are in the nature of purchase of Raw Material, Allotment of equity shares on preferential basis amounting to Rs 476.63 Crore (including share premium) and receipt of Unsecured Loan of Rs 194.00 Crore pursuant to Share Subscription Agreement and Unsecured Loan Agreement, respectively.

3.10 Income tax expenses

A The major components of income tax expenses for the year are as under:

Rs. In Crore

Sr No.	Particulars	2021-22	2020-21
I	**Income Tax recognised in the statement of profit and loss**		
	Current tax	**17.22**	-
	Deferred tax	**43.52**	-
	Earlier Year Tax	**0.04**	0.10
	Mat Credit write off	**82.05**	-
	Total Income Tax recognised in the consolidated statement of profit and loss	**142.83**	0.10
II	**Income Tax recognised in Other Comprehensive Income**		
	Income Tax on Remeasurement of Defined Benefit Plan	**(1.97)**	-
	Total Income Tax recognised in Consolidated Other Comprehensive Income	**(1.97)**	-

B Reconciliation of income tax expenses and the accounting profit for the year is under:

Rs. In Crore

Particulars	2021-22	2020-21
Accounting profit before income tax expenses	**2,516.90**	(342.42)
Enacted tax rates in India (%)	**25.168%**	34.944%
Expected income tax expenses	**633.45**	(119.65)
Tax Effect of :		
Expenses not deductible	**(8.65)**	103.58
Change in Tax Rate	**175.70**	7.29
Income not taxable	**(78.89)**	-
Accelerated capital allowances	**(48.24)**	5.63
Expenses on which no deduction is admissible	**(0.11)**	(0.80)
Deferred tax assets not recognised in earlier years	**(628.21)**	-
(Profit)/ Loss in respect of which deferred tax assets not recognized for the year*	**0.09**	3.95
Utilisation of Brought Forward Losses	**13.61**	-
Tax expenses recognised in consolidated statement of profit and loss	**58.75**	0.00
Adjustments recognised in current year in relation to the current tax of earlier years	**0.04**	0.10
MAT Credit written off (Refer Note No 3.12)	**82.05**	
Income tax expense reported	**140.84**	0.10
Effective tax rate (%)	**2.33%**	NIL

There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for.

#Deferred tax assets have been recognised to the extent of deferred tax liabilities on taxable temporary differences available.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

C Significant components of Deferred tax assets & liabilities recognized in Consolidated Financial Statements

As at March 31, 2022

Rs. In Crore

Particulars	As at April 1, 2021	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2022
Tax effect of item constituting Deferred Tax Liabilities				
Depreciation	249.07	(120.88)	-	**128.19**
	249.07	(120.88)	-	**128.19**
Tax effect of item constituting Deferred Tax Assets				
i) Accumulated Tax Lossess	149.81	149.81	-	**-**
ii) Unabsorbed Tax Depreciation	189.09	189.09	-	**-**
iii) Provision for impairment in the Value of Investment in Subsidiaries	20.40	(55.28)	-	**75.68**
iv) Deduction eligible in future period in respect of expenses already debited to the Statement of Profit and Loss *	517.98	508.99	-	**8.99**
v) Deferred tax assets restricted to the extent of deferred tax liabilities as on March 31, 2021	(628.21)	(628.21)	-	-
	249.07	164.40	-	**84.67**
vi) MAT Credit Entitlement	82.05	82.05	-	**-**
	331.12	246.45	-	**84.67**
Net Deferred Tax Asset /(Liability)	82.05	125.57	-	**(43.52)**

As at March 31, 2021

Rs. In Crore

Particulars	As at April 1, 2020	Charged / (credited) to Statement of income	Charged / (credited) to OCI	As at March 31, 2021 #
Tax effect of item constituting Deferred Tax Liabilities				
Depreciation	259.04	(9.97)	-	249.07
	259.04	**(9.97)**	-	**249.07**
Tax effect of item constituting Deferred Tax Assets				
i) Accumulated Tax Lossess	175.57	(25.76)	-	149.81
ii) Unabsorbed Tax Depreciation	178.46	10.63	-	189.09
iii) Deduction eligible in future period in respect of expenses already debited to the Statement of Profit and Loss	-	20.40	-	20.40
iv) Others	422.79	95.19	-	517.98
	776.82	**100.46**	-	**877.28**
Restricted to Deferred Tax Liabilities	**259.04**	**(9.97)**	-	**249.07**
v) MAT Credit Entitlement	82.05	-	-	82.05
	341.09	**(9.97)**	-	**331.12**
Net Deferred Tax Asset /(Liability)	**82.05**	**-**	-	**82.05**

Deferred tax assets have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

The Group has unused tax losses under the head Business Loss and unabsorbed depreciation as per the Income Tax Act, 1961 of subsidiary Companies. Based on the probable uncertainty regarding the set off of these losses, the said subsidiary Companies have not recognized deferred tax assets in their respective Balance Sheet. Details of tax losses under the head business losses and unabsorbed depreciation with expiry is as follows:

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Within five years	**2.20**	431.07
Greater than five years	**1.34**	1.03
No expiry	**7.95**	652.04
Total	**11.49**	1,084.14

3.11 Disclosure as required by Ind AS - 19 Employee Benefits

Retirement benefit obligations

1 Defined Contribution plan

Parent Company

The Company has recognized the following amounts as an expense and included under the head "Employee Benefits Expense" – Contribution to Provident and other Fund :

Rs. In Crore

Particulars	2021-22	2020-21
a) Employer's Contribution to Provident Fund and Employee Pension Scheme	**8.51**	6.70
b) Employer's Contribution to Superannuation Fund	**7.78**	3.98
Total	**16.29**	10.68

In respect of provident fund trust setup by the Company, there is no deficit of interest shortfall with regards to future obligation arising due to interest shortfall.

Subsidiary Companies : Structo Hydraulics AB

The Company has recognized the following amounts as an expense and included under the head " Employee Benefits Expense" – Contribution to Provident and other Fund :

Rs. In Crore

Particulars	2021-22	2020-21
Social Security Contribution	**2.99**	2.67
Total	**2.99**	2.67

2 Defined benefit plan

Parent Company - Gratuity and Leave Encashment

Gratuity is payable to all eligible employees of the company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

The following tables summarises the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as at March 31, 2022 and March 31, 2021, being the respective measurement dates:

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
a)	**Changes in present value of defined benefit obligations**		
	Present value of defined benefit obligation at the beginning of the Year	**41.06**	39.41
	Current Service Cost	**1.82**	1.84
	Interest Cost	**2.69**	2.61
	Actuarial changes arising from change in financial assumptions	**(0.76)**	(0.23)
	Actuarial changes arising from change in experience adjustments	**8.47**	(0.33)
	Benefits paid	**(4.05)**	(2.24)
	Present value of defined benefit obligation at the end of the Year	**49.23**	41.06

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
b)	**Changes in fair value of Plan Assets:**		
	Fair value of Plan Assets as at beginning of the Year	**41.57**	38.93
	Interest Income	**2.75**	2.53
	Employer Contribution	**(0.12)**	1.63
	Return on plan assets excluding interest income	**4.15**	(0.03)
	Benefits paid	**(4.05)**	(1.50)
	Fair value of plan Assets as at end of the Year	**44.30**	41.57

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)		Leave Encashment (Non Funded)	
		2021-22	2020-21	**2021-22**	2020-21
c)	**Net asset / (liability) recognised in the balance sheet**				
	Present value of defined benefit obligation at the end of the Year	**49.23**	41.06	**10.87**	9.03
	Fair value of plan Assets as at end of the Year	**44.30**	41.57	**1.56**	-
	Amount recognised in the Balance Sheet	**4.93**	(0.51)	**9.31**	9.03
	Net (liability) / assets - Current	**4.93**	(0.51)	**2.81**	1.28
	Net (liability) / assets - Non - current	**-**	-	**6.50**	7.75
d)	**Expenses recognised in the Statement of Profit and Loss for the year**				
	Current Service Cost	**1.82**	1.84	**0.66**	0.66
	Interest Cost on benefit obligation (net)	**(0.18)**	(0.05)	**0.54**	0.50
	Actuarial (gain)/ Loss	**-**	-	**2.10**	1.82
	Total expenses included in employee benefits expenses	**1.64**	1.79	**3.30**	2.98

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
e)	**Recognised in other comprehensive income for the year**		
	Actuarial changes arising from change in financial assumptions	**(0.76)**	(0.23)
	Actuarial changes arising from change in experience adjustments	**8.47**	(0.33)
	Return on plan assets excluding interest income	**0.12**	0.03
	Recognised in other comprehensive income	**7.83**	(0.53)
f)	**Estimate of expected defined benefit obligation (in absolute terms i.e. undiscounted)**		
	within the next 12 months	**10.88**	8.27
	Between 2 to 5 Years	**24.75**	18.32
	6 years and onwards	**35.11**	30.53

Rs. In Crore

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
g)	**Quantitative sensivity analysis for significant assumption**		
	1 % increase in discount rate	**46.86**	38.90
	1% decrease in discount rate	**51.85**	43.44
	1% increase in salary growth rate	**51.47**	43.13
	1% decrease in salary growth rate	**47.16**	39.15
	1% increase in employee withdrawal rate	**49.53**	41.38
	1% decrease in employee withdrawal rate	**48.91**	40.70

The above sensitivity analysis is based on a change in an assumption while holding the other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation within the balance sheet.

Sr No.	Particulars	Gratuity (Funded)	
		2021-22	2020-21
h)	**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at end of the Year**		
	Government of India Securities	**1.60%**	2.00%
	Corporate Bonds	**0.10%**	0.10%
	Special Deposit Scheme	**0.20%**	0.30%
	Insurer Managed Funds	**96.30%**	94.90%
	Others	**1.80%**	2.70%
	Total	**100.00%**	100.00%

Sr No.	Particulars	Gratuity (Funded)		Leave Encashment	
				(Funded)	**(Non Funded)**
		2021-22	2020-21	**2021-22**	2020-21
i)	**Principal Actuarial Assumptions used as at the Balance Sheet date :**				
	Discount Rate	**7.20%**	6.90%	**7.20%**	6.90%
	Expected Rate of Return on Plan Assets	**6.90%**	6.80%	**6.90%**	6.80%
	Salary Escalation Rate	**4.00%**	4.00%	**4.00%**	4.00%
j)	**Expected Contribution for the next year**	**4.15**	1.63	**2.81**	-

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. The above information is certified by the Actuary.

Defined benefit plan - Tridem Port and Power Company Private Limited - Gratuity and Leave Encashment

Gratuity is payable to all eligible employees of the company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972. The benefits would be paid at the time of separation.

The following tables summarises the changes in the projected benefit obligation and amounts recognised in the Ind AS Balance Sheet as at March 31, 2022 and March 31, 2021, being the respective measurement dates:

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars		Gratuity (Non-Funded)	
		2021-22	2020-21
a)	**Changes in present value of defined benefit obligations**		
	Present value of defined benefit obligation at the beginning of the Year	**0.03**	0.02
	Current Service Cost	**-**	-
	Interest Cost	**-**	-
	Actuarial changes arising from change in financial assumptions	**-**	-
	Actuarial changes arising from change in experience adjustments	**-**	-
	Present value of defined benefit obligation at the end of the Year	**0.03**	0.03

Rs. In Crore

Particulars		Gratuity (Non-Funded)		Leave Encashment (Non Funded)	
		2021-22	2020-21	**2021-22**	2020-21
b)	**Net asset / (liability) recognised in the balance sheet**				
	Present value of defined benefit obligation at the end of the Year	**0.03**	0.03	**0.01**	0.01
	Fair value of plan Assets as at end of the Year	**-**	-	**-**	-
	Amount recognised in the Balance Sheet	**0.03**	0.03	**0.01**	0.01
	Net (liability) / assets - Current	**0.03**	0.02	**0.01**	0.01
	Net (liability) / assets - Non - current	**-**	0.01	**-**	-
c)	**Expenses recognised in the Statement of Profit and Loss for the year**				
	Current Service Cost	**0.001**	0.001	**-**	-
	Interest Cost on benefit obligation (net)	**0.002**	0.002	**-**	-
	Actuarial (gain)/ Loss	**-**	-	**-**	-
	Total expenses included in employee benefits expenses	**0.003**	0.003	**-**	-

Rs. In Crore

Sr No.	Particulars	Gratuity (Non-Funded)	
		2021-22	2020-21
d)	**Recognised in other comprehensive income for the year**		
	Actuarial changes arising from change in financial assumptions	**-**	-
	Actuarial changes arising from change in experience adjustments	**-**	-
	Recognised in other comprehensive income	**-**	-
e)	**Estimate of expected defined benefit obligation (in absolute terms i.e. undiscounted)**		
	within the next 12 months	**0.027**	0.022
	Between 2 to 5 Years	**-**	0.004
	6 years and onwards	**-**	-
f)	**Quantitative sensivity analysis for significant assumption**		
	1 % increase in discount rate	**0.028**	0.025
	1% decrease in discount rate	**0.028**	0.025
	1% increase in salary growth rate	**0.028**	0.025
	1% decrease in salary growth rate	**0.028**	0.025
	1% increase in employee withdrawal rate	**0.028**	0.025
	1% decrease in employee withdrawal rate	**0.028**	0.025

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the senility of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation within the balance sheet.

Sr No.	Particulars	Gratuity (Non-Funded)		Leave Encashment (Non Funded)	
		2021-22	2020-21	**2021-22**	2020-21
g)	**Principal Actuarial Assumptions used as at the Balance Sheet date :**				
	Discount Rate	**6.40%**	6.70%	**6.40%**	6.70%
	Expected withdrawal Rate	**1.00%**	1.00%	**1.00%**	1.00%
	Salary Escalation Rate	**4.00%**	4.00%	**4.00%**	4.00%

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. The above information is certified by the Actuary.

3.12 Parent Company

After considering the impact of One Time Settlement (OTS) as referred in Note No.3.20 and business scenario post change in management, The Parent Company based on the evaluation of impact of tax under normal provision of Income Tax Act and on adoption of section 115BAA of the Income Tax Act 1961, decided to exercise one time option of adopting section 115BAA as on March 31, 2022. Accordingly, on adoption of tax option under section 115BAA of the Income Tax Act 1961, The Parent Company has written off MAT Credit (Deferred Tax Asset) of Rs. 82.05 Crore in the consolidated financial statements for the year ended March 31 2022

3.13 Earnings per share

Net profit available to equity holders of the Group used in the basic and diluted earnings per share was determined as follows:

Particulars	2021-22	2020-21
Net Profit / (Loss) for the year attributable to Equity Shareholders (Rs. In Crore)	**2,374.21**	(342.51)
Weighted Average Number of Equity Shares outstanding for basic and diluted	**15,57,83,575**	14,65,01,383
Face Value of Equity Share (in Rs.)	**5.00**	5.00
Earnings Per Share (in Rs.) (Basic and Diluted)	**152.40**	(23.38)

3.14 Miscellaneous Income includes:

Rs. In Crore

Particulars	2021-22	2020-21
Parent Company		
i) Provision for Expenses / payables no longer required written back	**12.62**	22.08
ii) Insurance claim	**-**	4.38
iii) Reversal of Expected Credit Loss.	**-**	3.69
iv) Refund of Managerial Remuneration	**-**	5.04
Subsidiary Company : Structo Hydraulics AB		
i) Government Grant received	**0.81**	3.31
ii) Insurance Grant received	**2.24**	-

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

3.15 Miscellaneous Expenses includes:

Rs. In Crore

Particulars	**2021-22**	2020-21
i) Repair and Maintenance - Other	**0.03**	0.03
ii) Director Sitting Fees	**0.58**	0.15
iii) Auditors Remuneration		
a) Statutory Audit Fees	**0.46**	0.49
b) Out of Pocket Expenses	**0.08**	0.01
c) Others	**0.01**	
iv) Provision for Doubtful Debts (net)	**1.33**	2.56
v) Provision for Pending Legal Cases-Others	**1.09**	3.48
vi) Provision / Payment against Legal Cases-Sales Tax, Excise and Customs	**-**	5.52
vii) Financial Restructuring Expenses	**15.95**	-
viii) Claims receivable written off	**11.07**	-

3.16 The Group has always been operationally profitable (positive EBIDTA) despite the net losses in earlier years. The successful OTS is inter alia resulting into positive net worth of The Group. Financial stability is also achieved with support of new management (KFIL), thereby enlarging the business opportunities including the abilities to participate in Government tenders. The Group also expects benefits from Atmanirbhar policies of the Government including continuation of Anti-Dumping Duty on import of seamless tubes from China. Accordingly, The Group believes that it can continue to operate as a Going Concern in the foreseeable future and accordingly, has continued to prepare its consolidated financial statements on 'Going Concern Basis'.

3.17 Exceptional Items :

Rs. In Crore

Particulars	**Refer Note No**	**2021-22**	2020-21
i) Impairment of Goodwill on Consolidation	3.18	**31.24**	-
ii) Provision for Impairment of Capital Work in Progress	3.19	**29.89**	58.37
iii) Write back of outstanding principal debt and unpaid interest	3.20	**(2,775.96)**	-
iv) Government Dues Receivable Written off	3.21 (i)	**39.53**	-
v) Provision for Impairment in value of CPP Plant	3.21 (ii)	**163.92**	-
Total		**(2,511.38)**	58.37

3.18 The Parent Company and through its subsidiary, has invested in Structo Hydraulics AB Sweden (SHAB) and recognised Goodwill on Consolidation of Rs 31.24 Crore on acquisition in the consolidated financial statement. SHAB has been incurring losses and its net worth is also eroded due to continuing losses. COVID has impacted businesses across the globe including Europe. During the year, Parent Company has impaired the investment in SHAB for the reasons stated in Note No. 3.19 of standalone financial statement and on the basis of report of the independent valuer. Eventually the Group has impaired the carrying value of Goodwill on consolidation of Rs.31.24 Crore in the consolidated financial statements for the year ended March 31, 2022.

3.19 Tridem Port and Power Company Private Limited (TPPCL), a wholly owned subsidiary of the Parent Company, along with its subsidiaries had proposed to set up a thermal power project and captive port in Tamil Nadu. TPPCL had obtained the approvals for the projects including acquisition of land but no construction activity had commenced. However, on account of subsequent adverse developments, the TPPCL could not pursue these projects. Government is giving considerable focus to infrastructure by both higher budgetary allocation and various other initiatives. This is expected to create multiple opportunities leading to positive impact on projects like TPPCL. Consequent upon change in management, considering the above, the Parent Company is evaluating the future potential and opportunities for TPPCL

Considering inter alia present status of the project, prevailing power sector scenario, long lasting impact of Covid pandemic on the project and recoverable amount as per the current project valuation report, the Parent Company after considering the impairment provision made in previous financial year, have made additional provision for impairment of Rs.29.89 Crore of the carrying value of TPPCL Project for the year ended March 31, 2022 as per Ind AS 36 "Impairment of Assets" and disclosed under the head "Exceptional Items" in the consolidated financial statements.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

3.20 Parent Company

a) In view of the rapidly growing economy, the Parent Company had planned expansion in capacities and also envisaged setting up of Captive Power Plant. However, number of subsequent developments viz economic slow-down leading to steep fall in demand, dumping of tubes by China, regulatory changes and other adverse developments severely impacted the Parent Company. Thus the assets created by company were highly under utilized resulting in inability to service the debt. The Parent Company had since been working with lenders for resolution of debt in terms of RBI scheme prevailing from time to time.

The Banks had pursued various schemes for Debt Resolution – the Banks initially contemplated restructuring which was approved by JLM but could not be concluded at banks end. The Banks then opted for OSDR and despite successful conclusion of OSDR resulting in identification of the investor, the OSDR could not be implemented due to RBI Circular dated February 12, 2018 scrapping all their schemes for stressed assets. The Banks then agreed to take up assignment of debt as Resolution Plan in terms of the aforesaid circular, pursuant to which bulk of Bank Debt was assigned to Asset Restructuring Companies (ARCs). The majority of lenders of the Parent Company had also signed Inter Credit Agreement as per RBI guidelines for restructuring of debt. However, restructuring and assignment of further debt could not be concluded due to covid pandemic.

After considering restructuring of debt subsequent to covid pandemic, the lenders opted for One Time Settlement (OTS) of entire outstanding debt for Rs 670 Crore along with change in management. After due process the lenders approved OTS along with change in management by Kirloskar Ferrous Industries Ltd (KFIL) acquiring majority stake in the Parent Company. After requisite approvals, the lenders executed the OTS agreement on January 31, 2022.

(b) In order to fund the OTS, the Board of Directors of the Parent Company proposed to make preferential allotment of 15.40 Crore equity shares at a price of Rs 30.95 per equity share (equivalent to 51.25% of the post issue equity share capital of the Parent Company) to KFIL, for a total consideration of Rs 476.63 Crore, which was duly approved by shareholders of the Parent Company at the Extra Ordinary General Meeting held on December 22, 2021. After obtaining various regulatory approvals, KFIL invested Rs.476.63 Crore towards preferential allotment of 15.40 Crore equity shares at Rs 30.95 per equity share and also extended unsecured loan of Rs 194 Crore. The proceeds of the Preferential Allotment together with unsecured loan from KFIL of Rs 194 Crore were utilized as per terms of Agreements towards payment of OTS amount.

Accordingly, the Parent Company has written back outstanding principal debt and unpaid interest due to lenders amounting to Rs 2,775.96 Crore and disclosed the said write-back amounts under the head “Exceptional Items” in the consolidated financial statements for the year ended March 31, 2022.

3.21 Parent Company

i) The Parent Company had entered into Energy Banking Agreement dated May 07, 2010 with MSEDCL for a period of one year with provision for annual renewals. MSEDCL did not, however, actually permit Banking of energy once the plant was commissioned resulting in significantly higher cost to the Parent Company. The same was challenged by the Parent Company before Maharashtra Electricity Regulatory Commission (MERC) which vide its Interim Order dated June 20, 2014 had allowed Banking. MERC finally disallowed Parent Company’s petition regarding banking of energy facility under Energy Banking Agreement (EBA) vide its orders dated June 20, 2014 and January 12, 2015. The Parent Company filed an appeal before the Appellate Tribunal for Electricity (APTEL) against the said order which was not allowed by the APTEL vide its order dated April 1, 2016. The Parent Company’s appeal, challenging the APTEL order is pending before the Hon’ble Supreme Court. The Parent Company had accrued EBA benefit aggregating to Rs. 49.97 Crore up to March 31, 2014, of which amount outstanding as on March 31, 2022 is Rs. 39.53 Crore, representing excess energy charges paid to Maharashtra State Electricity Distribution Company Limited (MSEDCL) on account of non-availability of banking of energy facility. There has been no further accrual since April 1, 2014 on account of suspension of operation of power plant.

The Parent Company has strong case for breach of contract. Consequent upon change in management, considering uncertainties and inordinate delays, The Parent Company has decided to write off the recoverable dues of Rs. 39.53 Crore while continuing to pursue the case on merits and disclosed the said write-off amount under the head “Exceptional Items” in the consolidated financial statements for the year ended March 31, 2022.

ii) Consequent upon change in Management, the Parent Company is evaluating afresh all the available options for Captive Power project (CPP) either operating the plant or closing it down as a whole or otherwise maximizing value. The Parent Company continues to take adequate steps for preserving the value of the plant including pursuing for wrongful denial of the Banking at the Supreme Court. There is, however, an increasing focus on clean and renewable energy being environment friendly. There has also been a surge in commodity prices including coal and the recent geo political developments have

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

added further uncertainty to both availability and pricing of coal. Considering these major developments and the fact that the plant has not been operated for over eight years and unstable CPP policies, The Parent Company has valued the CPP on conservative basis, notwithstanding the upside potential of positive Supreme Court outcome or the surging demand for power, after considering the valuation report of the Independent Valuer provided for impairment of Rs. 163.92 Crore to the carrying amount of CPP for the year ended March 31, 2022 as per Ind AS 36 "Impairment of Assets" and disclosed the same under the head "Exceptional Items" in the consolidated financial statements.

3.22 Interest income includes interest received from Banks of Rs. 1.37 Crore (Previous Year Rs. 2.92 Crore).

3.23 Financial risk management

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

Risk management framework

Group's board of directors has overall responsibility for establishment of Company's risk management framework and formed Risk Management Committee. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Risk Management Committee. Management identifies, evaluate and analyses the risks to which the company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits. Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Group.

Group has exposure to following risks arising from financial instruments:

a) Credit risk

Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from Trade receivables is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal criteria reviewed and monitored from time to time. Majority of the customers are long standing customers and regularly monitored by individual business managers who deal with those customers. Management monitors trade receivables on regular basis and take suitable action where needed to control the receivables crossing set criteria/ limits.

Management does an impairment analysis at each reporting date as per set procedure and computes credit loss allowance based on a provision matrix. Further, the Group's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Gross Carrying Amount	**287.15**	274.36
Less: Expected credit loss at simplified approach	**1.06**	0.50
Carrying amount of trade receivables (net of impairment)	**286.09**	273.86

b) Liquidity risk.

The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. Working Capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. Group aims to maintain the level of its cash and cash equivalents at levels to meet its expected cash outflows on operational and financial liabilities. Also Refer Note No 3.20 regarding debt resolution with the lenders.

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

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Rs. In Crore

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
March 31, 2022				
Borrowings	205.76	-	-	205.76
Trade and other payables	201.29	-	-	201.29
Other financial liabilities	44.84	-	-	44.84
Lease Liabilities	0.70	2.91	-	3.61
Total	**452.59**	**2.91**	**-**	**455.50**
March 31, 2021				
Borrowings	2,026.87	65.68	-	2,092.55
Trade and other payables	132.73	-	-	132.73
Other financial liabilities	1,499.03	-	-	1,499.03
Lease Liabilities	1.53	2.38	-	3.91
Total	**3,660.16**	**68.06**	**-**	**3,728.22**

c) Competition and pricing risk

The Group faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risks :

i. Interest rate risk

Depending upon the business requirements, the Group's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations and Buyer's credit obligations with floating interest rates. The Group has not used any interest rate derivatives.

Refer Note No 3.20 regarding One-Time Settlement with lenders by making payment of agreed amount on March 11 and March 12, 2022. As of reporting date, there is a short term loan from the Holding Company and Associate Company at the agreed interest rate and hence there is no interest risk exposure related to the long term debt and working capital borrowings.

ii. Foreign Currency Risk and sensitivity

The Group is exposed to foreign exchange risk arising from export sales, operating and capital expenditure in foreign currency, foreign currency loans and economic exposure on account of mismatch between foreign currency and INR assets and liabilities. The risk is measured through a forecast of highly probable foreign currency cash flows.

Primarily, the exposure in foreign currencies is denominated in USD, EURO. At any point in time, Group covers foreign currency risk by taking appropriate measures. The Group does not enter into derivative instruments.

Details of Unhedged exposure in foreign currency denominated monetary items:

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency in Million	Rs In Crore	Foreign Currency in Million	Rs In Crore
Parent Company				
Secured Loans				
US Dollars	-	-	38.48	281.6
EURO	-	-	4.32	37.12

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Currency	**As at March 31, 2022**		As at March 31, 2021	
	Foreign Currency in Million	**Rs In Crore**	Foreign Currency in Million	Rs In Crore
Receivables				
US Dollars	**5.01**	**3.80**	0.37	2.73
EURO	**3.49**	**29.37**	3.42	29.4
Australian Dollar	**0.001**	**0.01**	0.001	0.01
GBP	**0.03**	**0.24**	0.03	0.24
Payables				
US Dollars	**2.25**	**17.11**	1.30	9.47
EURO	**0.10**	**0.44**	0.10	0.82
Interest Payable				
US Dollars	**-**	**-**	9.07	66.35
EURO	**-**	**-**	1.18	10.13
Subsidiary Companies				
Receivables				
US Dollars	-	-	0.16	1.21
EURO	1.41	11.84	1.50	12.89
Payables				
US Dollars	0.01	0.04	0.27	2.00
EURO	3.68	30.37	2.92	25.10

Note : The above amounts include inter group receivables/payables in foreign currency

5% appreciation in USD and EURO with respect to Indian Rupees would have result in decreased in profit before tax by approximately Rs 0.17 crore for March 31, 2022 and increase in Loss before tax by approximately Rs 19.33 crore for March 31, 2021.

5% depreciation in USD and EURO with respect to Indian Rupees would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

iii. Commodity price risk

The Group is exposed to the movement in price of key raw materials in domestic and international markets. The Group reviews the prices of key raw materials on periodically and enters into most of the contracts for procurement of material on short term fixed price basis.

3.24 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's Capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Group's capital management, amongst other things, aim to ensure that its meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

3.25 Fair value measurement

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Rs. In Crore

Particulars	Carrying value of the financial assets/ liabilities		Fair value of the financial assets/ liabilities	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Financial Assets at amortised cost (non-current)				
Deposits with Banks (maturity more than 12 months)	**0.66**	0.87	**0.66**	0.87
Security Deposits	**7.19**	7.56	**7.19**	7.56
Other financial Assets	**11.53**	20.37	**11.53**	20.37
Total	**19.38**	28.80	**19.38**	28.80
Financial Assets at amortised cost (current)				
Trade Receivables	**286.09**	273.86	**286.09**	273.86
Cash and Cash Equivalents	**52.43**	32.79	**52.43**	32.79
Bank Balance other than Cash and Cash Equivalents	**2.18**	7.68	**2.18**	7.68
Loans	**1.00**	0.96	**1.00**	0.96
Other financial Assets	**1.50**	10.83	**1.50**	10.83
Total	**343.20**	326.12	**343.20**	326.12
Financial Liabilities at amortised cost (non-current)				
Borrowings	**-**	65.68	**-**	65.68
Lease Liability	**2.91**	2.38	**2.91**	2.38
Total	**2.91**	68.06	**2.91**	68.06
Financial Liabilities at amortised cost (current)				
Borrowings	**205.76**	2,026.87	**205.76**	2,026.87
Lease Liability	**0.70**	1.53	**0.70**	1.53
Trade and other Payables	**201.29**	132.73	**201.29**	132.73
Other financial Liabilities	**44.84**	1,499.03	**44.84**	1,499.03
Total	**452.59**	3,660.16	**452.59**	3,660.16

B) Level wise disclosures of financial assets and liabilities by categories are as follows :

Rs. In Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021	Level	Valuation techniques and key inputs
Financial Assets at amortised cost (non-current)				
Deposit for premises / Security Deposits	**7.19**	7.56	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Assets at amortised cost (current)				
Deposit for premises / Security Deposits	**0.55**	9.71	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Liabilities at amortised cost (non-current)				
Unsecured Loan from Associate Company	**7.75**	6.83	3	Discounted cash flow method using interest rate for similar financial instrument
Financial Liabilities at amortised cost (current)				
Sales tax Deferral Loan	**-**	0.50	3	Discounted cash flow method using interest rate for similar financial instrument

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Fair value of cash and cash equivalents, loan and advances, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

During the reporting period ended March 31, 2022 and March 31, 2021, there were no transfers between level 1, level 2 and level 3 fair value measurements.

Reconciliation of Level 3 fair values

The following table shows a reconciliation of the opening and closing balances for Level 3 fair values.

Rs. In Crore

Particulars	Deposit for premises / Security Deposits	Sales Tax Deferral Loan	Loan from Associate Company
Opening Balance (April 01, 2020)	**15.67**	**2.89**	**7.75**
Additions during the year	-	-	-
Interest Income	1.65	-	-
Interest Expenses	-	0.09	0.84
Fair valuation of financial instrument	-	-	(1.76)
Repayment of Loan	(0.05)	(2.48)	-
Closing Balance (March 31, 2021)	**17.27**	**0.50**	**6.83**
Additions during the year	0.13	-	-
Interest Income	0.80	-	-
Interest Expenses	-	-	0.92
Fair valuation of financial instrument	(0.35)	-	-
Repayment of Loan	(10.11)	(0.50)	-
Closing Balance (March 31, 2022)	**7.74**	**-**	**7.75**

One percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant input in its value.

3.26 Loans or Advances to Specified Persons :

During the year, the Parent Company and its subsidiary Companies incorporated in India has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

3.27 Relationship with Struck off Companies

The Parent Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and details of the same are as per below :

Sr. No.	Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on March 31, 2022	Number of Shares held as on March 31, 2021
1	Beriwal Finance And Holdings Private Limited	Shares held in the Company	Shareholder	1	1
2	Devdoot Investment And Leasing Co Pvt Ltd	Shares held in the Company	Shareholder	200	200
3	HMG Financial Services Company Ltd	Shares held in the Company	Shareholder	1,100	1,100
4	Maskai Financial Consultants Private Limited	Shares held in the Company	Shareholder	100	100
5	N.R.I. Financial Services Limited	Shares held in the Company	Shareholder	433	433

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

Sr. No.	Name of the Struck Off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company	Number of Shares held as on March 31, 2022	Number of Shares held as on March 31, 2021
6	North Point Properties Private Limited	Shares held in the Company	Shareholder	155	155
7	PCI Vanijya Pvt Ltd	Shares held in the Company	Shareholder	500	500
8	Sarvopari Solid Investment Ltd	Shares held in the Company	Shareholder	1,800	1,800
9	Vighnaharta Investment And Finance Company Private Limited	Shares held in the Company	Shareholder	300	300
10	Alpvij Investments Private Limited	Shares held in the Company	Shareholder	8,500	8,500

3.28 Registration of charges or satisfaction with Registrar of Companies (ROC)

Sr. No.	Brief Description of Charge	Location of the Registrar	Amount of Charge (Rs. In Crore)	Period up to which charge satisfaction to be registered	Reason for delay
1	Bank of India	Pune	51.65	-	Bank of India loan account had been assigned to SC Lowy Primary Investment Limited. The Company has got the no dues certificate from SC Lowy Primary Investment Limited. The Company is awaiting NOC from Bank of India, post receipt of which, charge satisfaction form will be filed with ROC.
2	Bank of India	Pune	60.00	-	
3	Industrial Development Bank of India Limited	Pune	10.00	6-May-22	The Company has received NOC from lender and e-form was digitally signed by the lender. However, due to technical error, the e-form could not be uploaded on MCA website. The Company has submitted application with ROC informing the said technical error and requesting to update its record with charge satisfaction.
4	Bank of Baroda	Pune	82.79	19-Feb-22	
5	Bank of Maharashtra	Pune	115.56	10-Jan-22	

3.29 Ultimate Beneficiary : Utilisation of Borrowed funds and share premium:

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, 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.

3.30 Events occurring after the Balance Sheet date

No adjusting or significant non - adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

3.31 Previous Year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Notes to Consolidated Financial Statement for the year ended March 31, 2022 (Contd.)

3.32 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associate.

Sr. No.	Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit /(Loss)		Share in Other comprehensive income		Share in Total comprehensive income	
		As % of consolidated Net Assets	Rs. in Crore	As % of consolidated Profit / (Loss)	Rs. in Crore	As % of consolidated Other comprehensive income	Rs. in Crore	As % of consolidated profit or loss	Rs. in Crore
	Parent								
	ISMT Limited	102.11	1,415.78	99.30	2,357.39	94.36	(5.86)	99.31	2,351.53
	Indian Subsidiaries								
1	Tridem Port and Power Company Private Limited	(5.92)	(82.02)	(0.82)	(19.36)	-	-	(0.82)	(19.36)
2	Nagapattinam Energy Private Limited	(2.68)	(37.11)	(0.53)	(12.61)	-	-	(0.53)	(12.61)
3	Best Exim Private Limited	(0.14)	(1.93)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
4	Success Power & Infraprojects Private Limited	(0.07)	(1.02)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
5	Marshal Microware Infrastructure Development Company Private Limited	(0.22)	(3.07)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
	Foreign Subsidiaries								
1	ISMT Enterprises SA, Luxembourg	2.18	30.26	(1.40)	(33.32)	-	-	(1.41)	(33.32)
2	Structo Hydraulics AB, Sweden	1.43	19.80	0.04	0.98	-	-	0.04	0.98
3	ISMT Europe AB, Sweden	0.58	8.09	0.00	0.11	-	-	0.00	0.11
4	Indian Seamless Inc., USA	0.09	1.23	-	-	-	-	-	-
5	PT ISMT Resources, Indonesia	0.01	0.01	-	-	-	-	-	-
	Minority Interest in all Subsidiaries	0.01	0.11	0.00	(0.13)	-	-	(0.01)	(0.13)
	Sub-Total	**97.37**	**1,350.13**	**96.59**	**2,293.04**	**94.36**	**(5.86)**	**96.60**	**2,287.18**
	Total Elimination	2.63	36.44	3.41	81.04	5.64	(0.35)	3.40	80.69
	Grand Total	**100.00**	**1,386.57**	**100.00**	**2,374.08**	**100.00**	**(6.21)**	**100.00**	**2,367.87**

As per our report of even date
For D N V & Co
Chartered Accountants
Firm Registration No. 102079W

CA Bharat Jain
Partner
M. No.100583

Pune, May 9, 2022

For and on behalf of the Board of Directors

Nishikant Ektare
Managing Director
DIN NO:02109633

Rajiv Goel
Chief Financial Officer
DIN NO:00328723

Chetan Nathani
Company Secretary
FCS NO:9836

Pune, May 9, 2022

Form AOC - I

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES AS PER SECTION 129 (3) OF COMPANIES ACT, 2013
PART 'A' SUBSIDARIES

Rs. in Crore

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities #	Investments (excluding investment in subsidiary)	Turnover/ Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of Shareholding
1	ISMT Enterprises SA, Luxembourg	Euro	61.04	(30.78)	32.43	2.17	-	-	(33.14)	0.18	(33.32)	-	99.62%
2	Structo Hydraulics AB, Sweden	SEK	16.32	3.48	53.87	34.07	-	37.69	0.98	-	0.98	-	100.00%
3	ISMT Europe AB, Sweden	SEK	0.07	8.02	27.46	19.37	-	45.98	0.11	-	0.11	-	100.00%
4	Indian Seamless Inc., USA	USD	2.10	(0.87)	1.26	0.03	-	0.13	-	-	-	-	100.00%
5	Tridem Port and Power Company Private Limited	INR	2.58	(84.60)	33.48	115.50	-	-	(19.36)	-	(19.36)	-	100.00%
6	Nagapattinam Energy Private Limited	INR	0.25	(37.36)	20.94	58.05	-	-	(12.61)	-	(12.61)	-	100.00%
7	PT ISMT Resources, Indonesia	Rupiah	4.50	(4.49)	0.01		-	-	-	-	-	-	100.00%
8	Best Exim Private Limited	INR	0.01	(1.94)	0.06	1.99	-	-	(0.01)	-	(0.01)	-	100.00%
9	Success Power and Infraprojects Private Limited	INR	0.19	(1.21)	4.95	5.97	-	-	(0.01)	-	(0.01)	-	100.00%
10	Marshal Microware Infrastructure Development Company Private Limited	INR	0.01	(3.08)	2.18	5.25	-	-	(0.01)	-	(0.01)	-	100.00%

Excluding Share Capital and Other Equity

Exchange Rates	Closing Exchange Rate for Assets and Liabilities	Average Rate for Profit and Loss items
Euro to INR	84.22	85.07
SEK to INR	8.12	8.25
Rupiah to INR	0.005290	0.005162
USD to INR	75.90	74.53

Reporting dates of all Subsidiary is March 31, 2022 except for PT ISMT Resources, is December 31, 2021.

Note : 1. Names of subsidiaries which are yet to commence operations : None
2. Names of subsidiaries which have been liquidated or sold during the year : None

For and on behalf of the Board of Directors

Nishikant Ektare	Chetan Nathani	Rajiv Goel
Managing Director	Company Secretary	Chief Financial Officer
DIN NO:02109633	FCS NO:9836	DIN NO:00328723

Pune, May 9, 2022

ISMT LIMITED

Solutions You Can Trust

Registered Office

ISMT Limited
Panama House (Earlier knowns as Lunkad Towers),
Viman Nagar, Pune - 411 014
Tel: +91 20 41434100/01
Fax: +91 20 26630779

Reg. Off.: Panama House, (*Earlier known as Lunkad Towers*), Viman Nagar, Pune – 411014
Ph.: 020-41434100, Fax: 020-26630779,
E-mail: secretarial@ismt.co.in; Web: www.ismt.co.in,
CIN: L27109PN1999PLC016417

NOTICE

NOTICE is hereby given that 24th Annual General Meeting ('AGM') of Members of ISMT Limited ('Company') will be held on Friday, July 29, 2022 at 3.30 P.M. IST through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:

(a) The Audited Financial Statements of the Company for financial year ended March 31, 2022 including Audited Balance Sheet as at March 31, 2022 & Statement of Profit & Loss for year ended on that date & Reports of the Board of Directors & Auditors thereon; &

(b) The Audited Consolidated Financial Statements of the Company for financial year ended March 31, 2022 including Audited Consolidated Balance Sheet as at March 31, 2022 & Consolidated Statement of Profit & Loss for year ended on that date & Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Rajiv Goel (DIN: 00328723) who retires by rotation & being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under (including any statutory modifications or re-enactments thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s. P G Bhagwat LLP, Chartered Accountants (Firm Regn. No. 101118W/W100682), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring Statutory Auditors, M/s. D N V & Co, Chartered Accountants, to hold office from conclusion of this AGM until the conclusion of 29th AGM on such remuneration and out of pocket expenses, as may be fixed by the Board of Directors of the Company."

Special Business:

4. To consider & if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 & other applicable provisions of the Companies Act, 2013, the remuneration of:

(i) Rs. 2,75,000/- (Rupees Two Lakh & Seventy Five Thousand Only) plus out of pocket expenses, payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Reg. No. 000030), as Cost Auditors for "Steel Products" at Jejuri Plant; &

(ii) Rs. 2,75,000/- (Rupees Two Lakh & Seventy Five Thousand Only) plus out of pocket expenses, payable to M/s. Parkhi Limaye & Co., Cost Accountants (Firm Reg. No. 000191), as Cost Auditors for "Steel Tubes & Pipes" products at Ahmednagar & Baramati Plants.

as recommended by the Audit Committee & approved by the Board of Directors of the Company ('Board') in connection with the Cost Audit of the Company for financial year ended March 31, 2022, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be & is hereby authorised to do all such acts, deeds, matters & things as may be necessary to give effect to this resolution."

5. To consider & if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 197 & other applicable provisions of the Companies Act, 2013 ('Act') & Rules made there under & pursuant to the Articles of Association of the Company, the Company hereby approves the payment of remuneration to Mr. O. P. Kakkar (DIN: 00329426), erstwhile Non-Executive Director of the Company, for the period from April 1, 2021 to March 10, 2022 on same terms as previously approved by the shareholders of the Company, through their resolution dated August 05, 2021."

6. To consider & if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company ("Board", which term shall include any committee which the Board may constitute to exercise its powers including the powers conferred under this resolution) to borrow afresh sum of monies, from time to time, where the monies to be borrowed, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time the aggregate of the paid up share capital of the Company, securities premium and free reserves, provided that the total outstanding amount so borrowed shall not at any time exceed Rs. 1,000 Crore (Rupees One Thousand Crore Only) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys borrowed/ to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may deem fit, as also to execute all such deeds and documents as may be necessary, usual or expedient for this purpose.

RESOLVED FURTHER THAT for giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/ deeds/ agreements as required and do all such acts, deeds, matters and things, as it may deem necessary, proper or requisite."

7. To consider & if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to the Board of Directors of the Company ("Board", which term shall include any Committee which the Board may constitute to exercise its powers including the powers conferred under this resolution) to create, from time to time, such mortgage, hypothecation, charges, liens, pledge, assignment, transfer and/or other securities, on terms and conditions as the Board in its sole discretion may deem fit, on the Company's assets and properties, both present and future, whether immovable, movable, current assets or stock-in-trade including whole or substantially the whole of the Company's undertaking(s) in favor of the Financial Institution(s)/ Bank(s)/ Body Corporate(s)/ other Agencies/ Trustees for the holders of the Debentures/ Bonds, other instruments/ and/ or person(s) (hereinafter called "Lenders") as may be agreed to by the Board for the purpose of securing any fresh financial facilities/ repayment of any loans/ other borrowings, subject to maximum of Rs. 1,000 Crore (Rupees One Thousand Crore Only) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/ arrangements entered into/ to be entered into by the Company in respect of the said Loans, Debentures, Bonds or other instruments, as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions, agreements, deeds and documents for creating such mortgage, hypothecation, charges, liens, pledge, assignment, transfer and/ or other securities and accept or make any alterations, changes, variations to or in terms and conditions and to do all such acts, things and deeds as may be required to give effect to this resolution."

By Orders of the Board
For **ISMT Limited**

Chetan Nathani
Company Secretary
Pune, July 1, 2022

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs vide latest Circular dt. May 5, 2022 & SEBI vide latest Circular dt. May 13, 2022, permitted to hold AGM thru VC without the physical presence of shareholders of the Company. Accordingly, this AGM is being held through VC & the Company has appointed Central Depositories Services (India) Ltd. ('CDSL') to provide the VC facility. In view of the online AGM, the Registered Office of the Company shall be the deemed venue.
2. Member entitled to attend & vote at General Meeting is entitled to appoint proxy to attend & vote on his behalf. Since, the AGM is being held through VC, the requirement of physical attendance of members has been dispensed with and hence the facility for appointing proxy is not available.
3. Explanatory Statement under Section 102(1) of the Companies Act, 2013 ('Act') relating to Special Business is annexed hereto.
4. Special Business as appearing in AGM Notice are considered unavoidable by the Board & hence, forming part of the AGM Notice.
5. Brief profile and other required information in respect of director seeking re-appointment is forming part of the AGM Notice.
6. Corporate members intending to appoint authorized representatives to attend AGM/ vote therein to send certified copy of Board Resolution, in this regard.
7. In case of joint holders, member whose name appears as first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. As required under the Act, the Register of Directors & Key Managerial Personnel & Register of Contracts/ Arrangements in which Directors are interested & all documents referred to in the AGM Notice will be available for inspection in electronic mode.
9. In line with the Circulars, AGM Notice & Annual Report for FY2021-'22 is being sent through electronic mode to members whose e-mail IDs are registered with the Company/ Depositories.
10. AGM Notice & Annual Report is available on Company's website: www.ismt.co.in & Stock Exchanges website i.e. BSE Ltd. & National Stock Exchange of India Ltd.: www.bseindia.com & www.nseindia.com, respectively & AGM Notice is available on CDSL website: www.evotingindia.com.
11. Members are advised to avail facility of nomination pursuant to Section 72 of the Act. Members holding shares physically may send their nomination in Form SH-13 to KFin Technologies Ltd. ('KFIN') & Members holding shares electronically may contact their Depository.
12. The Company is providing members the facility to vote by electronic means either by remote e-voting prior to the AGM or remote e-voting during the AGM. Instructions for attending AGM through VC are explained herein below.
13. The Company is providing members the facility to exercise right to vote by electronic means either by e-voting prior to the AGM or during the AGM. Instructions for attending the AGM through VC/ OAVM are explained herein below.
14. Members can opt for only one mode of e-voting i.e. either prior to the AGM or during the AGM. Members present at the AGM who have not cast vote prior to AGM can cast vote during the AGM. Members who have cast vote prior to the AGM can attend the AGM but cannot vote during the AGM.
15. The Board of Directors have appointed Mr. Kuldeep D. Ruchandani (C.P. No. 8563), Partner, M/s. KPRC and Associates, Company Secretaries, as the Scrutinizer.

16. **E-VOTING FACILITY:**

a) Members can login to www.evotingindia.com, to join AGM through VC, 15 minutes before & after the scheduled time of commencement of the AGM. Participation through VC is available to 1,000 members on first come first serve basis.

b) Instructions for E-Voting:

i. E-Voting begins on Tuesday, July 26, 2022 at 9.00 AM (IST) & ends on Thursday, July 28, 2022 at 5.00 PM (IST). Thereafter, the same shall be disabled. Members as on cut-off date of July 22, 2022 can cast votes.

ii. Members, who have voted prior to the date of AGM, would not be entitled to vote at the AGM.

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dt. December 09, 2020, under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that participation by public non-institutional shareholders/ retail shareholders is at a negligible level.

iv. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility. This necessitates registration on various ESPs & maintenance of multiple login credentials by shareholders.

v. In order to increase efficiency of e-voting process, it has been decided to enable e-voting to demat account holders, by way of single login credential, through demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast vote without registering again with ESPs, thereby, facilitating seamless authentication & also enhancing ease and convenience of participating in e-voting.

vi. Members are advised to update mobile number & email Id in relation to their demat account to access e-Voting facility.

vii. Pursuant to the aforesaid SEBI Circular, Login method for e-Voting & joining virtual meetings for Individual shareholders holding shares in Demat mode is:

Type of shareholder	**Login Method**
Individual Shareholder holding shares in Demat mode with CDSL	Users opting for CDSL Easi/ Easiest facility, can login thru existing login credentials. Option available to reach e-Voting page without further authentication. URL for users to login to Easi/ Easiest is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon & select New System Myeasi. After successful login, Easi/ Easiest user will be able to see e-Voting option for eligible companies where e-voting is in progress as per information provided by respective company. On clicking e-voting option, user will be able to see e-Voting page of e-Voting service provider for casting vote during e-Voting period or joining virtual meeting & voting during meeting. Additionally, there is also link provided to access system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KFIN/ LINKINTIME, so that user can visit e-Voting service providers' website directly. If user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, user can directly access e-Voting page by providing Demat Number & PAN from e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. System will authenticate user by sending OTP on registered Mobile Number & Email id as recorded in Demat Account. After successful authentication, user will be able to see e-Voting option where e-voting is in progress & also will enable to access system of e-Voting Service Providers.
Individual Shareholders holding shares in demat mode with NSDL	If you are already registered for NSDL IDeAS facility, please visit e-Services website of NSDL. Open web browser https://eservices.nsdl.com either on Computer or mobile. Once home page is launched, click "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. Enter your login credential. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services & you will be able to see e-Voting page. Click on company name or e-Voting service provider name & you will be re-directed to e-Voting service provider website for casting your vote during remote e-Voting period or joining virtual meeting & voting during the meeting. If user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit e-Voting website of NSDL. Open web browser by typing https://www.evoting.nsdl.com/ either on Computer or mobile. Once home page of e-Voting system is launched, click on "Login" which is available under 'Shareholder/ Member' section. A new screen will open. Enter your User ID (i.e. 16 digits demat account number held with NSDL), Password/ OTP & Verification Code as shown on screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name & you will be redirected to e-Voting service provider website for casting vote during remote e-Voting period or joining virtual meeting & voting during meeting

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding shares in demat mode for technical issues relating to login through Depository i.e. CDSL and NSDL:

Login type	Help desk details
Individual Shareholders holding shares in Demat mode with CDSL	E-mail: helpdesk.evoting@cdslindia.com Contact No.: 022- 23058738/ 542/ 543.
Individual Shareholders holding shares in Demat mode with NSDL	E-mail: evoting@nsdl.co.in Contact No..: 18001020990/ 1800224430

Login method for e-Voting & joining virtual meetings for Physical shareholders & shareholders other than individual holding in Demat form-

i. Members to login to website www.evotingindia.com

ii. Click on "Shareholders" module.

iii. Enter your User ID:
   a. For CDSL: 16 digits beneficiary ID;
   b. For NSDL: 8 Character DP ID followed by 8 digits Client ID;
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Enter Image Verification as displayed & Click on Login.

v. If Member holding shares in demat form, logged in to www.evotingindia.com & voted on earlier e-voting of any company, existing password is to be used.

vi. If Members are a first time user:

Member holding shares in Demat/ Physical Form	
PAN	Enter 10 digit alpha-numeric PAN issued by the Income Tax Department. Members who have not updated PAN with the Company/ Depositories are requested to use Sequence Number as mentioned in e-mail sent by the Company or contact Company/ KFIN.
Dividend Bank Details OR Date of Birth (DOB)	To login, enter Dividend Bank Details or DOB (in dd/mm/yyyy format) as recorded in your demat account or in the Company records. If both details are not recorded with depository or the Company, enter Members DP ID/ Folio Number in Dividend Bank details field as mentioned in instruction (v).

vii. After entering these details, click on "SUBMIT" tab.

viii. Members holding shares physically will reach company selection screen. Members holding shares in Demat will reach 'Password Creation' menu to enter login/ password in new password field. This password is to be used by demat holders for voting for resolutions of other companies, provided that such companies opts for e-voting through CDSL platform. It is recommended not to share password with any other person & to keep it confidential.

ix. For those holding shares physically, details can be used only for voting on resolutions contained in this Notice.

x. Click on the EVSN for 'ISMT Limited'.

xi. On voting page, Members will see "RESOLUTION DESCRIPTION" & against the same, option "YES/ NO". Select the option YES/ NO as desired. Option YES implies assent to the Resolution & option NO implies dissent to the Resolution.

xii. Click on "RESOLUTIONS FILE LINK" to view the entire Resolution details.

xiii. After selecting resolution to vote, click "SUBMIT". A confirmation box will be displayed. To confirm vote, click "OK", to change vote, click "CANCEL".

xiv. Once vote is "CONFIRM", Members will not be allowed to modify the vote.

xv. If Demat holder has forgotten login/ password, Enter User ID & image verification code & click on Forgot Password & enter details as prompted by the system.

xvi. Member can also cast vote using CDSL's mobile app "**m-Voting**" available on Play Store/ Google Play. Please follow instructions as prompted by app.

c) Process for Members whose e-mail IDs are not registered with the Company/ Depositories:

i. For Physical shareholders- please provide necessary details like Folio No., Name, scanned copy of share certificate (front & back), PAN (self attested scanned copy of PAN), AADHAR (self attested scanned copy of Aadhar), in form ISR-1, by e-mail to secretarial@ismt.co.in.

ii. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN), AADHAR (self attested scanned copy of Aadhar) by e-mail to secretarial@ismt.co.in.

d) Instruction for shareholders attending AGM through VC:

i. Members will be provided with facility to attend AGM through VC/ OAVM through CDSL e-Voting system by accessing at https://www.evotingindia.com under shareholders/ Members login by using e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where EVSN of the Company will be displayed.

ii. Members are encouraged to join AGM through Laptops/ IPads for better experience.

iii. Members have to allow Camera & use high speed Internet to avoid any disturbance during the AGM.

iv. Members connecting from Mobile, Tablets or Laptop via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in network. Hence, it is recommended to use stable Wi-Fi/ LAN connection to avoid aforesaid glitches.

v. Members want to express views/ ask queries during AGM may register as speaker by sending request 7 days prior to AGM by mentioning name, Demat/ folio number, mobile number at secretarial@ismt.co.in. Members having queries may send the same 7 days prior to the AGM by mentioning name, demat/ folio number, mobile number at secretarial@ismt.co.in which will be replied suitably.

vi. Members who have registered as speakers alone will be allowed to express views/ ask queries during AGM.

e) Instructions for Members e-voting during AGM:

i. Procedure for e-Voting during the AGM is same as mentioned above.

ii. Members who are present in AGM through VC/ OAVM facility & have not casted their vote through remote e-voting & are otherwise not barred from doing so, shall be eligible to vote through CDSL e-voting system during the AGM.

iii. If votes cast by a Member through e-voting during AGM but has not participated in AGM through VC/ OAVM, such votes cast shall be considered invalid.

iv. Members voted through Remote e-Voting will be eligible to attend AGM but can't vote at the AGM.

f) Note for Non-Individual Members & Custodians:

i. Non-Individual Members (other than HUF, NRI etc.) & Custodians required to login to www.evotingindia.com & register in "Corporates" module.

ii. Scanned copy of Registration Form bearing stamp & sign of entity be e-mailed to helpdesk.evoting@cdslindia.com.

iii. After receiving login details, a Compliance User be created using admin login & password. Compliance User would be able to link account(s) for which they wish to vote on.

iv. List of accounts linked in login should be mailed to helpdesk.evoting@cdslindia.com & on approval of accounts they would be able to cast their vote.

v. Scanned copy of Board Resolution & Power of Attorney issued in favour of Custodian, if any, be uploaded in PDF in CDSL e-voting system for Scrutinizer's verification.

vi. Alternatively, Non-Individual Members can send relevant Board Resolution/ Authority letter etc. together with attested specimen signature of authorized signatory authorized to vote, to the Company at secretarial@ismt.co.in if they have voted from individual tab & not uploaded the same in CDSL e-voting system for Scrutinizer's verification.

For queries, Members may refer Frequently Asked Questions (FAQs) & e-voting manual available at www.evotingindia.com under help section or write to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738), Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

Grievances relating to e-voting may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or e-mail to helpdesk.evoting@cdslindia.com.

g) Institutional Members (i.e. other than HUF, NRI, etc.) to send scanned copy (PDF/ JPG) of Board Resolution/ Authority Letter, along with attested specimen signature of authorized signatories authorized to vote to Scrutinizer by e-mail at kuldeep.ruchandani@kprc.co.in. They may also upload the same in e-voting module in their login. Scanned image of above documents should be in the naming format "Corporate Name_EVEN NO."

h) Voting shall be as per number of shares held by Members as on July 22, 2022 ('Cut-off date'). Members are eligible to cast vote electronically only if they are holding shares as on Cut-off date. A person who is not a Member as on Cut-off date should treat this Notice for information purpose only.

i) Voting by members shall be in proportion to their share in the paid-up equity share capital of the Company as on Cut-off date.

j) A person whose name is recorded in Register of Members or in register of beneficial owners maintained by depositories as on Cut-off date shall alone be entitled to avail the facility of e-voting.

k) Procedure for e-voting during AGM is same as mentioned above since AGM is being held through VC.

17. Chairman shall, at AGM, at the end of discussion on resolutions on which voting is to be held, allow voting, by using e-voting system for members present in AGM through VC facility but have not cast vote & are otherwise not barred from doing so. E-voting module during AGM shall be disabled 15 minutes after conclusion of the AGM.

18. Scrutinizer shall make, not later than 48 hours after conclusion of the AGM, a report of votes cast in favor/ against the resolutions, invalid votes, if any, & whether Resolutions have been carried or not, to the Chairman or the person authorized by him.

19. Results along with Scrutinizer's Report shall be placed on website www.ismt.co.in & on website of CDSL, BSE Ltd & National Stock Exchange of India Ltd.

20. Members are further requested to:

- Intimate changes in address/ bank mandate & e-mail ID to einward.ris@kfintech.com for shares held in physical form & to Depository Participants for shares held in Demat form.
- Quote folio number/ DP ID/ Client ID in all correspondence with the Company or KFIN.
- Intimate about consolidation of folios to KFIN, if your shareholding is under multiple folios.
- Effective April 1, 2019, requests for effecting transfer of shares in physical form shall not be processed unless held in Demat form with Depository. Hence, Members are requested to convert their physical shares into Demat form.
- Surrender to KFIN, old share certificates of erstwhile Indian Seamless Steels & Alloys Ltd for exchange with confirmation letter which can be submitted with the Depository Participant for demateralization of the shares.

21. The Company has designated an exclusive e-mail ID viz. secretarial@ismt.co.in to enable Members to register their queries/ complaints.

22. Pursuant to SEBI Circulars dt. November 3, 2021, December 14, 2021 and January 25, 2022, form ISR-1, ISR-2, ISR-3, ISR-4, SH-13 & SH-14, for updation of PAN/ KYC/ Nomination/ cancellation of nomination, Opting out from Nomination, signature confirmation, is available on website of the Company: http://www.ismt.co.in/investorrelations/downloads.html

23. MCA has initiated "Green Initiative in Corporate Governance" by allowing paperless compliances by companies & has issued circulars stating that service of notice/ documents including Annual Reports can be sent by e-mail to members to ensure prompt receipt of communication & avoid loss in transit. These documents can be downloaded from Company's website: www.ismt.co.in. Members who have not registered their e-mail id are requested to register the same by sending e-mail to: einward.ris@kfintech.com with subject 'E-mail for Green Initiative' mentioning Folio No./ DP Id/ Client Id. Members holding shares in electronic form may register/ update their e-mail id through concerned Depository Participant(s).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT

Item No. 3:

The term of 5 years of the existing statutory auditors of the Company viz. Mr. DNV & Co., will complete at this Annual General Meeting ("AGM"). The Board at its meeting held on June 20, 2022, on recommendation of the Audit Committee, has recommended the appointment of M/s. P G Bhagwat LLP ("PGB"), Chartered Accountants (Firm Regn. No. 101118W/W100682), as Statutory Auditors of the Company for a period of 5 (Five) consecutive years from conclusion of this AGM till the conclusion of 29th AGM, subject to the approval of members of the Company, at a remuneration of Rs. 24 lakhs for FY2022-23, excluding taxes and reimbursement of expenses at actuals. The Board, in consultation with the Audit Committee, may vary the terms of appointment, including remuneration, as mutually agreed with PGB.

PGB, one of the oldest Pune based firm of Chartered Accountants, registered with the Institute of Chartered Accountants of India, having valid Peer Review Certificate, is a professional organization with experience in client servicing across diverse industries and provides services like that of Audit & Assurance, Taxation, Information System Audit, Management Consultancy and Accounting with 14 partners and more than 60 Audit and other domain experts.

The Audit Committee considered various parameters viz. capability to serve a diverse and complex business landscape like that of the Company, audit experience in the Company's operating segments, technical knowledge etc., and found PGB to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

As per the provisions of the Companies Act, 2013 ("Act"), PGB has given consent to act as the Statutory Auditors of the Company and 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 Statutory Auditors in terms of Section 139 and 141 of the Act.

The Board recommends the resolution at item no. 3 for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnels of the Company/ their relatives are concerned/ interested in this Resolution.

Item No. 4:

Based on the recommendation of the Audit Committee, the Board, on September 27, 2021, approved the appointment and remuneration of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, as Cost Auditors for "Steel Products" at Jejuri Plant & M/s. Parkhi Limaye & Co., Cost Accountants, as Cost Auditors for "Steel Tubes & Pipes" products at Ahmednagar & Baramati Plants in connection with the Cost Audit for FY2021-'22.

In accordance with Section 148 of the Companies Act, 2013, remuneration payable to the Cost Auditors has to be ratified by the Members. Accordingly, consent of Members is sought for ratification of remuneration to the Cost Auditors.

The Board recommends the resolution at item no. 4 for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnels of the Company/ their relatives are concerned/ interested in this Resolution.

Item No. 5:

The Company, in the Extra-ordinary General Meeting held on August 5, 2021, obtained the approval of the shareholders for payment of remuneration to Mr. O P Kakkar (erstwhile Non-Executive Director) of Rs. 3,50,000/- p.m. and provision of chauffeur, telephone at residence/ Mobile and other out of pocket expenses to be incurred for business purposes.

The Company could not pay the aforesaid remuneration to Mr. O P Kakkar for want of lenders approval. Since, the Company, on March 12, 2022, has repaid the outstanding debt to its lenders, in terms of the One-time Settlement agreement, it is now proposed to make payment of the aforesaid remuneration due to Mr. O P Kakkar as previously approved by the shareholders of the Company.

The Board recommends the resolution at Item No. 5 for approval of the Members to be passed as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company/ their relatives are concerned or interested in the said Resolution.

Item Nos. 6 & 7:

Pursuant to Section 180(1)(c) of the Companies Act, 2013 (Act), the Company has to obtain approval of shareholders by passing a special resolution for borrowing money, where the money borrowed/ to be borrowed will exceed the aggregate of its paid up share capital, free reserves and securities premium.

Further, pursuant to Section 180(1)(a) of the Act, the Company has to obtain the approval of the shareholders, by passing a special resolution, authorizing the Board to create charge/ mortgage/ hypothecation of the properties of the Company for securing funds raised by the Company.

The Shareholders of the Company at its AGM held on September 26, 2014 and by Postal Ballot on March 28, 2015, authorized the Board to borrow sum of monies not exceeding Rs. 5,000 Crore and to create charge/ mortgage/ hypothecation of properties of the Company for securing funds raised by the Company upto Rs. 5,000 Crore, respectively.

Since, the entire outstanding debt of the Company has been repaid, the aforesaid borrowing limits stands closed. Hence, it is proposed to obtain approval of the shareholders for availing fresh borrowings by the Company not exceeding Rs. 1,000 Crore, to meet the business requirements of the Company and accordingly, to create charge/ mortgage/ hypothecation of the properties of the Company, upto Rs. 1,000 Crore, for securing the fresh borrowings by the Company.

Board recommends resolution set out at Item Nos. 6 & 7 for approval of Members to be passed as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company/ their relatives are concerned or interested in the said Resolution.

By Orders of the Board
For **ISMT Limited**

Chetan Nathani
Company Secretary
Pune, July 1, 2022

PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT-

Name of Director	**Mr. Rajiv Goel**
Age	67 years
Qualification	B.Com (Hons.), FCA, FCS
Date of Appointment/ Re- appointment	Original appointment – November 29, 2005 Last re-appointment date - October 1, 2021
Category	Whole-time Director
Experience and Expertise in specific functional Area	Mr. Rajiv Goel is a CA & CS & has about 4 decades of Industrial Experience in fund management, finance, company law, legal, mergers & Acquisitions etc.
Relationship with other Directors/KMP	None
Shareholding as on March 31, 2022	2,000
Directorships held in other Companies	i. Structo Hydraulics, AB, Sweden ii. Indian Seamless Inc. USA iii. PT ISMT Resources, Indonesia iv. ISMT Europe AB, Sweden v. ISMT Enterprises SA, Luxembourg
Memberships of Committees of other Companies	NIL
Remuneration last drawn and proposed remuneration	**Remuneration last drawn -** Rs. 1.74 Crore (FY2021-22) **Proposed remuneration –** Not Applicable
No. of Board Meetings attended (FY2021-22)	10