



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

BSE Limited,  
Corporate Relationship Department  
1st Floor, New Trading Ring Rotunda Building,  
P J Towers Dalal Street, Fort, Mumbai - 400001.

Scrip: 513361

Date: 04/12/2021.

Dear Sir/Madam,

Sub.: Submission of Annual Report for Financial Year 2020 -21.

Kindly find attached herewith Annual Report of the Company for the Financial Year ended March 31, 2021 under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take a note of the same.

Thanking You,  
Yours Faithfully,  
For India Steel Works Limited

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



# **INDIASTEEL WORKSLTD**

## Inner Vision. Global Action.

**34TH ANNUAL REPORT  
2020-2021**





## CORPORATE INFORMATION

### CHAIRMAN

Mr. Sudhir H. Gupta (Executive Chairman )

Since 15.11.2021

Mr. T. R. Bajalia Non-Executive &  
Independent Director up to 17.09.2021

### MANAGING DIRECTOR

Mr. Varun S. Gupta since 15.11.2021

Mr. Sudhir H. Gupta up to 14.11.2021

### DIRECTORS

Mr. Varun S. Gupta -Whole-time Director & CFO

Up to 14.11.2021

Mr. Deepak Kumar Gaur - Executive Director

Non - Executive & Non-Independent Director -

Mr. Bimal Desai

Non - Executive & Independent Directors -

Mr. Karan Lamba - Since 13.11.2021

Mr. Santino Rocco Morea - Since 12.11.2021

Mr. Harpreet Baweja - Since 12.11.2021

Mrs. Aastha Sharma - Since 12.11.2021

Mrs. Kavita R. Joshi up to 19.10.2021

Mrs. Bhavana B. Devda up to 21.10.2021

### STATUTORY AUDITORS

Laxmikant Kabra & Co LLP

Chartered Accountants

604, Centrum, Opp. Raila Devi Lake,

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

### COST AUDITOR

Mohammed Rampurawala

308,Floor-3rd, Plot -171/173, S K House,

Nagdevi Street, Crawford Market,

Mandvi, Mumbai-400003

### REGISTERED OFFICE

Zenith Compound, Khopoli, Raigad-410203

### WORKS

Zenith Compound, Khopoli, Raigad – 410203

### CORPORATE OFFICE

304, Naman Midtown, Tower A,

Senapati Bapat Marg, Elphinstone Road (W),  
Mumbai-400013

### BANKER

Kotak Mahindra Bank Ltd

Dombivli Nagari Sahakari Bank Ltd

### WEBSITE

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

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd

C 101, 247 Park, L B S Marg, Vikhroli West,  
Mumbai 400 083

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## MESSAGE TO SHAREHOLDERS

It gives me immense pleasure in presenting to you the 34th Annual Report of the Company and thanking you for your continued support and goodwill that is critical to the success of your Company. I, on behalf of the India Steel Board of Directors would now like to highlight some key aspects of the year under review:

-Revenue generated during the FY 2020-21 of Rs. 17626.23 lakhs, the same in last year was Rs. 17664.04. Lakhs, so EBITDA has fallen to Rs. 42.92Lakhs.

-Net worth of the Company has reduced to Rs. 13530.06 lakhs from Rs. 15,453.02 lakhs in F.Y. 2019-20 to, due to loss suffered by the Company for the year ended 31st March, 2021.

The continuing spread of COVID-19, scarcity of working capital needs has caused significant losses.

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

**Yours Sincerely,  
Sudhir H. Gupta**

**Executive Chairman  
DIN: 00010853**

**Place: Mumbai**

**Date: 13 November, 2021.**



## MANAGEMENT DISCUSSION AND ANALYSIS

### EXTERNAL ENVIRONMENT GLOBAL ECONOMY & STEEL INDUSTRY

The year 2020-21 was an exceptional one for the world economy due to COVID-19 outbreak and the resultant challenges to public health, lockdowns and a near closure of international borders for an extended period. Trade was massively disrupted. In order to help the world recover from the COVID-19 impact, policymakers across the globe initiated focused measures to support consumption, inject liquidity and reduce cost of borrowing. These initiatives were aimed at encouraging targeted credit programmes, infusing equity/equity-like investments into viable companies and enabling restructuring of balance sheets rapidly and inexpensively through suitable bankruptcy and workout procedures.

### ECONOMIC SCENARIO: INDIA

India, the 2nd largest global producer of steel and the 4th largest automobile market in the world is spreading its wings further to foray into another highly potential yet untapped metal industry. The recent formal announcement by the Ministry of Road, Transport & Highways, Government of India, following its unveiling in the Union Budget 2021-'22 throws a clearer light on the new endeavor with its "Vehicle Scrappage Policy" (VSP) that intends to de-clutter the nation of its huge automobile and white goods waste through recycling. This proposed policy seeks to phase out unfit vehicles to reduce vehicular pollution, meet the climate commitments, improve road-safety and fuel efficiency, formalize informal vehicle scrapping industry and recover lowcost material for automotive, steel and electronics industry. The policy expects to spin jobs and attract investment as well. Specifically, as per the Policy, personal vehicles older than 20 years and commercial vehicles older than 15 years will have to undergo a fitness test at the government registered 'Automated Fitness Centers'. The policy will come into effect from April 1 st, 2022.

Fiscal year 2020-21 ends with an estimated annual contraction of 8% in GDP. India has experienced bad growth in terms of economic performance on account of the hard lockdown which was imposed on March 25 2020 to prevent the spread of Covid-19 infections. The economy has been recovering with the easing of restrictions. India's GDP re-entered growth territory in the quarter ending December 2020. Steel demand is expected to be strong due to recovery in manufacturing businesses around the world and global fiscal stimulus supporting infrastructure projects. The outlook for 2021 is expected to be positive because of the unprecedented fiscal stimulus provided by the governments across the Globe.

### FINANCIAL PERFORMANCE

During the year the company generated a revenue of Rs. 14385.76 lakhs, the same in last year was Rs. 13,953.76 Lakhs, EBITDA has fallen to (Rs. 42.92 Lakhs). Net worth of the Company has reduced to Rs.13530.06 lakhs from Rs. 15,453.02 lakhs in F.Y. 2020-21, due to loss suffered by the Company for the year ended 31st March, 2021. The organization has applied to various financial institutions and Banks for enhancing working capital facilities to support operations & maximise capacity utilization.

### RISK, THREAT & OPPORTUNITIES

India Steel Works is exposed to risk and opportunities in equal measures. The company has a robust Enterprise Risk Management (ERM) framework that allows the organization to take certain risk in order to be competitive and to mitigate other risk to drive sustainable results. By identifying and proactively addressing risk and opportunities, stakeholder value is protected at all times. We do address the risk related to strategy, operational, financial and legal. The main competitive strength of the company:

The risks & threats which the Company may face are : Present Pandemic Risk, updation of technologies to serve clients better & secure cost competitiveness, exposure to exchange rate fluctuations, Financing, Liquidity, Regulatory and Compliance Risks.

- Promoters have more than 50 years of experience in the same line of business.
- Company has large customers base in pan India basis.
- Company has large variety of products in various length and sizes in Billets, Angles, Wire Rods, Wire and Bright Bars.
- High quality products accepted by customers over 50 years and growing acceptability in the quality conscious markets.



- Integrated facilities accredited with quality and ISO certifications such as ISO 9001:2008, TUV NORD, Germany in September 2004 and SIRIM International by Govt. of Malaysia.
- Excellent strategic management in procurement of imported stainless steel Scrap, Alloys and allied materials.
- Cost competitive with good operational efficiency.
- Skill work force with industry expertise with long years of experience.
- All downstream and upstream product lines are consolidated.
- Consistent and growing demand from overseas clients.

**OPPORTUNITIES:**

Increased steel demand from sectors including infrastructure, oil & gas and automotive will drive the growth of the industry. According to care ratings crude steel production will increase which will be supported by economic recovery, Government spending and enhanced liquidity. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The Government has taken several steps to boost the steel sector, including the introduction of the National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to data released by the Department for Promotion of Industry and Internal Trade (DPIIT), Indian Metallurgical Industries attracted Foreign Direct Investment (FDI) of US\$ 14.24 billion between April 2000 and September 2020.

In 2019, the Government introduced a Steel Scrap Recycling policy to reduce imports. The industry is also benefiting from the developments taking place in various industries. The new vehicle scrappage policy will help reduce steel prices, as the policy enables the recycling of materials used in old vehicles.

**INTERNAL CONTROLS/THEIR ADEQUACY**

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

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

In the year under review, the overall industrial relations have been cordial and conducive to work. The Company recognizes the value and contribution of its employees and earnestly endeavors to create a responsive organization with emphasis on performance with responsibility and accountability. Continuous appraisal of the competencies of the personnel in line with job requirements is carried out to facilitate higher levels of output and productivity.

As on 31st March 2021, the number of permanent employees in the Company are around 200 at various levels. Talent management. The Company has a HR Policy in place and encouraging working environment. The Company has continued to focus on various aspects like employee training, welfare and safety thereby maintaining a constructive relationship with employees. Required insurance policies were obtained for employees of the Company.

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

Standalone Financial Ratios and margins

<b>Particulars</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Debtors Turnover in days	24.70	29.36
Inventory Turnover	0.60	0.54
Interest Coverage Ratio	-0.89	-1.04
Current Ratio	0.26	0.47
Debt Equity Ratio	0.93	0.71
Operating Profit Margin (%)	-18.63%	-20.68%
Net Profit Margin (%)	-9.34%	-11.08%
Return on net worth (%)	-12.17%	-12.67%

<b>Particulars</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>	<b>Changes in %</b>	<b>Reasons for Changes</b>
Debtors Turnover in days	24.70	29.36	-15.87%	On account of Covid-19 lockdown company has been liquidity risks (including payment for operational expenses). As a Capital management measure, company decided to generate cash flow from operations and incur borrowing for short term liability. Accordingly, board decided to extend lesser credit terms to its customer for early payment.
Inventory Turnover	0.60	0.54	11.99%	Higher inventory at year end to cater to next month sale orders.
Interest Coverage Ratio	-0.89	-1.04	-14.27%	Interest Coverage Ratio has decreased because of lower profitability as compared to the previous year.
Operating Profit Margin (%)	-18.63%	-20.68%	-9.92%	Lower operating level resulting in lower operating profit.
Net Profit Margin (%)	-9.34%	-11.08%	-15.74%	Lower operating profit resulting in lower profitability.
Return on net worth (%)	-12.17%	-12.67%	-3.97%	Due to Losses incurred return on the net worth reduced.

**ACCOUNTING TREATMENT:**

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

**OUTLOOK:**

IN FY 2022, we look better year than FY 2021 on account of control on the spread of Covid 19, the economic activity is expected to back to its normalcy and also due to long term initiatives by Government to take the National GDP to 5 trillion dollar economy by 2025.

**DISCLAIMER**

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

## DIRECTORS REPORT

Dear Members,

Your Directors present their 34th Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2021.

### 1. FINANCIAL PERFORMANCE HIGHLIGHTS:

The summarized financial results of the Company for the financial year 2020-21 are given hereunder:

(Amount Rs. In Lacs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Sales including excise duty/Income including Job work operations	14385.76	13,953.76	14385.76	13,953.76
Operating Profit(EBITDA)	-42.92	57.59	-44.37	56.04
Finance Costs	899.77	964.27	899.83	964.27
Provision for Depreciation	759.65	1060.87	759.65	1060.87
Profit /(Loss) before tax & exceptional items	-1702.34	-1967.55	-1702.34	-1967.55
Exceptional Items	-277.01	—	-277.01	—
Current tax	-	-0.14	-	-0.14
Profit /(Loss) after Tax	-1979.36	-1967.70	-1980.86	-1969.25
Items not to be classified to statement of profit or Loss in subsequent years	56.40	10.12	56.40	10.12
Total comprehensive income	-1922.95	-1957.58	-1924.46	-1959.13

### 2. OPERATIONS/COMPANY'S STATE OF AFFAIRS

During the year under review, the gross revenue has reduced to Rs.17626.23 Lakh as against Rs.17664.04 Lakh in the previous year. The performance of the Company was low during the year under review due to inadequate supply of raw material, working capital and COVID 19 Pandemic situation. The Company has incurred a Loss of Rs.1979.36 Lakhs during the year under review (Previous years Rs.1967.70) Lakhs.

The outbreak of the COVID-19 pandemic led to an unprecedented health crisis and disrupted economic activities and trade globally. During FY2020-21, nation-wide lockdown was imposed which severely impacted manufacturing activities. There was impact of COVID-19 on the Company's operations, cash flow, liquidity and profitability as well as the Company's contribution to the community in wake of the pandemic.

### 3. RESERVES:

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

### 4. DIVIDEND:

Considering accumulated losses the Directors regret their inability to declare any dividend on Equity Shares of the Company during the year under review. However, your Directors are pleased to recommend a Final Dividend @ 0.01% on total paid up Preference share capital of the company for the financial year ended 31st March, 2021, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date for the Financial Year 2020-21. The final dividend amounting to Rs. 75,513/- on total paid up preference shares inclusive of tax on distributed profits.

### 5. CHANGE IN THE NATURE OF BUSINESS:

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

**6. SHARE CAPITAL :**

The paid-up Equity Share Capital as on 31st March, 2021 was Rs. 3980.81 Lakh. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**7. FIXED DEPOSITS :**

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

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

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

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

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

**10. SUBSIDIARY :**

The Wholly Owned Subsidiary namely Indinox Steels Private Limited was incorporated by investing Rs.1,00,000/= (10,000 Equity shares of Rs. 10/- each) as on 16/06/2018. The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('IndAS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

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

**11. RELATED PARTY TRANSACTIONS:**

Related parties contracts or arrangements: The Company has made materially significant Related Party Transactions, as approved by the non-interested shareholders at the 33rd Annual General meeting of the Company. Further the said material related Party Transactions made during the year under review were on an arm's length basis and in the ordinary course of business. Required disclosures are made in **Annexure-D** in Form No. AOC 2. On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company [www.indiasteel.in](http://www.indiasteel.in) under the head 'Investor Relations' and the weblink is provided in the Corporate Governance Report. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the legal and accounting requirements.

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

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

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

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

Mr. Sudhir H. Gupta, Managing Director.

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

Mr. Deepak Gaur, Whole-time Director

Mr. Dilip Maharana, Company Secretary & Compliance officer

**13. CORPORATE SOCIAL RESPONSIBILITY:**

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

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

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

**15. RISK MANAGEMENT POLICY:**

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

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

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

**17. DIRECTORS:**

Re-Appointment of Mr. Varun S. Gupta (DIN: 02938137) as Executive Director:

Mr. Varun Gupta (DIN-02938137), has been re-appointed as a "Whole-time Director" of the Company for a Period of 3 years with effect from August 20, 2021 subject to the members approval at the ensuing Annual General Meeting of the Company.

Appointment of Mrs. Bhavna B. Devda (DIN: 09287135) Non-executive Independent Director:

Mrs.Bhavana Devda (DIN:09287135), has been appointed as an Additional Non-executive Independent Director of the Company by the Board effective August 20, 2021 for of consecutive period of five years, up to August 19,2026 subject to the members approval at the ensuing Annual General Meeting of the Company.

Re-Appointment of Mr. Bimal Desai (DIN: 00872271):

In accordance with the provisions of the Companies Act, 2013 in accordance with the Articles of Association of the Company Mr. Bimal Desai retires from office by Rotation, and being eligible, offers himself for reappointment.

The details of the Director are given in the Corporate Governance Report as well as in the Notice of the Annual General meeting.

**18. DECLARATIONS BY INDEPENDENT DIRECTORS:**

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

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

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

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

Every new Independent Director of the Board attends an orientation program. To familiarize the new Independent Director with the strategy, operations and functions of our Company, the Executive Directors/ Senior Managerial Personnel make presentations to the new Independent Director about the company's strategy, operations, product and service and offerings,



markets, organization structure, human resources, technology quality, facilities and risk management.

**21. BOARD MEETINGS:**

During the year, Five Board Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**22. NOMINATION & REMUNERATION POLICY**

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

**23. AUDIT COMMITTEE POLICY**

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

**24. DIRECTORS RESPONSIBILITY STATEMENT :**

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

- I. That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the annual financial statements have been prepared on a going concern basis;
- V. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- VI. That proper system's to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**25. AUDITORS****I. STATUTORY AUDITORS & AUDIT REPORT:**

The Company has received a letter from Laxmikant Kabra & Co LLP, Chartered Accountants (Firm Registration No. 117183W/ W100736), regarding their eligibility for the continuing appointment as statutory Auditors of the Company. The said auditors were appointed effective Annual General Meeting held on 20th August, 2018 for a period of 5 years. There is no qualification, reservation or adverse remark or disclaimer made by the auditor in the Statutory Audit Report issued by him to the members of the Company.

**II. SECRETARIAL AUDITOR & AUDIT REPORT:**

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

The Company has obtained Secretarial Compliance Report Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 for the financial year ended 31st March, 2021. The report has been annexed

herewith as "Annexure – B".

Qualifications/observations:

1. It is hereby reported that despite triggering the eligibility pursuant to Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Managerial personnel) Rules of the Company there is no appointment of Company Secretary in the listed entity from the period 5th March, 2020 to 30th July, 2020.
2. i. Non compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:
  - a. The Company has submitted Financial Results for the Quarter ended 30.6.2020 on 25th September, 2020 beyond the stipulated period i.e which should have been submitted on or before 15.09.2020. The Company has paid the penalty Rs.59, 000/- including GST levied for the non-compliance.
  - b. The Company has submitted Financial results for the Quarter ended 30.9.2020 beyond the stipulated period on 30.11. 2020, which should have been submitted on or before 15.11. 2020. For the delay in submission BSE has levied penalty Rs.76, 700/-including GST. The Company has paid the penalty levied for the non-compliance.
- ii. Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has submitted the Statement under Regulation 13(3) for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.1180/-including GST. The Company has paid the penalty levied for the non-compliance.
- iii. Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has submitted the Shareholding Pattern under Regulation 31 for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance.
- iv. Regulation 6(1) (Listing Obligations and Disclosure Requirements) Regulation,2015:  
The Company Secretary resigned effective 04.03.2020. The Company has appointed Company secretary on 31/07/2020.The Company has received a mail dtd.20.11.2020 regarding noncompliance of Regulation 6(1) pertaining to appoint of a qualified company secretary as the Compliance officer imposing a penalty of Rs. 108560/-including GST. The penalty was waived later.
- v. Regulation 7(1) Requires the Company should appoint share transfer agent:  
The Company has a Share transfer Agent (Link intime India Private Limited) However, BSE had imposed a penalty of Rs.108560/-including GST for the quarter ended 30/09/2020, was waived later.
- vi. Regulation 76 SEBI (Depositories and Participants) Regulations, 2018:  
The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 which should have been submitted on or before 30/10/2020. there is a delay in the submission.
- vii. Regulation 29(2)/29(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has sent the intimation on 8/02/2021. For the delay in intimation BSE has levied penalty Rs.2360/-including GST. The Company has paid the same.

Managements Reply:

1. During the year Company Secretary and Compliance officer Mrs. Dipti Vartak had resigned effective 4thMarch, 2020. Due to pandemic situation, appointment of Mr. Dilip Maharana was considered at the next Board Meeting held on 31st July, 2020.
2. i. Non compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
Due to unavoidable reasons the Board meeting could not be held during stipulated period for the Quarter ended 30.6.2020 & also for the Quarter ended 30.9.2020. The Company has paid the penalty levied for the non-compliance.

- ii. Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has submitted the Statement under Regulation 13(3) for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.1180/-including GST. The Company has paid the penalty levied for the non-compliance.
- iii. Regulation 31 (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company has submitted the Shareholding Pattern under Regulation 31 for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance.
- iv. Regulation 6(1) (Listing Obligations and Disclosure Requirements) Regulation, 2015:  
The Company Secretary resigned effective 04.03.2020. The Company has appointed Company secretary on 31/07/2020, in the immediate Board Meeting. The penalty imposed was waived later.
- v. Regulation 7(1) Requires the Company should appoint share transfer agent:  
The Company has a Share transfer Agent (Link intime India Private Limited). However, BSE had imposed a penalty of Rs.108560/-including GST for the quarter ended 30/09/2020, was waived later.
- vi. Regulation 76 SEBI (Depositories and Participants) Regulations, 2018:  
The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 which should have been submitted on or before 30/10/2020. there was a delay in the submission due to unavoidable reasons.

**III. COST AUDITORS:**

The Company is required to appoint a Cost Auditor for conducting the audit of cost records of the Company for the financial year ending 31st March, 2022. Approval of the members by way of ordinary resolution ratifying the remuneration to be paid to the cost auditors appointed is suitably included in the notice calling the Annual General Meeting of the Company.

**IV. BRANCH AUDITOR:**

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

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

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

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

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by Management and approved by the Audit Committee and the Board. These Accounting policies are reviewed and updated from time to time. Your Company uses ERP Systems as a business enabler and also to maintain its Books of Account. The transactional controls built into the ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. Kindly refer to the write-up in the section Management Discussion and Analysis.

**28. ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website at [www.indiasteel.in](http://www.indiasteel.in).

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

The Company has adopted the generally accepted technology for its products. Particulars regarding conservation of energy foreign exchange earnings and outgo are given in "**Annexure – C**" as required under The Companies Act, 2013 read with The



Companies (Accounts) Rules, 2014 and forms part of this report.

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

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

**31. SECRETARIAL STANDARDS OF ICSI :**

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

**32. MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**33. CORPORATE GOVERNANCE:**

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

**34. PARTICULARS OF EMPLOYEES:**

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

**35. INDUSTRIAL RELATIONS:**

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

**36. ACKNOWLEDGEMENTS:**

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

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

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

Place: Mumbai

Date: 20th August, 2021

**Annexure-A****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31st, 2021.**

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

To,

**The Members,**

**India Steel Works Limited**

India Steel Works Complex,

Zenith Compound,

Khopoli MH-410203.

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. India Steel Works Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder:
  - a. It is hereby reported that despite triggering the eligibility pursuant to Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Managerial personnel) Rules of the Company there is no appointment of Company Secretary in the listed entity from the period 5th March, 2020 to 30th July, 2020.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 1999, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014(**not applicable to the Company during the Audit period**);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the Company during the Audit period**);

- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client,
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the Company during the Audit period**), and;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the Company during the Audit period**)
- (vi) For the other applicable laws, our Audit was limited to
- a. The Factories Act, 1948
  - b. The Minimum Wages Act, 1948
  - c. The employees Provident Funds and Misc. Provisions Act, 1952
  - d. The payment of Bonus Act, 1965
  - e. The payment of gratuity Act, 1972
  - f. The Contract labour (Regulation and Abolition) Act, 1952
  - g. The Industrial Employment (Standing Orders) Act, 1946
  - h. The Employees Compensation Act, 1923
  - i. The Apprentices Act, 1923
  - j. The Air (Prevention and control of pollution) Act, 1981

I have relied on the representation made by the Company, its Officers and authorized representatives during the conduct of the audit, and also on the review of Certificates by respective department Heads/ Company Secretary/ CEO. In my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

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

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

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

1. During the year Company Secretary and Compliance officer Mrs. Dipti Vartak have resigned from 04th March, 2020 however the Company has appointed Mr. Dilip Maharana w.e.f.31st July, 2020.
2. 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.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

(b) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

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

a. The Company has submitted Financial Results for the Quarter ended 30.6.2020 on 25th September, 2020 beyond the stipulated period i.e which should have been submitted on or before 15.09.2020. The Company has paid the penalty Rs.59, 000/- including GST levied for the non-compliance.

b. The Company has submitted Financial results for the Quarter ended 30.9.2020 beyond the stipulated period on 30.11. 2020, which should have been submitted on or before 15.11. 2020. For the delay in submission BSE has levied penalty Rs.76, 700/-including GST. The Company has paid the penalty levied for the non-compliance.

ii. **Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:**

The Company has submitted the Statement under Regulation 13(3) for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.1180/-including GST. The Company has paid the penalty levied for the non-compliance.

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

The Company has submitted the Shareholding Pattern under Regulation 31 for September Quarter on 22/10/2020. For the delay in submission BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance.

iv. **Regulation 6(1) (Listing Obligations and Disclosure Requirements) Regulation,2015:**

The Company Secretary resigned effective 04.03.2020. The Company has appointed Company secretary on 31/07/2020. The Company has received a mail dtd.20.11.2020 regarding noncompliance of Regulation 6(1) pertaining to appoint of a qualified company secretary as the Compliance officer imposing a penalty of Rs. 108560/-including GST. The penalty was waived later.

v. **Regulation 7(1) Requires the Company should appoint share transfer agent:**

The Company has a Share transfer Agent (Link intime India Private Limited) However, BSE had imposed a penalty of Rs.108560/-including GST for the quarter ended 30/09/2020, was waived later.

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

The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 which should have been submitted on or before 30/10/2020. there is a delay in the submission.

vii. **Regulation 29(2)/29(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015:**

The Company has sent the intimation on 8/02/2021. For the delay in intimation BSE has levied penalty Rs.2360/-including GST. The Company has paid the same.

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

**Practicing Company Secretary**

**Reena T Parekh**

Proprietor

ACS No.:A25346

C. P. No.:12621

UDIN:A025346C000813067

Place: Mumbai

Date: 20th August,2021.



### Annexure-I

To,  
The Members,  
INDIA STEEL WORKS LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Note:** Due to outbreak of COVID-19 pandemic and the current breakdown, physical examination of documents under the SEBI Act and Regulations is not possible, we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

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

**Practicing Company Secretary**

**Reena T Parekh**

Proprietor

ACS No.: A25346

C. P. No.: 12621

UDIN: A025346C000813067

Place: Mumbai

Date: 20th August, 2021.

## Annexure-B

**Secretarial compliance report of INDIA STEEL WORKS LIMITED for the year ended March 31, 2021  
(Pursuant to SEBI circular - CIR/CFD/CMD 1/27/2019 dated February 08, 2019 for the purpose of compliance with  
Regulation 24A of SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015)**

To  
INDIA STEEL WORKS LIMITED  
Regd. Off: India Steel Works Complex  
Zenith Compound  
Khopoli MH 410203 IN.

CIN: L29100MH1987PLC043186

Authorized Share Capital: Rs.1,07,00,00,000/-.

I, Reena Parekh Practicing Company Secretary have conducted the Secretarial Compliance Audit of the applicable SEBI Regulation and the circular/guidelines issued thereunder for the Financial Year March 31st, 2021 of INDIA STEEL WORKS LIMITED ("the listed entity"). The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,  
for the year ended March 31st, 2021 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI").

The following Regulations prescribed under The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-**(not applicable to the company during the review period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-**(not applicable to the company during the review period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008--**(not applicable to the company during the review period)**



- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (***not applicable to the company during the review period***)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading)
- (i) Regulations, 2015;
- (j) The provision of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulation,1993;
- (i) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

Based on our examination and verification of the documents and records produced to us according to the information and explanations given by the Company, we report that:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission of the Quarterly Un-Audited standalone & Consolidated Financial Results with the Stock Exchange within 45days from the end of June Quarter on or before 15/08/2020. Due to Covid-19 Pandemic, the period was extended up to 15/09/2020.	The Company has submitted Financial Results for the Quarter ended 30.6.2020 on 25th September, 2020 beyond the stipulated period i.e which should have been submitted on or before 15.09. 2020.	The Financial Results should have been filed on or before 15th September, 2020. The Company has paid the penalty Rs.59000/- including GST levied for the non-compliance.
2	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 requires submission of the Quarterly Un-Audited standalone & Consolidated Financial Results with the Stock Exchange within 45days from the end of September Quarter i.e on or before 15/11/2020.	The Company has submitted Financial results for the Quarter ended 30.9.2020 beyond the stipulated period on 30.11. 2020 , which should have been submitted on or before 15.11.2020.	The Financial Results should have been filed on or before 15th November, 2020. However It was submitted on 30.11.2020.For the delay in submission BSE has levied penalty Rs.76700/-including GST. The Company has paid the penalty levied for the non-compliance
3	Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission on quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The statement for the September quarter should be submitted on or before 21/10/2020.	The Company has submitted the Statement under Regulation 13(3) for September Quarter on 22/10/2020.	The Statement should have been filed on or before 21/10/ 2020. However It was submitted on 22.10.2020.For the delay in submission BSE has levied penalty Rs.1180/-including GST. The Company has paid the penalty levied for the non-compliance
4	Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 requires submission of shareholding pattern. within twenty one days from the end of September 2020 quarter i.e on or before 21/10/2020.	The Company has submitted the Shareholding Pattern under Regulation 31 for September Quarter on 22/10/2020.	The Shareholding Pattern should have been filed on or before 21/10/ 2020. However It was submitted on 22.10.2020.For the delay in submission BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
5	Regulation 6(1) Listing Obligations and Disclosure Requirements Regulation,2015 requires appoint of a qualified company secretary as the compliance officer.	The Company Secretary resigned effective 04.03.2020. The Company has appointed Company secretary on 31/07/2020.	The Company has received a mail dtd.20.11.2020 regarding noncompliance of Regulation 6(1)pertaining to appoint of a qualified company secretary as the Compliance officer imposing a penalty of Rs. 108560/-including GST. The penalty was waived later.
6	Regulation 7(1) Requires the Company should appoint share transfer agent.	Linkintime India Private Limited is the Share transfer agent of the Company since long. There was no deviation as such.	The Company has a Share transfer Agent. However, BSE had imposed a penalty of Rs.108560/-including GST for the quarter ended 30/09/2020, was waived later.
7	Regulation 76 SEBI (Depositories and Participants) Regulations, 2018 requires submission of Reconciliation of share Capital audit Report within 30 days from the end of September quarter,2020.	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 which should have been submitted on or before 30/10/2020.	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 and there is a delay in the submission.
8	Regulation 29(2)/29(3) requires at least five days in advance (excluding the date of the intimation and date of the meeting),prior intimation about the meeting of the board of directors should be given For the meeting held on February 13, 2021 for Financial Results for December 2020 quarter.	The Company has sent the intimation on 8/02/2021.	The intimation should have been sent on or before 07/02/2021. It was sent on 08/02/2021. per instance of non-compliance penalty Rs.11800/- including GST was levied. The Company has paid the same.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE Limited (BSE)	Non Compliance of Reg.33 of LODR Regulations 2015. The Company has submitted Financial Results for the Quarter ended 30.6.2020 on 25th September, 2020 beyond the stipulated period i.e which should have been submitted on or before 15.09. 2020. It was submitted on 25.09.2020.	Penalty Rs.59000/- including GST levied for the non-compliance.	The Financial Results should have been filed on or before 15th September, 2020. It was submitted on 25.09.2020. The Company has paid the penalty Rs.59000/- including GST levied for the non-compliance & complied with the provision. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange.

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
2	BSE Limited (BSE)	Non Compliance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 requiring submission of the Quarterly Un-Audited standalone & Consolidated Financial Results with the Stock Exchange within 45days from the end of September Quarter i.e on or before 15/11/2020. However It was submitted on 30.11.2020	For the delay in submission BSE has levied penalty Rs.76700/-including GST. The Company has paid the penalty levied for the non-compliance.	The Financial Results should have been filed on or before 15th November, 2020. However It was submitted on 30.11.2020. For the delay in submission BSE has levied penalty Rs.76700/-including GST. The Company has paid the penalty levied for the non-compliance. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange.
3	BSE Limited (BSE)	Non Compliance of Regulation 13(3) (Listing Obligations and Disclosure Requirements) Regulation, 2015 requiring submission on quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The statement for the September quarter should be submitted on or before 21/10/2020. However It was submitted on 22.10.2020.	For the delay in submission BSE has levied penalty Rs.1180/-including GST.	The Statement should have been filed on or before 21/10/ 2020. However It was submitted on 22.10.2020. For the delay in submission BSE has levied penalty Rs.1180/-including GST. The Company has paid the penalty levied for the non-compliance. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange
4	BSE Limited (BSE)	Non-compliance of Regulation 31 Listing Obligations and Disclosure Requirements) Regulation, 2015 requiring submission of shareholding pattern. within twenty one days from the end of September 2020 quarter i.e on or before 21/10/2020. However It was submitted on 22.10.2020.	BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance	The Shareholding Pattern should have been filed on or before 21/10/ 2020. However It was submitted on 22.10.2020. For the delay in submission BSE has levied penalty Rs.2360/-including GST. The Company has paid the penalty levied for the non-compliance. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange

<b>Sr.No</b>	<b>Action taken by</b>	<b>Details of violation</b>	<b>Details of action taken E.g. fines, warning letter, debarment, etc</b>	<b>Observations/ remarks of the Practicing Company Secretary, if any.</b>
5	BSE Limited (BSE)	Regulation 6(1) Listing Obligations and Disclosure Requirements) Regulation,2015 requires appoint of a qualified company secretary as the compliance officer.	BSE has imposed a penalty of Rs. 108560/-including GST.	The Company Secretary resigned effective 04.03.2020. The Company has appointed Company secretary on 31/07/2020. The Company has received a mail dtd.20.11.2020 regarding noncompliance of Regulation 6(1)pertaining to appoint of a qualified company secretary as the Compliance officer imposing a penalty of Rs. 108560/-including GST. The penalty was waived later as there was a Company Secretary & Compliance officer. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange
6	BSE Limited (BSE)	Regulation 7(1) Requires the Company should appoint share transfer agent.	BSE had imposed a penalty of Rs.108560/-including GST.	The Company has a Share transfer Agent. However, BSE had imposed a penalty of Rs.108560/-including GST for the quarter ended 30/09/2020, was waived later as there was share transfer agent. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange
7	BSE Limited (BSE)	Non-Compliance of Regulation 76 SEBI (Depositories and Participants) Regulations, 2018 requiring submission of Reconciliation of share Capital audit Report within 30 days from the end of September quarter,2020.	There was no penalty levied for late submission of Reconciliation of share Capital audit Report .	The Company has submitted the Reconciliation of share Capital audit Report for the quarter ended 30.09.2020 on 19/11/2020 which should have been submitted on or before 30/10/2020.There was a delay. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange

Sr.No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc	Observations/ remarks of the Practicing Company Secretary, if any.
8	BSE Limited (BSE)	Non-compliance of Regulation 29(2)/29(3) requiring at least five days in advance (excluding the date of the intimation and date of the meeting), prior intimation about the meeting of the board of directors should be given For the meeting held on February 13, 2021 for Financial Results for December 2020 quarter.	BSE per instance of non-compliance imposed penalty Rs.11800/-including GST.	The intimation should have been sent on or before 07/02/2021. It was sent on 08/02/2021. per instance of non-compliance penalty Rs.11800/-including GST was levied. The Company has paid the same. The Board has taken note of the non-compliance and intimated the same to the Stock Exchange

(e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr.No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Non Compliance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 pertaining to Composition of Board	Pertaining to Composition of Board.	Fine Amount-was imposed on the Company.	The company has complied with the provision and also paid as fine Amount to BSE.
2	Non Compliance under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 pertaining to Annual Audited standalone Financial results	Pertaining to Financial results.	Fine Amount-was imposed on the Company.	The company has complied with the provision and also paid as fine Amount to BSE.

**Note:** Due to the outbreak of COVID-19 pandemic and the current lockdown, physical examination of documents under the SEBI Act and Regulations is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For M/s. Reena S. Modi & Associates  
Practicing Company Secretary

Place: Mumbai  
Date:20/08/2021

Reena T Parekh  
Proprietor  
ACS No.: A25346 C. P. No.:12621  
UDIN:A025346C000813089



### Annexure-C

**(A) Conservation of energy-**

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

	Particulars	2020-21	2019-20
<b>I</b>	<b>Power &amp; fuel Consumption</b>		
<b>a</b>	<b>Electricity:</b>		
	Purchase Units ('000 kwh)	7712	24412
	Total Amount ('000 Rs.)	85741	228805
	Average Rate/Unit (Rs./Kwh)	11.12	9.37
<b>b</b>	<b>Furnace Oil / CBFS / Disale:</b>		
	Quantity (Kilo litres)	1050	2756
	Total Amount (in '000 Rs.)	31448	95419
	Average Rate (Rs./Ltre)	29.95	34.63
<b>c</b>	<b>Others</b>		
	<b>LDO:</b>		
	Total amount (in '000 Rs.)	366	3873
	<b>Gases:-</b>		
	Total Amount (in '000 Rs.)	9323	34931
<b>II</b>	<b>Consumption Per Unit Of Production</b>		
	<b>Electricity:</b>		
	Steel Billets	1346	733
	Hot Rolled/Bars/rods	461	314
	Cold Finish Bars	189	187
	<b>Furnace Oil / CBFS / Disel:</b>		
	Steel Billets	21	29
	Hot Rolled/Bars/rods	117	84
	Cold Finish Bars	-	-
	<b>Furnace Oil / CBFS / Disel:</b>		
	Steel Billets	21	29
	Hot Rolled/Bars/rods	117	84
	Cold Finish Bars	-	-

**(B) Technology absorption-**

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

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

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

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

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

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

Place: Mumbai

Date: 20th August, 2021

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

To:

The Members

India Steel Works Limited

Regd. Off: India Steel Works Complex

Zenith Compound, Khopoli , MH 410203 IN.

CIN:L29100MH1987PLC043186.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1	Sudhir H. Gupta	00010853	01/09/2013
2	Varun S. Gupta	02938137	17/12/2009
3	Tilak Raj Bajalia	02291892	13/02/2015
4	Bimal Desai	00872271	12/12/2006
5	Deepak Gaur	60763663	09/11/2016
6	Kavita R. Joshi	07138704	30/05/2015
7	Riddhi Shah	07527966	25/05/2016

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

Place: Mumbai

Date:20/08/2021

UDIN:A025346C000813078

For Reena Modi &amp; Associates

Practicing Company Secretary

Reena T. Parekh

Proprietor

ACS No.: 25346

C. P. No.: 12621

**Annexure-D**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

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

(a)	Name of related party and nature of relationship	Isinox Limited (Formerly known as Isinox Steels Limited) ISL Global Pte. Ltd. (WOS of Isinox Limited) Isisales India Private Limited Leapindia Brandhub Services Pvt. Ltd. Gupta Housing Pvt. Ltd. Emgee Homes Pvt. Ltd.
(b)	Nature of contracts/ arrangements / transactions	Sales / purchase of goods / conversion/ job work etc.
(c)	Duration of the contracts/ arrangements / transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Arm's length basis
(e)	Date(s) of approval by the Board	In the quarterly meetings of the Board.
(f)	Amount paid as advances, if any:	Nil

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

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

Place: Mumbai

Date: 20th August, 2021

### Annexure-E

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2020-21 (Rs.in Lakh)	% increase in Remuneration in the Financial Year 2020-21 (Rs.in Lakh)	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of Remuneration of KMP against the performance of the Company
1	Sudhir H. Gupta, CEO & Managing Director	11.97	--	11.85	Operating profit (EBITDA) decreased to Rs.113.49 Lakh. There was a loss after tax Rs. 1979.36 Lakh.
2	Varun S. Gupta whole-time Director	11.13	--	11.02	
3	Deepak Kumar Gaur whole-time Director	24.03	--	23.79	
4	Dilip Maharanan Company Secretary & Compliance Officer (from 31/07/2021)	5.91	--	5.85	

- (ii) The median remuneration of employees of the Company during the financial year was Rs.1,01,000 p.a.  
 (iii) In the financial year, there was no increase in the median remuneration of employees.  
 (iv) There were 210 permanent employees on the rolls of Company as on March 31, 2021.  
 (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was Nil.  
 (vi) There is no change in the managerial remuneration as compared to last year.

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

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

Place: Mumbai

Date: 20th August, 2021

**Annexure-F**

## Form AOC-1

[Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the year ended March 31, 2021]

Part "A":

Name of the Subsidiary: Indinox Steels Pvt. Limited

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (Rs. in Lakh)</b>
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
3	Share Capital	5.00
4	Reserves & Surplus	-4.37
5	Total Assets	3.07
6	Total Liabilities (excluding Share Capital and Reserves & Surplus)	2.44
7	Investments	-
8	Turnover	-
9	Profit before taxation	-1.50
10	Provision for taxation	0.00
11	Profit after taxation	-1.50
12	Proposed dividend	-
13	% of shareholding	100

1. Reporting period of the above subsidiaries is the same as that of the Company.
2. Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2021.

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

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

Place: Mumbai

Date: 20th August, 2021



## CORPORATE GOVERNANCE

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

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

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Listing Regulations") is given below.

### 2. Board of Directors:

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

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

The Board composition is in conformity with Section 149 of the Act and Regulation 17 of the Listing Regulations. During financial year 2020-21, the Board consists of Seven Directors comprising of:

- i. three executive Directors.
- ii. three Independent Directors including two Independent Women Directors.
- iii. one non-executive Director.

None of the Directors on the Board is a Member in more than ten Committees and Chairman of more than five committees across all the Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions occupied by them.

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

During the Financial year five Meetings were held on 31st July, 2020, 25th September, 2020 , 30th November, 2020 , 6th January, 2021 and 13th February, 2021. The maximum interval between any two meetings was not more than 180 days.

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

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

Name of the Director	Category/ Inter-se relationship	Financial Year 2020-21 attendance in		No of other Directorship in Other Indian Public Ltd Companies @	No of Chairmanship / Membership in other Indian Public Limited Companies #
		Board Meetings	Last AGM		
Mr. T.R. Bajalia (DIN: 02291892)	Chairman (Since 14th August, 2019) Non-Executive & Independent Director	4	Yes	2	2



Name of the Director	Category/ Inter-se relationship	Financial Year 2020-21 attendance in		No of other Directorship in Other Indian Public Ltd Companies @	No of Chairmanship / Membership in other Indian Public Limited Companies #
		Board Meetings	Last AGM		
Mr. Sudhir H. Gupta (DIN: 00010853)	Managing Director (Promoter Director) Father of Mr. Varun Gupta	5	No	0	Nil
Mr. Varun S. Gupta (DIN: 02938137)	Executive Director & CFO (Promoter Director) Son of Mr. Sudhir Gupta	5	Yes	1	Nil
Mr. Deepak Kumar Gaur (DIN: 07636636)	Executive Director	3	Yes	1	Nil
Mr. Bimal Desai (DIN: 00872271)	Non-Executive & Non-Independent Director.	5	Yes	Nil	Nil
Mrs. Kavita R. Joshi (DIN: 07138704)	Non-Executive & Independent Director	5	Yes	1	Nil
*Mrs. Riddhi Shah (DIN: 07527966)	Non-Executive & Independent Director	5	Yes	Nil	Nil

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

#Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have been considered (Excluding committees of India Steel Works Limited) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.

Mrs. Riddhi Shah (DIN: 07527966), was unwilling for reappointment & resigned effective 04.06.2021, due to personal reason & professional commitments. She has confirmed that there was no other material reasons other than those provided.

(d) The names of the listed entities where Mr. T.R. Bajalia is the Director and category of directorship.

Sr. No.	Name of Company	Category	Whether member of Audit Committee / Designation	Whether member of Stakeholders committee/ Designation
1	Punjab Alkalies & Chemicals Limited	Independent Director	Yes. Chairperson (effective 26.10.2020)	No

(e) **Independent Directors Directorship**

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

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

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

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

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

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

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

As required, a brief profile and other particulars of the following Directors seeking appointment / re-appointment are given in the Notice of the 34th Annual General Meeting and form a part of this Report:

1. Mr. Bimal Desai for re-appointment as Director of the Company.
2. Mrs. Bhavna Devda appointed as an additional Independent Director of the Company, recommended for a consecutive period of 5(five) years.
3. Mr. Varun S. Gupta for re-appointment as Executive Director of the Company.

**(i) Confirmation of independence:**

In the opinion of the Board, the independent directors fulfill the conditions specified in the LODR regulations and are independent of the management.

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

The Directors on appointment are issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc. The details of such familiarization programme is displayed on the website of the Company [www.indiasteel.in](http://www.indiasteel.in). The weblink is <http://indiasteel.in/pdfs/Familiarisation-proggramme.pdf>

**(k) Performance Evaluation:**

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

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

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

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the stock exchange, the Independent Directors met on 31st March, 2021, inter alia, to discuss:

- (a) Evaluation of the performance of non-Independent Directors and the Board as a whole;
- (b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors on the Board as on the date of the meeting were present at the meeting.

**(m) Code of Conduct:**

The Board of Directors of the Company has adopted Code of Business Conduct & Ethics and is applicable to all the Directors and senior management personnel. In terms of the requirements of Regulation 17(5) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.indiasteel.in](http://www.indiasteel.in), under the heading 'Investors Relations'. The weblink of the same is: [http://www.indiasteel.in/pdfs/Code\\_of\\_Conduct\\_for\\_Company\\_\\_Board\\_of\\_Directors\\_\\_\\_Senior\\_Management.pdf](http://www.indiasteel.in/pdfs/Code_of_Conduct_for_Company__Board_of_Directors___Senior_Management.pdf)

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

This Code is available on the Company's website [www.indiasteel.in](http://www.indiasteel.in). All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2021.

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

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

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

**3. Committees of the Board:**

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

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

During the financial year ended 31st March, 2021, the Audit Committee of Directors comprised of Three Non-Executive Independent Directors & one executive Director viz.

Mr. TR Bajalia - Chairman,

Mrs. Kavita Joshi -Member

Mrs. Riddhi Shah -Member

Mr. Varun S. Gupta - Member

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

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

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

During the year, four Audit Committee Meetings were held on 31st July, 2020, 25th September, 2020 , 30th November, 2020 and 13th February, 2021.

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

Name of the Director	Status	whole-time Director
Mr. T.R.Bajalia	Chairman Non-Executive Independent Director	3
Mr. Varun Gupta	Member Executive Director	4
Mrs. Kavita Joshi	Member Non-Executive Independent Director	4
Mrs. Riddhi Shah	Member Non-Executive Independent Director	4

**• Whistle Blower Policy**

The Company has been formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company. This Policy covers misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. The vigil mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/ or colleagues in general. It is affirmed that no personnel have been denied



access to the Audit Committee. The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website, [www.indiasteel.in](http://www.indiasteel.in).

• **CFO Certification**

The Managing Director & CFO had issued a Certificate pursuant to the provisions of Clause 17 (8) of the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 certifying the Financial Statements, the Cash Flow Statements and the Internal Financial Control Systems for financial Year ended March 31st, 2021 and the same was placed before the Board of Directors at their meeting held on 20th August , 2021.

**(b) Stakeholders Relationship Committee:**

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

The terms of reference of the Committee include the following:

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

Three meetings were held during the year i.e. 31st July,2020,25th September,2020 and 13th February,2021.

The Committee comprised of:

Name of the Director	Status	No. of meetings attended
Mr. T.R.Bajalia	Chairman, Non-executive & Non-Independent Director	3
Mr. T R Bajalia	Member, Non-Executive Independent Director	2
Mrs. Kavita Joshi	Member, Non-Executive Independent Director	3
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	3

Mr. Dilip Maharana, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and Listing Agreement with the Stock Exchanges in India. His address and contact details are as given below:

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

During the year 2020-21, the Company has not received any shareholders' complaints and there were no requests for dematerialization pending for more than 30 days as on 31st March, 2021.

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

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

In accordance with Section 178 of the Act read along with the applicable Rules thereto and Regulation 19 of the Securities

Exchange Board of India (Listing Obligation and Disclosures Requirements) (Amendments) Regulations, 2018, the Board has "Nomination and Remuneration Committee".

During the financial year 2020-21, the Nomination & Remuneration Committee met on 31st July, 2020 and 13th February, 2021. The composition and the attendance of which is as follows:

Name of the Director	Status	No. of meetings attended
Mrs. Kavita Joshi	Chairman, Non-Executive Independent Director	2
Mr. T R Bajalia	Member, Non-Executive Independent Director	1
Mrs. Riddhi Shah	Member, Non-Executive Independent Director	2
Mr. Bimal Desai	Member, Non-Executive & Non-Independent Director	2

The objective of this Policy is to lay down a framework and set standards in relation to nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and such other senior management personnel in the organization.

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

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

#### **Appointment & Remuneration Policy:**

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

###### **(i) Appointment Criteria and Qualifications:**

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

**(ii) Term/Tenure:****a) Managing Director / Whole-time Director**

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

**b) Independent Director**

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

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

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

-Detailed reasons for the resignation of an independent director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided. No independent director resigns before the expiry of his / her tenure during the year ended 31/03/2021.

**(iii) Evaluation**

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals. The Committee has also set criteria for performance evaluation of Independent Directors.

**(iv) Removal**

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

**(v) Retirement**

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

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

(i) Remuneration to Managing/Whole-time Directors, KMP and senior management personnel The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time-being in force.

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

**C. Details of remunerations paid to the Directors during the financial year 2020-21:**

Name of the Director	Salary & Perquisites Rs.in Lacs	Contribution to PF	Commission	Sitting Fees Rs. in Lacs
Mr. Sudhir H. Gupta	11.97	Nil	Nil	Nil
Mr. Varun S. Gupta	11.13	Nil	Nil	Nil
Mr. Deepak Kumar Gaur	24.03	Nil	Nil	Nil
Mr. Bimal Desai	Nil	Nil	Nil	0.25
Mr. T R Bajalia	Nil	Nil	Nil	0.72
Mrs. Kavita Joshi	Nil	Nil	Nil	0.60
Mrs. Riddhi Shah	Nil	Nil	Nil	0.34

Non Mandatory Committee

**(d) Management Committee:**

Board of Directors has formed the Management Committee comprising Mr. Sudhir H. Gupta, Managing Director as Chairman, Mr. Varun S. Gupta, Executive Director, Mr. Deepak Gaur , Whole time Director as members to look after the day-to-day administrative work of the Company and the matters related to Banking and legal. One meeting was held on 5th December, 2020. All the Directors were present.

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

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

Mr. Bimal Desai Non-Executive - Non Independent Director Chairperson, Mr.Tilak Raj Bajalia Non-Executive - Independent Director, Mrs. Kavita Joshi Non-Executive - Independent Director, Mrs. Riddhi Shah Non-Executive - Independent Director, Varun S. Gupta Executive Director as the members. No meeting was held during the year.

**(f) Internal Complaint Committee:**

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

The constitution of this committee is as mentioned below:

Name of the Director	Status	Contact Details
Mrs. Jyoti Kathale	Presiding officer, HR & Admin Manager	jkathale@indiasteel.in
Milind Ghumare	Vice President Exports, Member	milind@indiasteel.in
Mrs. Geeta Armkar	Export Manager, Member	geeta@indiasteel.in



The Committee will be considering the following issues also:

- Sexual Harassment
- Redressal of employee complaints
- Safety and Job Security

The same has been conveyed through placing an official mail. Further, the ICC meets regularly to review the complaints and disputes arise, if any.

- a. number of complaints filed during the financial year -Nil
- b. number of complaints disposed of during the financial year -Nil
- c. number of complaints pending as on end of the financial year -Nil

#### **4. General Body Meetings**

##### **(i) Annual General Meetings:**

**A.** The last three Annual General Meetings of the Company were as under:

AGM	Date	Location	Time	Special Resolutionassed
33rd AGM	17.12. 2020	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	02:30 p.m	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Tilak Raj Bajalia (DIN: 02291892) as an Independent Director of the Company for a second term of 5(five) consecutive years.</li> <li>2. Re-appointment of Mrs. Kavita R. Joshi (DIN: 07138704) as an Independent Director of the Company for a second term of 5(five) consecutive years.</li> <li>3. Approval of arrangements / transactions with related Parties.</li> </ol>
32nd AGM	18.09. 2019	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11:30 a.m	<ol style="list-style-type: none"> <li>1. Appointment of Sudhir H. Gupta as the Managing Director for a period of 3 years effective 1.10.2019.</li> <li>2. re-appointment of Mr. Deepak Kumar Gaur, as Whole Time Director for a period of 3 years effective 9.11.2019.</li> <li>3. Approval of arrangements / transactions with related parties.</li> <li>4. Appointment of T.R Bajalia as the Chairman of the Company.</li> </ol>
31st AGM	20.08.2018	India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203	11.00 a.m.	<ol style="list-style-type: none"> <li>1. Reappointment of Mr. Varun Gupta as a Whole Time Director of the Company</li> <li>2. Increase in remuneration payable to Mr. Deepak Kumar Gaur, Whole Time Director of the Company</li> <li>3. Approval of arrangements / transactions with related parties</li> <li>4. Transfer of steel works business of the Company to its wholly owned subsidiary</li> </ol>



B. Postal Ballot During the Financial Year 2020-21, no agenda has been passed by way of postal ballot.

## 5. Disclosures

- (i) There were transactions of material nature with related party. The transactions were made during ordinary course of business on arm's length basis. The details of related party transactions have been reported in the Notes to Accounts. Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website [www.indiasteel.in](http://www.indiasteel.in). The web link is <http://www.indiasteel.in/pdfs/policy-on-dealing-with-the-related-party-transaction.pdf>:
- (ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s):

Financial Year 2018-19			
Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc
1	BSE Limited (BSE)	Non Compliance under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – pertaining to composition of Board	Fine of Rs. 10,85,600/- was imposed on the Company The company has paid fine to BSE.
Financial Year 2019-20			
1	BSE Limited (BSE)	Non Compliance. (Composition of Board of Director was not in accordance with Regulations of 17(1). The Chairman of the Company was Executive Director. However the Independent Directors of the Company was less than 50%.	Fine was imposed on the company. and Demat accounts of the promoters are freezed. The company has complied with the provision and also paid as fine to BSE. The Demat Accounts of the Promoters were defreezed later.
2	BSE Limited (BSE)	Compliance Requirement under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 Company shall submit quarterly & year to date stand alone financial results to the Stock exchange within forty five days of end of each quarter , other than the last quarter. Late Submission of June Quarter on 17.10.2019.	Fine was imposed on the company. and Demat accounts of the promoters are freezed. The company has paid fine to BSE. The Demat Accounts of the Promoters were defreezed later.

- (iii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iv) The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided elsewhere in this report.
- (v) The Company has Risk Management Policies for the businesses, duly approved by the Board, which are periodically

reviewed to ensure that the executive management controls risk by means of a properly defined framework.

- (vi) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- (viii) The details of the equity shares of the Company held by the Directors as on 31st March, 2021 are as under:

Mr. Sudhirkumar H. Gupta -44,41,825

Mr. Varun S. Gupta -654800

#### **General Shareholders Information:**

- A. **Annual General Meeting:** Date: Tuesday, December 28, 2021

Time: 2: 00 p.m.

Venue: Through VC/OAVM, India Steel Works Complex, Zenith Compound, Khopoli, Raigad-410203 deemed venue.

- B. **Financial Year:** April 01, 2020 to March 31, 2021.

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

- Date of Book closure Wednesday, December 22, 2021 to Tuesday, December 28, 2021 (Both days inclusive).

- Dividend Payment Date: The Dividend of 0.01% on total paid up Preference share capital of the Company for the financial year ended 31st March, 2021 shall be deposited into the account of the shareholders by 27th January, 2021.

- D. Company Identification Number (CIN): L29100MH1987PLC043186

- E. Stock Exchange Listing: BSE Limited (BSE)

- F. Stock Code:

- 1. ISIN: INE072A01029

- 2. The Stock Exchange, Mumbai: 513361

- G. Stock Price Data:

Monthly high and low of share prices at the stock exchanges:

Month	High	Low
Apr-20	0.3	0.19
May-20	0.33	0.27
Jun-20	0.6	0.29
Jul-20	0.72	0.53
Aug-20	0.52	0.39
Sep-20	0.45	0.37
Oct-20	0.47	0.35
Nov-20	0.45	0.39
Dec-20	0.8	0.42
Jan-21	1.06	0.69
Feb-21	0.93	0.64
Mar-21	0.86	0.69

- H. Registrar & Share Transfer Agents

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



## LINK INTIME INDIA PVT LIMITED

Phone: 022 25946970, C 101,  
247 Park, LB S Marg, Vikhroli West,  
Mumbai 400 083. Tel No: +91 22 49186000 Fax: +91 22 49186060  
Email ID: rnt.helpdesk@linkintime.co.in Mumbai-400 078  
Website: www.linkintime.co.in

## I. Compliance Officer

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

## J. Share Transfer System

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

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

## K. Distribution of shareholding based on nominal value as on 31st March, 2021.

SHAREHOLDING OF NOMINAL VALUE (INR)	NUMBER OF SHAREHOLDERS	% OF TOTAL	SHARE AMOUNT (INR)	% OF TOTAL SHARE AMOUNT
1-500	10509	61.9927	2141295.00	0.5379
501-1000	2033	11.9927	1842670.00	0.4629
1001-2000	1360	8.0227	2277333.00	0.5721
2001-3000	609	3.5925	1629675.00	0.4094
3001-4000	289	1.7048	1068374.00	0.2684
4001-5000	517	3.0498	2520584.00	0.6332
5001-10000	737	4.3476	5917683.00	1.4866
100001 &above	898	5.2973	380683311.00	95.6296
Total	16952	100.0000	398080925.00	100.000

## L. Shareholding Pattern

Category Code	Category & Name of the shareholders	Nos. of shareholders	Total nos. shares held	Total Shareholding		Number of Shares pledged or otherwise encumbered	
				as a % of (A+B)	as a % of (A+B+C)	No of Shares	as a % of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VIII)	(VIII)
(A)	Promoter & Promoter Group						
1	Indian						
(a)	Individuals / Hindu Undivided Family	6	6752385	0.00	1.70	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0
(d)	Any Other (Specify) Bodies Corporate	9	188214329	47.28	47.28	45487600	11.43
	<b>Sub Total (A)(1)</b>	<b>15</b>	<b>194966714</b>	<b>47.28</b>	<b>48.98</b>	<b>45487600</b>	<b>11.43</b>
2	Foreign						
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>15</b>	<b>194966714</b>	<b>48.98</b>	<b>48.98</b>	<b>45487600</b>	<b>11.43</b>
B	Public Shareholding						
1	Institutions						
(a)	Mutual Fund	3	3600	0.00	0.00	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0
(f)	Financial Institutions / Banks	5	5001550	1.26	1.26	0	0
(g)	Insurance Companies	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0
(i)	Any Other (Specify)	5	274800	0.07	0.07	0	0
	Foreign Financial Institution	4	14800	0.00	0.00	0	0
	Foreign Bank	1	260000	0.07	0.07	0	0
	<b>Sub Total (B)(1)</b>	<b>13</b>	<b>5279950</b>	<b>1.33</b>	<b>1.33</b>	<b>0</b>	<b>0</b>
2	Central Government/ State Government(s)/ President of India						
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>
3	Non-Institutions						
(a)	Individuals					0	0
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	16156	43210046	10.85	10.85	0	0

Category Code	Category & Name of the shareholders	Nos. of sharehold ers	Total nos. shares held	Total Shareholding		Number of Shares pledged or otherwise encumbered	
				as a % of (A+B)	as a % of (A+B+C)	No of Shares	as a % of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VIII)	(VIII)
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.						
		30	23884362	6.00	6.00	0	0
(b)	NBFCs registered with RBI	0	0	0	0	0	0
	Trust Employee	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0
(c)	Any Other (Specify)	514	130739853	32.84	32.84	0	0
	Hindu Undivided Family	242	1737033	0.44	0.44	0	0
	Foreign Companies	2	117458196	29.51	29.51	0	0
	Non Resident Indians (Non Repat)	34	521815	0.13	0.13	0	0
	Non Resident Indians (Repat)	92	1220909	0.31	0.31	0	0
	Clearing Member	18	181650	0.05	0.05	0	0
	Bodies Corporate	126	9620250	2.42	2.42	0	0
	Sub Total (B)(3)	16699	197834261	49.70	49.70	0	0
	<b>Total Public Shareholding</b>						
	<b>(B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>16713</b>	<b>203114211</b>	<b>51.02</b>	<b>51.02</b>	<b>0</b>	<b>0</b>
(C )							
1	Custodian/DR Holder	0	0	0.00	0.00	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit))						
	Regulations, 2014)	0	0	0.00	0.00	0	0
	Total Non-Promoter- Non Public Shareholding(C)=(C)(1)+(C)(2)	0	0	0.00	0.00	0	0
	<b>Grand Total (A+B+C)</b>	<b>16728</b>	<b>398080925</b>	<b>100</b>	<b>100</b>	<b>45487600</b>	<b>11.43</b>

Promoters group does not include share holding of late Shri Ashwinikumar H. Gupta & family.

M. Dematerialization of shares and liquidity

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services(India) Ltd.(CDSL)for a demat facility, 99.72% of the Company's Listed Equity Share Capital was dematerialized as on 31.03.2021. The Company's shares are traded on the Stock Exchange, Mumbai.

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

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

The Financial year covers the period from April 01, 2021 to March 31, 2022. Financial Reporting:

Quarter ending June 30, 2021	Upto August 14, 2021.
Half Year ending September 30, 2021	Upto November 14, 2021.
Quarter ending December 31, 2021	Upto February 14, 2022
Year ending March 31, 2022	Upto May 30, 2022.
Annual General Meeting for the year ended March 31, 2022.	Upto September 30, 2022

**Means of Communications:**

- (i) Quarterly Results and Annual Financial Results: Quarterly and Annual Financial results of the Company are generally published in Newspaper i.e. Free Press Journal in English and Nav Shakti in vernacular language.
- (ii) **Website:** The Securities and Exchange Board of India (SEBI) has made it mandatory for companies to maintain an updated website to post yearly and quarterly financial statements, shareholding pattern, details for shareholders, code of conduct, presentation made to institutional investors/analysts/press release etc. on the website. Accordingly, the Company has provided all such disclosures under "Investor Relations" section of the Company's website: [www.indiateel.in](http://www.indiateel.in) apart from filing the same to BSE for publishing the same on their website.

**P. Address for correspondence:**

India Steel Works Limited 304, Naman Midtown, Tower A, Senapati Bapat Marg, Elphinstone Road (W), Mumbai-400013 Tel: +91 22 62 304 361/ 364; Email: [cosec@indiateel.in](mailto:cosec@indiateel.in) Website: [www.indiateel.in](http://www.indiateel.in)

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

- The Company had complied with all the mandatory requirements of SEBI (LODR), Regulations, 2015 to the extent applicable.
- Compliance with Non-Mandatory requirements as detailed below:
  - Office of the Chairman of the Board and re-imbursement of expenses by the Company.  
The Chairman of the Company, Mr. T.R Bajalia is a Non-Executive Independent Director. He was entitled to sitting fees.
  - Shareholders' Rights  
The Company's financial results are published in the newspapers and also posted on its own website.
  - Separate posts of Chairman and CEO  
The Company has a separate post of Chairman and CEO.

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

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

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

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 are freeze till the rightful owner of such shares claims the shares. Whenever the shareholders shall claim the shares, after proper verification, the share certificates will be dispatched to them or as the case may be, the shares will be credited to the beneficiary account.

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

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

For India Steel Works Limited

Sudhir H. Gupta

Varun S. Gupta

Managing Director

(DIN:00010853)

Executive Director & CFO

(DIN:02938137)

Place: Mumbai

Dated: 20 August, 2021



## CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT

As provided under Regulation 17(5) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 relating to corporate Governance with Stock Exchanges, all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year 2020-21.

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

Place: Mumbai

Dated: 20 August, 2021

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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

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## COMPLIANCE CERTIFICATE UNDER REGULATION 17(8)

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

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

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

Place: Mumbai

Dated: 20 August, 2021

**Sudhir H. Gupta**  
Managing Director  
(DIN: 00010853)

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



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Shareholders of India Steel Works Ltd.

We have reviewed the records concerning the Company's Compliance with Regulation 17 to 27 and Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges of India for the financial year beginning April 1, 2020 and ending on March 31st, 2021.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us, by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021. However the company has delayed in submission of financial results with the stock exchange for the quarter ended 30th June, 2020 and quarter ended September 2020. There was a delay in furnishing prior intimation about the meeting of the board of directors held on February 13, 2021 for Financial Results.

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

For and on behalf of  
Lakshmikant Kabra & Co.  
Chartered Accountants  
Firm registration No. 117183W

Place: Mumbai  
Dated: 20 August, 2021

[Lakshmikant Kabra]  
Partner  
Membership No. 101839  
UDIN: 21101839AAAAGT5085



## INDEPENDENT AUDITORS' REPORT

To the Members of

### INDIA STEEL WORKS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the standalone Ind AS Financial Statements of **INDIA STEEL WORKS LIMITED** which comprise the Balance Sheet as of March 31, 2021, the Statement of Profit & Loss including Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its LOSS, other comprehensive expenses, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### Emphasis of the Matter

- a. In absence of information of investee company, we are unable to determine the fair value of the investments as on reporting date. Hence the same are carried at cost and no provision for diminution, if any in value of such investments is made.
- b. No effect is given in respect of settlement deed with the creditor resulting into possible reduction in liability to the extent of Rs.77.04 crores, after taking credit of Rs.11.83 crores on the basis of the payment made before the review of the said financial results.
- c. In the absence of uncertainties of making profit in immediate future the company has decided not to create Asset/ Liability on account of Deferred Tax.
- d. Inventories have been bifurcated into current and non-current assets amounting to Rs.33.91 crores and Rs.202.77 crores respectively depending on the expected realization/ consumption of the same.
- e. The impairment in value of non-moving inventories amounting to Rs.22.48 crores is derived based on the physical verification and technical evaluation done by an independent valuer.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going Concern	Our audit procedures included
As of 31 March 2021, the Company's current liabilities exceed its current assets. Also, company is continuously incurring losses. The directors of the Company have formed a judgement that the going concern basis is appropriate in preparing the financial statements.	Going through the business planning process and assessing the design, implementation, and operating effectiveness of management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts.
As of 31 March 2021, the Company's current liabilities exceed its current assets. Also, company is continuously incurring	Going through the business planning process and assessing the design, implementation, and operating effectiveness of

<b>Going Concern</b>	<b>Our audit procedures included</b>
losses. The directors of the Company have formed a judgement that the going concern basis is appropriate in preparing the financial statements.	management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts.
The directors of the Company made their assessment of going concern by preparing a cash flow forecast in which some key assumptions were applied. These key assumptions included forecasts of sales volumes, average selling prices, raw material costs and the availability of banking and other financing facilities.	Evaluating the key assumptions in the cash flow forecasts (including future revenue, gross profit, operating expenses and capital expenditure) with reference to historical production information, current performance, internal investment and production plans, and market and other external available information,
We identified going concern as a key audit matter because a significant degree of management judgement is involved in making this assessment and in forecasting the future cash flows of the Company which are inherently uncertain and because the management judgement and _ inherently uncertainties and because the management judgement and _ inherent uncertainties could have significant impact on the basis of preparation of the financial statements and could be subject to management bias.	Considering the accuracy and reliability of cash flow forecasts made by management in prior years by comparing them with the current year's results. We also checked if any waivers were obtained from the financial institutions from which borrowings are made. Based on our procedures we noted that the key assumptions used in the forecasts were within a reasonable range of our expectations.
<b>Revenue Recognition</b>	<b>Our audit procedures to assess the recognition of revenue included the following:</b>
The Company's revenue is derived from the sale of steel products.  The Company recognizes revenue when the control is transferred to the customer. The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold.	Evaluating the design, implementation, and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue recognition.  Performed substantive test of details over revenue recognized throughout the period by selecting a sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;
We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Company.	Tested sample transactions around the period end to end sure they were recorded in the correct period; and tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.
<b>Contingent Liabilities (Note No. 35) Evaluation of uncertain tax positions</b>	<b>Our audit procedures include the following substantive procedures:</b>
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on account of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the	Obtained understanding of key uncertain tax positions and, We – <ul style="list-style-type: none"> <li>• Read and analyzed select key correspondences external legal opinions / consultations by management for key uncertain tax positions.</li> <li>• Discussed with appropriate senior management and</li> </ul>



Going Concern	Our audit procedures included
standalone financial statements. Refer Note 35 to the standalone financial statements.	<p>evaluated management's underlying key assumptions in estimating the tax provisions and</p> <ul style="list-style-type: none"> <li>• Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul>

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report including annexure to Board's report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS 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 Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

#### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone Financial Results including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India, in terms of section 143 (11) of the Companies Act, 2013, we give in the 'Annexure -A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as on year ended March 31, 2021
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report:
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit



and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements Refer Note 35 to the standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.
3. In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented by us.

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

**Place: Thane**

**Date: 20th August 2021**

**CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 21101839AAAAGQ5105**



## ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone Ind AS financial statements for the year ended March 31, 2021, we report that:

- 1.
- a) The company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
- b) According to the information and explanation given to us, the company has a regular program of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years in accordance with this program, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its business and no material discrepancies have been noticed on such physical verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovables and movable properties are held in the name of the company except certain motor vehicles having carrying value of ₹9.27 lakhs as at 31/03/2021, is held in the name of directors of company's behalf.
2. The inventories have been physically verified by the management during the year except inventories lying with the third parties and goods in transit. In respect of inventories lying with the third parties, these have been substantially confirmed by them and with respect to goods in transit subsequent goods receipts have been verified by management. In our opinion, frequency of physical verification of inventory followed by the management was reasonable in relation to the size of the company and the nature of its business. The discrepancies noticed on physical verification of the inventories have been properly dealt with in the books of account.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to company's firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Therefore, comments under clause (a), (b) and (c) are not given.
4. 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, investment and guarantee made.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. According to the information and explanation given to us, cost records were maintained by the company pursuant to the order of the Central Government under Section 148(1) of the Act.
- 7.
- a) According to the records, the Company is regular in depositing undisputed statutory dues in respect of duty of customs. However, undisputed statutory dues including income tax, employees' state insurance, provident fund, duty of excise, Goods & service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in depositing the same.
- b) According to the information and explanations given to us, and on the basis of our examination of books of accounts following amount are outstanding as at the last day of the Financial Year concerned for a period of more than six months from the date, they become payable to-

Sr. No.	Particulars	Amount in ₹
1	TDS Payable	41,81,793
2	PF & ESIC & MLWF Payable	31,87,068
3	PT Payable	3,76,475
4	Property Tax Payable	47,37,215



- c. According to the information and explanations given to us, and on the basis of our examination of books of accounts, following dues as of 31st March 2021 which have not been deposited on account of disputes-

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

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to banks and financial institute. The amount of default is as under-

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

The company did not have any outstanding dues to debenture holders during the year. Since the accounts have gone NPA, the company has stopped making provision of interest on the above outstanding borrowings.

9. During the year, the company did not raise money by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to information and explanation given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act for the year under consideration.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the IndAS financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanations given to us and based on our examinations of the records of the company, the company had not made any preferential allotment of shares during the year under review.



15. 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 them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Place: Thane**

**CA Laxmikant Kabra**

**Date: 20th August 2021**

**Partner**

**Membership No.: 101839**

**UDIN: 21101839AAAAGQ5105**



## ANNEXURE B

**Annexure referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone Ind AS financial statements.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of INDIA STEEL WORKS LIMITED (“the Company”) as of March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, 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 over financial reporting were established and maintained and whether such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

Company’s Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the



internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, however, company is required to strengthen its financial controls for obtaining balance confirmations from trade receivables and payables based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”(ICAI).

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

**Place: Thane  
Date: 20th August 2021**

**CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 21101839AAAAGQ5105**

## BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	22,968.52	23,648.29
Capital Work - In - Progress	3	-	23.52
Other Intangible Assets	3	179.72	236.41
Financial Assets			
Investments	4	217.81	217.81
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	23,780.05	23,103.12
<b>Total Non - Current Assets</b>		<b>48,266.36</b>	<b>48,349.42</b>
<b>Current Assets</b>			
Inventories	7	3,564.12	6,546.95
<b>Financial Assets</b>			
Trade Receivables	8	1,030.15	1,324.23
Cash & Cash Equivalents	9	68.07	46.15
Bank Balance other than above	10	30.34	135.80
Loans	11	86.02	104.02
Other Financial Assets	12	334.06	850.54
Other Current Assets	13	101.01	312.57
<b>Total Current Assets</b>		<b>5,213.77</b>	<b>9,320.26</b>
<b>TOTAL ASSETS</b>		<b>53,480.14</b>	<b>57,669.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	9,549.25	11,472.21
<b>Total Equity</b>		<b>13,530.06</b>	<b>15,453.02</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	2,215.15	1,200.04
Trade Payable	17	16,103.31	19,473.35
Other Financial Liabilities	18	629.27	630.05
Provisions	19	140.44	148.08
<b>Total Non - Current Liabilities</b>		<b>19,088.16</b>	<b>21,451.52</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	10,330.58	9,768.56
Trade Payables	21	8,112.96	8,907.01
Other Financial Liabilities	22	708.12	639.33
Other Current Liabilities	23	1,313.60	1,080.30
Provisions	24	396.64	369.95
<b>Total Current Liabilities</b>		<b>20,861.91</b>	<b>20,765.14</b>
<b>Total Liabilities</b>		<b>39,950.07</b>	<b>42,216.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,480.14</b>	<b>57,669.68</b>

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP

Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : THANE  
Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia  
Chairman  
DIN: 02291892

Varun S. Gupta  
Director & CFO  
DIN: 02938137

Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021 (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	25	14,385.76	13,953.76
Other Income	26	3,240.48	3,710.29
<b>Total Income</b>		<b>17,626.23</b>	<b>17,664.04</b>
<b>Expenses</b>			
Cost of Material Consumed	27	2,585.09	5,819.67
Purchase of Stock In Trade	28	9,058.21	2,957.30
Changes in Inventories of Finished Goods, WIP and Stock In Trade	29	3,797.08	1,106.27
Employee Benefit Expenses	30	584.97	1,595.61
Finance Cost	31	899.77	964.27
Depreciation and Amortization	3	759.65	1,060.87
Other Expenses	32	1,643.81	6,127.61
<b>Total Expenses</b>		<b>19,328.58</b>	<b>19,631.60</b>
<b>Profit / (Loss) Before Tax and Exceptional Item</b>		<b>-1,702.34</b>	<b>-1,967.55</b>
<b>Exceptional Item</b>	35	<b>-277.01</b>	<b>-</b>
<b>Profit / (Loss) Before Tax</b>		<b>-1,979.36</b>	<b>-1,967.55</b>
<b>Tax Expenses</b>			
Current Tax		-	(0.14)
Deferred Tax		-	-
<b>Profit / (Loss) After Tax</b>		<b>-1,979.36</b>	<b>-1,967.70</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		56.40	10.12
<b>Total Other Comprehensive Income for the year</b>		<b>56.40</b>	<b>10.12</b>
<b>Total Comprehensive Income for the year</b>		<b>-1,922.95</b>	<b>-1,957.58</b>
<b>Earnings Per Share - Basic &amp; Diluted ( )</b>		<b>(0.50)</b>	<b>(0.49)</b>

As per Our Report of Even Date Attached

For Laxmikant Kabra &amp; Co LLP

Chartered Accountants

Firm Registration No. 117183W / W100736

CA Laxmikant Kabra

Partner

Membership No.101839

Place : THANE

Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia

Chairman

DIN: 02291892

Sudhirkumar H Gupta

Managing Director

DIN: 00010853

Varun S. Gupta

Director &amp; CFO

DIN: 02938137

Dilip Maharana

Company Secretary

ACS: 23014



## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021 (Rs. in lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	-1,979.36	-1,967.55
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	759.65	1,060.87
Finance Cost	899.77	964.27
Interest Income	-26.85	-46.30
Dividend Income	-	-0.06
Non-operating income	-3,213.63	-3,663.92
<b>Operating Profit Before Changes in Working Capital</b>		
<b>Adjustment for Changes in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	294.08	612.11
(Increase) / Decrease in Inventories	2,982.82	8,551.85
(Increase) / Decrease in Other Current Financial Assets	534.48	-246.51
(Increase) / Decrease in Other Current Assets	211.56	189.04
(Increase) / Decrease in Investment	-	-4.00
(Increase) / Decrease in Other Non - Current Assets	-676.92	-8,463.15
Increase / (Decrease) in Trade Payables	-4,164.09	-1,816.44
Increase / (Decrease) in Other Current Financial Liabilities	68.79	316.23
Increase / (Decrease) in Other Current Liabilities	233.30	221.78
Increase / (Decrease) in Provisions	75.45	185.65
Increase / (Decrease) in Other Non - Financial Liabilities	-0.77	-129.33
<b>Cash Generated from Operations</b>		
Less: Taxes Paid (Net of refund received)	-4,001.71	-0.14
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>-4,001.71</b>	<b>-4,235.62</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment & Intangible Assets	-0.00	-29.19
Sale of Property, Plant & Equipment & Intangible Assets	0.33	17.58
Interest Received	26.85	46.30
Movement in other bank balances	78.61	-14.67
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>105.79</b>	<b>20.01</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Receipt of Long Term Borrowings	935.06	1,185.49
Repayment of Long Term Borrowings	80.04	528.03
Increase / (Decrease) in Short Term Borrowings	562.03	-264.31
Finance Cost	2,340.70	2,746.01
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>3,917.83</b>	<b>4,195.22</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>21.91</b>	<b>-20.39</b>
Add: Opening Balance of Cash & Cash Equivalents	46.15	66.54
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>68.07</b>	<b>46.15</b>
<b>RECONCILATION OF CASH AND CASH EQUIVALENT</b>		
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>	<b>68.07</b>	<b>46.15</b>
<b>CASH AND CASH EQUIVALENT COMPRISSES AS UNDER:</b>		
Balance with banks in current accounts	27.30	20.66
Cash on Hand	40.76	25.50
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>68.07</b>	<b>46.15</b>

As per Our Report of Even Date Attached

For Laxmikant Kabra &amp; Co LLP

Chartered Accountants

Firm Registration No. 117183W / W100736

CA Laxmikant Kabra

Partner

Membership No.101839

Place : THANE

Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia

Chairman

DIN: 02291892

Sudhirkumar H Gupta

Managing Director

DIN: 00010853

Varun S. Gupta

Director &amp; CFO

DIN: 02938137

Dilip Maharana

Company Secretary

ACS: 23014

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021****A. Equity Share Capital**

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
<b>Balance as the beginning of the reporting year</b>	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Changes in Equity Capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

**B. Other Equity**

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as on April 01, 2019</b>	500.00	18,019.38	4,451.30	2,040.00	-11,580.90 -1,967.70	<b>13,429.79 -1,967.70</b>
Profit / (Loss) for the year	-	-	-	-	10.12	<b>10.12</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans						
<b>As at March 31, 2020</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-13,538.48</b>	<b>11,472.21</b>
Profit / (Loss) for the year					-1,979.36	<b>-1,979.36</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					56.40	<b>56.40</b>
<b>As at March 31, 2021</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-15,461.43</b>	<b>9,549.25</b>

## Notes to Standalone Financial Statement as on March 31, 2021

### 1 CORPORATE INFORMATION

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

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

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 BASIS FOR PREPARATION OF ACCOUNTS

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

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

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

These standalone financial statements are approved for issue by the Company's Board of Directors on August 20, 2021.

#### 2.2 KEY ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

#### 2.3 REVENUErecognition

##### a) Sale of Goods

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

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

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

##### b) Rendering of services

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

### 2.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

### 2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

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

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

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

### 2.7 DEPRECIATION AND AMORTISATION

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

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

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

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

Asset	Amortisation period
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

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

### 2.8 FINANCIAL INSTRUMENTS

#### I. Financial Assets

##### a) Classification of financial assets

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

##### i) Debt instrument at amortised cost:



## Notes to Standalone Financial Statement as on March 31, 2021

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

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

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

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

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

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

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

iv) Equity investments:

Investment in associates are accounted using equity method.

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

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

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

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

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

b) Initial recognition and measurement

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

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

## Notes to Standalone Financial Statement as on March 31, 2021

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

### c) Derecognition of financial assets

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

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

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

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

### d) Impairment of financial assets

"In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

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

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

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable.

The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

## II. Financial Liabilities and equity instruments

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

### a) Equity instruments:

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

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

### b) Financial liabilities :- Classification

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

### c) Initial recognition and measurement:

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

d) Derecognition

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

### III. Fair Value

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

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

### IV. Accounting for day 1 differences

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

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

In case difference represents :

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

### 2.9 INVENTORIES

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

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

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

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

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

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

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

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

### 2.10 BORROWING COSTS

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

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

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

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

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

### 2.11 EMPLOYEE BENEFITS

#### a) Short term employee benefit obligations

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

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

##### i) Compensated absences

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

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

#### c) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

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

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

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

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

### Defined Contribution Plans

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

## 2.12 ACCOUNTING FOR TAXES ON INCOME

### a) Income Taxes

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

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

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

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

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

### b) Deferred Taxes

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

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

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

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

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

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

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

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

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

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

### 2.13 PROVISIONS AND CONTINGENT LIABILITIES

#### a) Provisions

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

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

#### b) Contingent Liability

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

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

### 2.14 EARNING PER SHARE

#### Basic Earnings Per Share

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

### 2.15 CASH AND CASH EQUIVALENTS

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

### 2.16 STATEMENT OF CASH FLOWS

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

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

### 2.17 DIVIDEND

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

### 2.18 ROUNDING OFF

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

### 2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

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

### 2.20 EXCEPTIONAL ITEMS

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

### 2.21 OPERATING CYCLE

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

### 2.22 SEGMENT REPORTING

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

### 2.23 LEASES

"At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

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



## Notes to Standalone Financial Statement as on March 31, 2021

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

### a) Company as a Lessee

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

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

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

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

#### Lease liability:

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

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

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

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

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

### b) Company as a Lessor

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

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

## 2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE

### Indian Accounting Standards:

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



## Notes to Standalone Financial Statement as on March 31, 2021

### Schedule III of the Companies Act 2013:

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

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

#### Balance Sheet:

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

#### Statement of profit and loss:

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

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

## Notes forming part of the financial statements

### NOTE 3: PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year On Deductions	
<b>(A) TANGIBLE ASSETS</b>							
Land - Freehold	7,541.92	23.52	-	7,565.44	-	-	7,565.44
Factory Buildings	2,519.86	-	-	2,519.86	555.65	63.13	1,901.08
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	3,955.22	596.59	13,156.26
Furniture & Fixture	190.33	-	-	190.33	63.95	15.72	79.67
Vehicles	187.01	-	5.64	181.37	67.26	19.68	5.31
Office Equipments	46.30	-	-	46.30	26.70	7.84	-
Computers							34.54
<b>Total - Tangible Assets</b>	<b>28,328.87</b>	<b>23.52</b>	<b>5.64</b>	<b>28,346.75</b>	<b>4,680.58</b>	<b>702.96</b>	<b>5.31</b>
<b>(B) Capital Work In Progress</b>							
Capital Work In Progress	23.52	-	23.52	-	-	-	-
<b>Total - Capital Work in Progress</b>	<b>23.52</b>	<b>-</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(C) INTANGIBLE ASSETS</b>							
Softwares	358.81	-	-	358.81	122.40	56.69	-
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>122.40</b>	<b>56.69</b>	<b>-</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>28,711.20</b>	<b>23.52</b>	<b>29.16</b>	<b>28,705.56</b>	<b>4,802.98</b>	<b>759.65</b>	<b>5.31</b>
<b>Previous Year's Total</b>							

- i. Motor Vechical includes Rs.10.98 lakhs is in the name of one of the directors of the company
- ii. Refer Note No. 16 & 20 for assets provided as security.

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

(Rs. in Lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK
	As At April 01, 2019	Additions / Transfers	Deductions	As At March 31, 2020	As At April 01, 2019	For The Year On Deductions	
<b>(A) TANGIBLE ASSETS</b>							
Land - Freehold	7,529.22	12.70	-	7,541.92	-	-	7,541.92
Factory Buildings	2,519.86	-	-	2,519.86	422.92	132.73	1,964.21
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	123.57
Plant & Machinery	17,710.13	16.49	18.54	17,708.08	3,134.49	823.94	13,752.86
Furniture & Fixture	190.33	-	-	190.33	48.18	15.77	63.95
Vehicles	198.30	-	11.29	187.01	54.59	21.72	9.04
Office Equipments	46.30	-	-	46.30	17.01	9.69	-
<b>Total - Tangible Assets</b>	<b>28,329.51</b>	<b>29.19</b>	<b>29.83</b>	<b>28,328.87</b>	<b>3,688.98</b>	<b>1,003.85</b>	<b>12.25</b>
<b>(B) Capital Work In Progress</b>							
Capital Work In Progress	23.52	-	-	23.52	-	-	23.52
<b>Total - Capital Work In Progress</b>	<b>23.52</b>			<b>23.52</b>			<b>23.52</b>
<b>(C) INTANGIBLE ASSETS</b>							
Software Licenses	358.81	-	-	358.81	65.38	57.02	122.40
<b>Total - Intangible Assets</b>	<b>358.81</b>			<b>358.81</b>	<b>65.38</b>	<b>57.02</b>	<b>122.40</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>28,711.84</b>	<b>29.19</b>	<b>29.83</b>	<b>28,711.20</b>	<b>3,754.36</b>	<b>1,060.87</b>	<b>12.25</b>
i.	Motor Vechical includes Rs.10.98 lakhs is in the name of one of the directors of the company						
ii.	Refer Note No. 16 & 20 for assets provided as security.						

**Notes forming part of the financial statements****NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)**

(Rs. in lakhs)

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Investment in Equity Instruments</b>				
<b>Others (Unquoted At Cost)</b>				
Sai Wradha Power Ltd. (Refer Note No. 1 (2.8) )	21,22,764	212.28	21,22,764	212.28
Dombivli Nagari Sahakari Bank Ltd.	5,330	0.53	5,330	0.53
Indinox Steels Private Limited (Subsidiary)	50,000	5.00	50,000	5.00
<b>TOTAL</b>		<b>217.81</b>		<b>217.81</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>217.81</b>		<b>217.81</b>
<b>Aggregate amount of impairment in value of Investments</b>		-		-

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Insurance Claim Receivable	1,120.27	1,120.27
<b>TOTAL</b>	<b>1,120.27</b>	<b>1,120.27</b>

The company had filed insurance claim for Rs.77.24 cr for a fire incident happened in 2008. The surveyor assessed the claim at Rs.43.78 cr. The insurance company has paid 24.97 cr. The company has filed petition in National Consumer Disputes Redressal Commission (NCDRC) for the balance claim of Rs. 18.79 cr along with applicable interest from 2008 onwards. As a matter of abundant caution the company has provided for 60% of the balance principal as assessed by the surveyor. Appropriate effect would be provided in the books upon final resolution of the claim by National Consumer Disputes Redressal Commission (NCDRC).

**NOTE 6: OTHER NON-CURRENT ASSETS**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Advances other than capital advances</b>		
Security Deposits	342.09	342.09
Balances with Govt. Authorities under litigation	332.19	332.19
<b>Inventory**</b>		
Raw materials	4,871.56	3,400.65
Work-in-progress	14,282.70	14,704.83
Finished goods	28.24	31.38
Stock in Trade	679.11	754.57
Stores and Spares	374.09	415.65
Advance to Suppliers / Expenses***	561.93	565.88
Export Incentive Receivable	-	1.75
TDS Receivable	137.27	323.94
TCS Receivable	4.71	-
	<b>21,613.88</b>	<b>20,872.92</b>
<b>Trade Receivables****</b>		
Unsecured - Considered Good	2,166.16	2,230.21
Unsecured Considered for Doubtful	-	-
	<b>2,166.16</b>	<b>2,230.21</b>
Less :- Allowance for unsecured doubtful debts	-	-
	<b>2,166.16</b>	<b>2,230.21</b>
<b>TOTAL</b>	<b>23,780.05</b>	<b>23,103.12</b>



## Notes forming part of the financial statements

\*\* Non current assets are valued at Net Realisable Value (NRV) or cost whichever is lower. Raw Material valued at cost.

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

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

### NOTE 7: INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At Lower of Cost or Net Realisable Value		
Raw Materials	2,154.87	1,786.74
Raw Materials - Goods in Transit	-	84.12
Work in Process	29.52	3,304.88
Finished Goods	844.33	927.10
Stock in Trade (Trading)	111.49	49.72
Stores and Spares	423.91	394.39
<b>TOTAL</b>	<b>3,564.12</b>	<b>6,546.95</b>

#### Notes :-

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

### NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Unsecured - Considered Good	1,030.15	1,324.23
Unsecured Considered for Doubtful	1,878.83	1,678.83
	2,908.98	3,003.06
Less :- Allowance for unsecured doubtful debts	-1,878.83	-1,678.83
<b>TOTAL</b>	<b>1,030.15</b>	<b>1,324.23</b>

#### Notes :-

- i. Trade Receivables have been given as collateral towards borrowing details relating to which has been described in Note No. 20.
- ii. Refer Note No.41 for Related party balances.
- iii. Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.

### NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in Current Accounts	27.30	20.66
Cash on Hand	40.76	25.50
<b>TOTAL</b>	<b>68.07</b>	<b>46.15</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits due to mature within 12 months of reporting date*	30.34	29.02
Margin Money for Letter of Credit	-	106.78
<b>TOTAL</b>	<b>30.34</b>	<b>135.80</b>

Notes : Fixed Deposit of Rs. 30.34 lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 29.02 lakhs ) have been earmarked by bank against guarantee issued for Maharashtra Pollution Control Board (MPCB).

**Notes forming part of the financial statements****NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Loans to Employees	86.02	104.02
<b>TOTAL</b>	<b>86.02</b>	<b>104.02</b>

**NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Receivable	13.38	23.52
Security Deposits	274.14	253.26
Deposit to Related Party	46.54	46.54
Insurance Claim Receivable	-	527.23
<b>TOTAL</b>	<b>334.06</b>	<b>850.54</b>

**NOTE 13: OTHER CURRENT ASSETS**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	-	87.04
Advances other than capital advances		
Advance to Employees	-	18.72
Advance to Suppliers / Expenses**	43.31	158.17
Others		
Prepaid expenses	19.76	24.14
Balances with Excise, VAT and GST Authorities	24.72	10.56
FMS / FPS / MEIS Licence	-	0.07
Job Work Charges Accrued on Finish Goods	11.78	12.70
TDS Receivable from NBFC	1.45	1.18
<b>TOTAL</b>	<b>101.01</b>	<b>312.57</b>

\*\* Includes related party refer Note No. 43.

**NOTE 14: EQUITY SHARE CAPITAL**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
Equity shares of Re 1/- each with equal voting rights	4,200.00	4,200.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>4,200.00</b>	<b>4,200.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
Equity shares of Re 1/- each with equal voting rights	3,980.81	3,980.81
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>3,980.81</b>	<b>3,980.81</b>

**Notes forming part of the financial statements****a) Reconciliation of the number of shares outstanding :**

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
Shares at the beginning	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Shares Issued	-	-	-	-
Less: Shares Forfeited / buyback	-	-	-	-
<b>Shares at the end</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

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

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

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

Name of the Shareholder	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	%	No. of Shares	%
Equity shares with voting rights :-				
Indiasteel International P.Ltd.	4,56,34,150	11.46%	4,56,34,150	11.46%
TB Investments Ltd.	2,70,00,000	6.78%	2,70,00,000	6.78%
" Metal Industrial Pte Ltd (Formerly known as ""UD Industrial Holding Pte Ltd."") "	9,04,58,196	22.72%	9,04,58,196	22.72%
Khamgaon Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
Yeotmal Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
<b>TOTAL</b>	<b>25,03,92,346</b>	<b>62.90%</b>	<b>25,03,92,346</b>	<b>62.90%</b>

**NOTE 15: OTHER EQUITY**

(Rs. in lakhs)

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

**Nature and Purpose of the Reserves:-****Capital Share Redemption Reserve**

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

**Securities Premium**

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



## Notes forming part of the financial statements

### Capital Reserve

The Capital reserve was created to recognise the gain due to CDR scheme to the extent of Rs.44.51 cr approved by Asset Reconstruction Company of India Ltd. as on 31st March 2008 and gain due to increase in the value of Tangible assets of Rs.74.13 cr as on 31st March 2015 and same was transferred to retained earnings.

### General Reserve

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

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
Term Loans		
Banks	94.59	14.55
	94.59	14.55
<b>UNSECURED :</b>		
Loans from Related Party	2,120.55	1,185.49
	2,120.55	1,185.49
<b>TOTAL</b>	<b>2,215.15</b>	<b>1,200.04</b>

### Notes :-

#### A Term Loans Banks :-

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

#### B Unsecured Loan :-

- 1 Unsecured Loan from Related Parties does not have a definite repayment schedule and is repayable at the option of the company. Interest rate for above loans are range between 0.00% to 12.00 %

## NOTE 17: NON-CURRENT TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Long term creditors**	16,103.31	19,473.35
<b>TOTAL</b>	<b>16,103.31</b>	<b>19,473.35</b>

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

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Interest accrued but not due on borrowings	629.27	630.05
<b>TOTAL</b>	<b>629.27</b>	<b>630.05</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity	139.65	116.61
Compensated absences	0.79	31.47
<b>TOTAL</b>	<b>140.44</b>	<b>148.08</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	2,512.51	2,364.39
Letter of Credit	614.35	975.16
Term Loan - FITL	188.94	-
Term Loan - Financial Institutions (NBFC)	11.19	10.41
	<b>3,326.99</b>	<b>3,349.97</b>
<b>UNSECURED :</b>		
Loans from Others	585.00	-
Preference Shares	6,418.59	6,418.59
	7,003.59	6,418.59
<b>TOTAL</b>	<b>10,330.58</b>	<b>9,768.56</b>

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

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



## Notes forming part of the financial statements

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

- 1 Loans from Kotak Mahindra Prime Ltd. @ 9.75% p.a. interest are secured against hypothecation of motor vehicles. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
- 2 Loans from Sundaram Finance Ltd. @ 7.10% p.a. interest are secured against hypothecation of komatsu hydraulic excavator machine. However the company has defaulted in repaying the same as per the agreed sanctioned terms.

### C Unsecured Loan :-

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

### D Preference Shares :-

#### a) Details of Preference Shares

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

#### b) Terms of Issue of Preference Shares

- i) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- ii) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iii) 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iv) The company is in the negotiations with the preference shareholders for revised terms of redemption.
- v) Interest accrued but not due includes proposed dividend payable on cumulative redeemable preference shares. As the company is in a process of negotiation with the said preference shareholder for revised terms of redemption, no provision for dividend has been made.

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

Name of the Shareholder	As at 31st March , 2021		As at 31st March , 2020	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Preference shares without voting rights				
IDBI Ltd.	3,75,47,800	58.50%	3,75,47,800	58.50%
Bank of Baroda (Previously Known as Punjab & Sind Bank)	1,21,38,000	18.91%	1,21,38,000	18.91%
Punjab National Bank (Previously known as Oriental Bank of Commerce)	56,98,413	8.88%	56,98,413	8.88%
<b>TOTAL</b>	<b>5,53,84,213</b>	<b>86.29%</b>	<b>5,53,84,213</b>	<b>86.29%</b>

**Notes forming part of the financial statements****NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	8,112.96	8,907.01
<b>TOTAL</b>	<b>8,112.96</b>	<b>8,907.01</b>

**Notes :-**

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2021 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustment if any, may be made when the accounts are settled
- iii. Trade Payables Includes related party refer Note No. 41.

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued**	254.50	55.38
Others		
Creditors for Capital Goods	50.28	205.25
Employee Benefits payables	403.34	378.70
<b>TOTAL</b>	<b>708.12</b>	<b>639.33</b>

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

**NOTE 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customer**	1,126.33	811.92
Cheque Issued but not cleared	-	114.84
Statutory Liabilities***	187.27	153.54
<b>TOTAL</b>	<b>1,313.60</b>	<b>1,080.30</b>

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

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

**NOTE 24: PROVISIONS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Bonus	37.49	37.17
Compensated absences	3.97	18.11
Gratuity	40.67	44.76
	82.13	100.04
<b>Others Provision</b>		
Provision for expenses	314.51	269.91
	314.51	269.91
<b>TOTAL</b>	<b>396.64</b>	<b>369.95</b>

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

**Notes forming part of the financial statements****NOTE 25: REVENUE FROM OPERATIONS**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Revenue from Customers</b>		
Sale of Products	13,301.83	8,281.19
Sale of Services	1,048.30	5,648.49
<b>Other Operating Income</b>		
Sale of Scrap	35.63	24.08
<b>TOTAL</b>	<b><u>14,385.76</u></b>	<b><u>13,953.76</u></b>

**NOTE 26: OTHER INCOME**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income	26.85	46.30
Dividend Income	-	0.06
Unclaimed liabilities written back	3,213.63	3,663.92
<b>TOTAL</b>	<b><u>3,240.48</u></b>	<b><u>3,710.29</u></b>

**NOTE 27: COST OF MATERIALS CONSUMED**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw Material Stores / Spares / Material Consumed	2,585.09	6,225.50
Less:- Insurance Claim	-	-405.84
<b>TOTAL</b>	<b><u>2,585.09</u></b>	<b><u>5,819.67</u></b>

**NOTE 28: PURCHASE OF STOCK IN TRADE**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Stock in Trade	9,058.21	2,957.30
<b>TOTAL</b>	<b><u>9,058.21</u></b>	<b><u>2,957.30</u></b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Opening Stocks :</b>		
Finished Goods	958.47	1,992.40
Work in Progress	18,009.71	18,077.54
Stock In Trade	804.29	808.81
<b>Less : Closing Stocks :</b>		
Finished Goods	872.57	958.47
Work in Progress	14,312.22	18,009.71
Stock In Trade	790.60	804.29
<b>NET CHANGE IN INVENTORIES</b>	<b><u>3,797.08</u></b>	<b><u>1,106.27</u></b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages and Bonus	436.21	1,319.81
Directors Remuneration	47.14	91.39
Contribution to Provident and Other Funds	13.37	35.65
Gratuity Expenses (Refer Note No. 40)	23.25	21.10
Leave Encashment Expenses (Refer Note No. 40)	7.28	41.64
Staff Welfare Expenses	57.73	102.74
Less:- Insurance Claim	-	-16.72
<b>TOTAL</b>	<b>584.97</b>	<b>1,595.61</b>

**NOTE 31: FINANCE COST**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Expense		
On Borrowings	819.95	832.02
Others (Including Interest on delay / deferred payment)	73.15	27.49
Dividend on redeemable preference shares	-	1.58
Bank and other finance charges	6.67	103.18
<b>TOTAL</b>	<b>899.77</b>	<b>964.27</b>

**NOTE 32: OTHER EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Power, Fuel and Utilities	1,268.77	3,658.98
Processing Charges	108.68	561.40
Hire Charges	-	1.32
Water Charges	2.24	9.77
Repairs to Building	-	30.84
Repairs to Plant and Machinery	10.72	40.57
Other Repairs	0.12	4.67
Packing Materials	4.50	27.86
Commission & Brokerage	5.75	9.23
Exhibition Expenses	-	21.77
Sales Promotion	0.42	4.91
Other Selling Expenses	-	0.58
Outward Freight Charges	5.92	20.10
Bad Debts Written off net of provisions	237.43	452.59
Impairment of other financial asset	-	55.90
Travelling and Conveyance	6.03	116.02
Communication Expenses	6.41	10.07
Insurance Charges	88.05	48.09
Rates and Taxes	178.72	183.01
Legal and Professional Fees	83.93	141.13

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Printing & Stationery	0.31	6.05
Service Charges	3.53	2.93
Directors Sitting Fees	1.90	1.69
Motor Vehicle Expenses	7.63	48.63
VAT / DBK / MEIS Expenses W.off	3.68	-
Loss on Sale of Fixed Assets	-0.29	6.05
CSR Expenses	-	0.16
Payment to Auditors		
- Audit Fees	8.00	8.00
Foreign Exchange Fluctuation (Net)	13.84	610.65
Miscellaneous Expenses	97.53	149.16
Less:- Insurance Claim	-500.00	-104.49
<b>TOTAL</b>	<b>1,643.81</b>	<b>6,127.61</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the company/disputed liabilities but not acknowledged as debts	2,674.37	2,661.44
Excise/Customs Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	1,038.31	1,038.31
Sales Tax matters - Disputed	160.11	160.11
Income Tax matters - Disputed	214.58	-
Property Tax Disputed	471.07	402.19
Bank Guarantee	1.40	1.40
Letter of Credit	-	976.43
Disputed Interest on Overdue Letter of Credit	78.27	-
Disputed Liability of Suppliers	3,925.08	923.00
Disputed GST Liability	39.83	-
Material Claim	91.42	217.48

**Notes :-**

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

**Notes forming part of the financial statements****B. COMMITMENTS**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account & not provided for**	-	5.00
<b>Net Capital Commitments</b>	<b>-</b>	<b>5.00</b>

\*\* As certified by Management.

**NOTE 34: CORPORATE SOCIAL RESPONSIBILITY**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:		
Construction / Acquisition of any Asset		
On purposes other than (1) above	-	0.16
<b>Total Paid</b>	<b>-</b>	<b>0.16</b>
<b>Gross Total</b>	<b>-</b>	<b>0.16</b>

**NOTE 35: EXCEPTIONAL ITEMS**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Insurance Claim written off**	277.01	-

\*\*Exceptional Items represents Insurance Claim Write off Rs.277.01 lakhs not receivable.

**NOTE 36: EARNINGS PER SHARE**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(1,979.36)	(1,967.70)
Weighted Average No. of Equity Shares for of Face Value ₹1 each	39,80,80,925	39,80,80,925
<b>Earnings Per Share - Basic</b>	<b>(0.50)</b>	<b>(0.49)</b>



## Notes forming part of the financial statements

### NOTE 37: CAPITAL MANAGEMENT

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Total interest bearing financial liabilities	13,429.51	11,654.02
Less : Cash and Cash Equivalents	68.07	46.15
<b>Adjusted Net Debt</b>	<b>13,361.44</b>	<b>11,607.87</b>
Total Equity	13,530.06	15,453.02
<b>Adjusted Equity</b>	<b>13,530.06</b>	<b>15,453.02</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>0.99</b>	<b>0.75</b>

### NOTE 38: FINANCIAL RISK MANAGEMENT AND POLICIES

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

#### (a) Market Risk:-

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

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

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

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

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

#### Exposure to interest rate risk

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	12,545.73	10,968.60
<b>Total</b>	<b>12,545.73</b>	<b>10,968.60</b>



## Notes forming part of the financial statements

### Sensitivity analysis to interest rate risk

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

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

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

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

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

#### Exposure to Currency risk

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

Foreign Currency in lakhs

Particulars	Foreign Currency	As at March 31, 2021	As at March 31, 2020
Financial Assets			
Trade and other receivables	USD	47.86	47.86
Financial Liabilities			
Trade and other payables	USD EURO	152.79 27.20	160.43 27.20

#### Sensitivity analysis to currency risk

Foreign Currency	As at 31st March , 2021		As at 31st March , 2020	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	-230.45	230.45	-254.53	254.53
EURO	-69.92	69.92	-67.80	67.80
<b>Total</b>	<b>-300.37</b>	<b>-305.06</b>	<b>-322.32</b>	<b>322.32</b>

#### (b) Credit Risk

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

#### Trade Receivables

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

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



## Notes forming part of the financial statements

### Expected credit loss for trade receivable:

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

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

Particulars	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Opening balance of expected loss provision</b>	<b>1,678.83</b>	<b>1,226.24</b>
Add : Provisions made (net)	200.00	452.59
Less : Utilisation for impairment / de-recognition	-	-
<b>Closing balance</b>	<b>1,878.83</b>	<b>1,678.83</b>

### Other Financial Assets

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

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

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

The Company's maximum exposure to credit risk as at 31st March, 2021 and 31st March, 2020 is the carrying value of each class of financial assets.

### (c) Liquidity Risk

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

### Exposure to Liquidity Risk

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

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

(Rs. in lakhs)

Name of the Shareholder	As at 31st March , 2021		As at 31st March , 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	2,215.15	-	1,200.04
Interest accrued but not due on borrowings	629.27	-	630.05	-
Working Capital Loans from Banks	3,326.99	-	3,349.97	-
Loans from Others / Preference Share Capital	7,003.59	-	6,418.59	-
Trade Payables	8,112.96	16,103.31	8,907.01	19,473.35
Other Financial Liabilities	708.12	-	639.33	-
	<b>19,780.94</b>	<b>18,318.45</b>	<b>19,944.94</b>	<b>20,673.39</b>



## Notes forming part of the financial statements

### (d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 16 and Refer Note No. 20 for the detailed terms and conditions of the collaterals pledged.

## NOTE 39: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### A. Classification of Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>		
At amortised Cost		
Investments	217.81	217.81
Loans	86.02	104.02
Trade Receivables	1,030.15	1,324.23
Cash & Cash Equivalents	68.07	46.15
Other Bank Balances	30.34	135.80
Other Financial Assets	1,454.33	1,970.81
<b>Total Financial Assets</b>	<b>2,886.72</b>	<b>3,798.82</b>
<b>Financial Liabilities</b>		
At amortised Cost		
Borrowings	12,545.73	10,968.60
Trade Payable	24,216.26	28,380.36
Other Financial Liabilities	1,337.40	1,269.38
<b>Total</b>	<b>38,099.39</b>	<b>40,618.33</b>

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

## NOTE 40: EMPLOYEE BENEFITS

### Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits", in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2021.

### (A) Details of defined benefit obligation and plan assets

#### (a) Retiring Gratuity

##### I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Current Service Cost	13.21	12.15
Interest Cost	10.04	8.95
Actuarial (Gain)/Loss	-4.31	21.75
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>18.94</b>	<b>42.84</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Present value of Funded Obligation	180.32	161.38
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b><u>-180.32</u></b>	<b><u>-161.38</u></b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	161.38	140.37
Current Service Cost	13.21	12.15
Interest Cost	10.04	8.95
Actuarial (Gain)/Loss	-4.31	21.75
Benefit Paid	-	-21.84
<b>Closing Balance of Present Value of Obligation</b>	<b><u>180.32</u></b>	<b><u>161.38</u></b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	21.84
Benefit Paid	-	-21.84
<b>Fair Value of Plan Assets as at 31st March</b>	<b><u>-</u></b>	<b><u>-</u></b>

**V Actuarial Assumption**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Discount Rate (Per Annum)	5.70%	6.22%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Not applicable since the company has Nil Plan assets

**Notes forming part of the financial statements****VII Movement in net liability recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Net Opening Liability	161.38	140.37
Employer expenses as above	23.25	21.10
Contribution paid	-	-21.84
Other Comprehensive Income (OCI)	-4.31	21.75
<b>Closing Net Liability</b>	<b>180.32</b>	<b>161.38</b>

**VIII Gratuity - Sensitivity Analysis**

(Rs. in lakhs)

Name of the Shareholder	31st March , 2021		31st March , 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	188.90	172.41	168.37	154.92
Discount Rate (1% movement)	172.06	189.46	154.66	168.78

**(b) Compensated Absences****I Components of Employer Expenses**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Current Service Cost	4.19	31.78
Interest Cost	3.08	3.31
Actuarial (Gain)/Loss	52.09	-31.87
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-44.82</b>	<b>3.22</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Present value of Funded Obligation	4.75	49.57
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>4.75</b>	<b>49.57</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	49.57	49.41
Current Service Cost	4.19	31.78
Interest Cost	3.08	3.31
Actuarial (Gain)/Loss	-52.09	-31.87
Benefit Paid	-	-3.05
<b>Closing Balance of Present Value of Obligation</b>	<b>4.75</b>	<b>49.57</b>

**Notes forming part of the financial statements****IV Changes in the Fair Value of Plan Assets**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	3.05
Benefit Paid	-	-3.05
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

**V Actuarial Assumption**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Discount Rate (Per Annum)	5.70%	6.22%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Not applicable since the company has Nil Plan assets

**VII Movement in net liability recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Net Opening Liability	49.57	49.41
Employer expenses as above	7.28	35.09
Contribution paid	-	-3.05
Other Comprehensive Income (OCI)	-52.09	-31.87
<b>Closing Net Liability</b>	<b>4.75</b>	<b>49.57</b>

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

(Rs. in lakhs)

Name of the Shareholder	31st March , 2021		31st March , 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	4.80	4.71	51.57	47.74
Discount Rate (1% movement)	4.71	4.81	47.66	51.70

**(B) Defined Contribution Plans**

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - 13.37 Lakhs (Previous year 35.65 Lakhs)

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

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

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

01. Mr.Sudhir H Gupta
02. Mr.Varun S.Gupta
03. Mr.Dipak Gaur

**Independent Directors :**

01. Mr.T R Bajalia
02. Mr.Bimal Desai
03. Mrs.Kavita Joshi
04. Mrs.Riddhi Shah

**Company Secretary :**

01. Mr.Dilip Maharana (Effective Dt. 31.07.2020)
02. Mrs.Dipti Vartak (Resigned Dt. 04.03.2020)

**Notes forming part of the financial statements****C Subsidiary :**

01. Indinox Steels Private Limited

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	4,706.34	4,207.80	-	-	4,706.34	4,207.80
LeapIndia Brandhub Pvt. Ltd.	51.12	112.47	-	-	51.12	112.47
Purchase of Plant & Machinery						
Isinox Limited	-	19.46	-	-	-	19.46
<b>Total</b>	<b>4,757.46</b>	<b>4,339.73</b>	<b>-</b>	<b>-</b>	<b>4,757.46</b>	<b>4,339.73</b>
<b>SALES</b>						
Sale of Goods						
Isinox Limited	4,228.16	8,442.90	-	-	4,228.16	8,442.90
LeapIndia Brandhub Pvt. Ltd.	412.49	307.65	-	-	412.49	307.65
Sale of Plant & Machinery						
Isinox Limited	-	11.80	-	-	-	11.80
<b>Total</b>	<b>4,640.65</b>	<b>8,762.35</b>	<b>-</b>	<b>-</b>	<b>4,640.65</b>	<b>8,762.35</b>
<b>LICENCE FEES</b>						
Licence Fees Paid						
Isinox Limited	169.92	169.92	-	-	169.92	169.92
Rent Paid						
ISL Global PTE Ltd.	-	5.93	-	-	-	5.93
<b>Total</b>	<b>169.92</b>	<b>175.85</b>	<b>-</b>	<b>-</b>	<b>169.92</b>	<b>175.85</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	566.77	4,573.97	-	-	566.77	4,573.97
LeapIndia Brandhub Pvt. Ltd.	36.90	201.22	-	-	36.90	201.22
<b>Total</b>	<b>603.66</b>	<b>4,775.19</b>	<b>-</b>	<b>-</b>	<b>603.66</b>	<b>4,775.19</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	26.04	47.71	-	-	26.04	47.71
<b>Total</b>	<b>26.04</b>	<b>47.71</b>	<b>-</b>	<b>-</b>	<b>26.04</b>	<b>47.71</b>
<b>Other Income</b>						
Isinox Limited	27.94	28.32	-	-	27.94	28.32
<b>Total</b>	<b>27.94</b>	<b>28.32</b>	<b>-</b>	<b>-</b>	<b>27.94</b>	<b>28.32</b>
<b>INTEREST EXPENSES</b>						
Isinox Limited	185.78	28.65	-	-	185.78	28.65
Level Enterprises LLP	-	32.88	-	-	-	32.88
Gupta Housing Pvt. Ltd.	9.77	-	-	-	9.77	-
<b>Total</b>	<b>195.55</b>	<b>61.53</b>	<b>-</b>	<b>-</b>	<b>195.55</b>	<b>61.53</b>
<b>REMBURSEMENT OF EXPENSES</b>						
ISL Global PTE Ltd.	-	4.27	-	-	-	4.27
<b>Total</b>	<b>-</b>	<b>4.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.27</b>



## Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant influence		Key Management Personnel		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Ashwin H. Gupta			-	5.27	-	5.27
Mr.Sudhir H Gupta			11.97	25.84	11.97	25.84
Mr.Varun S.Gupta			11.13	23.20	11.13	23.20
Mr.Dipak Gaur			24.03	37.08	24.03	37.08
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mrs.Dipti Vartak			-	11.51	-	11.51
Mr.Dilip Maharana			5.91	-	5.91	-
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			6.60	-	6.60	-
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			0.25	0.32	0.25	0.32
Mr.T.R.Bajalia			0.72	0.44	0.72	0.44
Mrs. Kavita Joshi			0.60	0.57	0.60	0.57
Mrs. Riddhi Shah			0.34	0.36	0.34	0.36
<b>Total</b>	<b>-</b>	<b>-</b>	<b>61.54</b>	<b>104.59</b>	<b>61.54</b>	<b>104.59</b>
<b>OUTSTANDING BALANCES</b>						
<b>RECEIVABLES</b>						
ISL Global PTE Ltd.	679.33	699.49	-	-	679.33	699.49
Isisales India Pvt. Ltd.	383.53	420.53	-	-	383.53	420.53
Leapindia Brandhub Services Pvt Ltd	17.65	2.99			17.65	2.99
<b>Total</b>	<b>1,080.51</b>	<b>1,123.01</b>	<b>-</b>	<b>-</b>	<b>1,080.51</b>	<b>1,123.01</b>
<b>PAYABLES</b>						
Inoxware P.Ltd.	3.68	3.68	-	-	3.68	3.68
Isinox Limited	5,970.73	7,125.51	-	-	5,970.73	7,125.51
<b>Total</b>	<b>5,974.40</b>	<b>7,129.19</b>	<b>-</b>	<b>-</b>	<b>5,974.40</b>	<b>7,129.19</b>
<b>DEPOSITS</b>						
India Steel Industries	46.54	46.54	-	-	46.54	46.54
<b>Total</b>	<b>46.54</b>	<b>46.54</b>	<b>-</b>	<b>-</b>	<b>46.54</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,822.01	1,185.49	-	-	1,822.01	1,185.49
Gupta Housing Pvt. Ltd.	228.54	-	-	-	228.54	-
SPV Family Trust	50.00	-	-	-	50.00	-
Level Construction Pvt.Ltd.						
(Emgee Homes)	20.00	-	-	-	20.00	-
<b>Total</b>	<b>2,120.55</b>	<b>1,185.49</b>	<b>-</b>	<b>-</b>	<b>2,120.55</b>	<b>1,185.49</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	25.79	-	-	197.63	25.79
Gupta Housing Pvt. Ltd.	9.04	-	-	-	9.04	-
<b>Total</b>	<b>206.67</b>	<b>25.79</b>	<b>-</b>	<b>-</b>	<b>206.67</b>	<b>25.79</b>



## Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence	Key Management Personnel		Total	
		31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>ADVANCE RECEIVED FROM CUSTOMER</b>					
Level Enterprises LLP	1,052.59	758.00	-	-	1,052.59
<b>Total</b>	<b>1,052.59</b>	<b>758.00</b>	<b>-</b>	<b>-</b>	<b>1,052.59</b>
<b>ADVANCE TO SUPPLIERS</b>					
Indinox Pvt Ltd.	0.07	-	-	-	0.07
<b>Total</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.07</b>

## Notes:-

- (a) Related party relationship is identified by the management and relied upon by the auditors.
- (b) Amount in respect of related parties have been made provisions for doubtful debts of Rs.383.53 lakhs.
- (c) Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key management Personnel.

**42** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

Party	Purpose of loan utilisation	Loan given during the year	Outstanding loan amount
India Steel Industry Deposit	Business Purpose	-	46.54
Others	Business Purpose	-	0.01
Loans to Employees	Staff Welfare	-	86.02

**43 Segment Information :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

**44 Impact of COVID-19**

Covid-19 virus has impacted the entire global economy severely, resulting into many restrictions, including free movement of people, thereby hampering businesses and day to day functioning of the Companies. Consequently, in compliance of the orders of the Government, the company's manufacturing plants and corporate office had to be closed down for some time.

The Company continues to monitor any material changes to future economic/ business conditions and its consequential impact on financial results.

**45** Figures in Brackets indicate previous years figures. Previous periods figure have been regrouped, rearranged, reclassified wherever necessary to correspond with those of the current period.

**As per Our Report of Even Date Attached**

Laxmikant Kabra &amp; Co LLP

Chartered Accountants

Firm Registration No. 117183W / W100736

CA Laxmikant Kabra

Partner

Membership No.101839

Place : THANE

Date : 20th August 2021

**For and on behalf of the Board of Directors**

T. R. Bajalia

Chairman

DIN: 02291892

Sudhirkumar H Gupta

Managing Director

DIN: 00010853

Varun S. Gupta

Director &amp; CFO

DIN: 02938137

Dilip Maharana

Company Secretary

ACS: 23014



## INDEPENDENT AUDITORS' REPORT

To the Members of

### INDIA STEEL WORKS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the consolidated Ind AS Financial Statements of **INDIA STEEL WORKS LIMITED** which comprise the Balance Sheet as of March 31, 2021, the Statement of Profit & Loss including Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its LOSS, other comprehensive expenses, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

#### Emphasis of the Matter

- a. In absence of information of investee company, we are unable to determine the fair value of the investments as on reporting date. Hence the same are carried at cost and no provision for diminution, if any in value of such investments is made.
- b. No effect is given in respect of settlement deed with the creditor resulting into possible reduction in liability to the extent of ₹77.04 crores, after taking credit of ₹11.83 crores on the basis of the payment made before the review of the said financial results.
- c. In the absence of uncertainties of making profit in immediate future the company has decided not to create Asset/ Liability on account of Deferred Tax.
- d. Inventories have been bifurcated into current and non-current assets amounting to ₹33.91 crores and ₹202.77 crores respectively depending on the expected realization/ consumption of the same.
- e. The impairment in value of non-moving inventories amounting to Rs.22.48 crores is derived based on the physical verification and technical evaluation done by an independent valuer.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

Going Concern	How matter was addressed in Audit
As of 31 March 2021, the Company's current liabilities exceeds current assets. Also, company is continuously incurring losses. The directors of the Company have formed a judgment that the going concern basis is appropriate in preparing the financial statements.	Going through the business planning process and assessing the design, implementation, and operating effectiveness of management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts.
The directors of the Company made their assessment of going concern by preparing a cash flow forecast in which some key;	Evaluating the key assumptions in the cash flow forecasts (including future revenue, gross profit, operating expenses



<b>Going Concern</b>	<b>How matter was addressed in Audit</b>
assumptions were applied. These key assumptions included forecasts of sales volumes, average selling prices, raw material costs and the availability of banking and other financing facilities.	and capital expenditure) with reference to historical production information, current performance, internal investment and production plans, and market and other external available information,
We identified going concern as a key audit matter because a significant degree of management judgment is involved in making this assessment and in forecasting the future cash flows of the Company which are inherently uncertain and because the management judgment and inherently uncertainties and because the management judgment and inherent uncertainties could have significant impact on the basis of preparation of the financial statements and could be subject to management bias.	Considering the accuracy and reliability of cash flow forecasts made by management in prior years by comparing them with the current year's results; We also checked if any waivers were obtained from the financial institutions from which borrowings are made. Based on our procedures we noted that the key assumptions used in the forecasts were within a reasonable range of our expectations.
<b>(b) Revenue Recognition</b>	
The Company's revenue is derived from the sale of steel products. The Company recognizes revenue when the control is transferred to the customer.	Evaluating the design, implementation and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue recognition;
The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold.	Performed substantive test of details over revenue recognized throughout the period by selecting a sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;
We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Company.	Tested sample transactions around the period end to end sure they were recorded in the correct period; and tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.
<b>(c) Contingent Liabilities (Note No.35) Evaluation of uncertain tax positions</b>	
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on account of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Note 35 to the consolidated financial statements.	Obtained understanding of key uncertain tax positions and, We – <ul style="list-style-type: none"> <li>• Read and analyzed select key correspondences external legal opinions / consultations by management for key uncertain tax positions.</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions and</li> <li>• Assessed management's estimate of the possible outcome of the disputed cases.</li> </ul>



### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report including annexure to Board's report but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards)Rules, 2015, as amended. This responsibility also includes 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, management is responsible for assessing the Company' stability 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 is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS financial statements.

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

- a) Identify and assess the risks of material misstatement of the consolidated Ind AS 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company

- has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) 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 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.
  - e) Evaluate the overall presentation, structure, and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

#### **Other Matters**

The consolidated annual financial results include the audited financial results of subsidiary whose financial statements reflect total assets of ₹1.34 Lakhs as of 31st March 2021, and net loss of ₹1.05 Lakhs for the year ended 31st March 2021, as considered in the consolidated financial results. These financial statements are audited by other auditors and have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such audited financial statements.

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

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India, in terms of section 143(11) of the Companies Act, 2013, we give in the 'Annexure - A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as on year ended March 31, 2021
  - e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report:
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and



Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements Refer Note 35 to the consolidated Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company.
3. In our opinion, the managerial remuneration for the year ended 31st March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented by us.

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

**Place: Thane**

**Date: 20th August 2021**

**CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 21101839AAAAGT5085**

## ANNEXURE A

**Annexure A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the consolidated Ind AS financial statements for the year ended March 31, 2021, we report that:**

- 1.
- a) The company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.
- b) According to the information and explanation given to us, the company has a regular program of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years in accordance with this program, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its business and no material discrepancies have been noticed on such physical verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable and movable properties are held in the name of the company except certain motor vehicles having carrying value of ₹9.27 lakhs as at 31/03/2021, is held in the name of directors of company's behalf.
2. The inventories have been physically verified by the management during the year except inventories lying with the third parties and goods in transit. In respect of inventories lying with the third parties, these have been substantially confirmed by them and with respect to goods in transit subsequent goods receipts have been verified by management. In our opinion, frequency of physical verification of inventory followed by the management was reasonable in relation to the size of the company and the nature of its business. The discrepancies noticed on physical verification of the inventories have been properly dealt with in the books of account.
3. According to the information and explanation given to us, the Company's has not granted any loans secured or unsecured during the period to company's firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Therefore, comments under clause (a), (b) and (c) are not given.
4. 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, investment and guarantee made.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. According to the information and explanation given to us, cost records were maintained by the company pursuant to the order of the Central Government under Section 148(1) of the Act.
- 7.
- a) According to the records, the Company is regular in depositing undisputed statutory dues in respect of duty of customs. However, undisputed statutory dues including income tax, employees' state insurance, provident fund, duty of excise, Goods & service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in depositing the same.
- b) According to the information and explanations given to us, and on the basis of our examination of books of accounts following amount are outstanding as at the last day of the Financial Year concerned for a period of more than six months from the date, they become payable to-

Sr. No.	Particulars	Amount in ₹
1	TDS Payable	41,81,793
2	PF & ESIC & MLWF Payable	31,87,068
3	PT Payable	3,76,475
4	Property Tax Payable	47,37,215



- c. According to the information and explanations given to us, and on the basis of our examination of books of accounts, following dues as of 31st March 2021 which have not been deposited on account of disputes-

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

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to banks and financial institute. The amount of default is as under-

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

The company did not have any outstanding dues to debenture holders during the year. Since the accounts have gone NPA, the company has stopped making provision of interest on the above outstanding borrowings.

9. During the year, the company did not raise money by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to information and explanation given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act for the year under consideration.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the IndAS financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanations given to us and based on our examinations of the records of the company, the company had not made any preferential allotment of shares during the year under review.
15. 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 them. Accordingly, paragraph 3(xv) of the order is not applicable.



16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Thane

Date: 20th August 2021

CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 21101839AAAAGT5085



## ANNEXURE B

**Annexure B referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the consolidated Ind AS financial statements**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of INDIA STEEL WORKS LIMITED (“the Company”) as of March 31, 2021, in conjunction with our audit of the consolidated Ind AS financial statements of the company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, 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 over financial reporting were established and maintained and whether such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

Company’s Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,



projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, however, company is required to strengthen its financial controls for obtaining balance confirmations from trade receivables and payables based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"(ICAI).

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

**Place: Thane**

**Date: 20th August 2021**

**CA Laxmikant Kabra  
Partner  
Membership No.: 101839  
UDIN: 21101839AAAAGT5085**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	3	22,968.52	23,648.29
Capital Work - In - Progress	3	-	23.52
Other Intangible Assets	3	179.72	236.41
Financial Assets			
Investments	4	212.81	212.81
Others	5	1,120.27	1,120.27
Other Non - Current Assets	6	23,781.12	23,104.19
<b>Total Non - Current Assets</b>		<b>48,262.43</b>	<b>48,345.49</b>
<b>Current Assets</b>			
Inventories	7	3,564.12	6,546.95
<b>Financial Assets</b>			
Trade Receivables	8	1,030.15	1,324.23
Cash & Cash Equivalents	9	69.41	47.50
Bank Balance other than above	10	30.34	135.80
Loans	11	86.02	104.02
Other Financial Assets	12	334.06	850.54
Other Current Assets	13	101.60	309.90
<b>Total Current Assets</b>		<b>5,215.70</b>	<b>9,318.93</b>
<b>TOTAL ASSETS</b>		<b>53,478.14</b>	<b>57,664.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,980.81	3,980.81
Other Equity	15	9,544.88	11,469.34
<b>Total Equity</b>		<b>13,525.69</b>	<b>15,450.15</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	2,215.15	1,200.04
Trade Payable	17	16,103.31	19,473.35
Other Financial Liabilities	18	629.27	630.05
Provisions	19	140.44	148.08
<b>Total Non - Current Liabilities</b>		<b>19,088.16</b>	<b>21,451.52</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	10,330.58	9,768.56
Trade Payables	21	8,114.73	8,907.35
Other Financial Liabilities	22	708.12	639.33
Other Current Liabilities	23	1,313.60	1,077.22
Provisions	24	397.24	370.30
<b>Total Current Liabilities</b>		<b>20,864.28</b>	<b>20,762.75</b>
<b>Total Liabilities</b>		<b>39,952.44</b>	<b>42,214.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,478.14</b>	<b>57,664.42</b>

As per Our Report of Even Date Attached

For Laxmikant Kabra &amp; Co LLP

Chartered Accountants

Firm Registration No. 117183W / W100736

CA Laxmikant Kabra

Partner

Membership No.101839

Place : THANE

Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia

Chairman

DIN: 02291892

Sudhirkumar H Gupta

Managing Director

DIN: 00010853

Varun S. Gupta

Director &amp; CFO

DIN: 02938137

Dilip Maharana

Company Secretary

ACS: 23014



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021 (Rs. in lakhs)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	25	14,385.76	13,953.76
Other Income	26	3,240.48	3,710.29
<b>Total Income</b>		<b>17,626.23</b>	<b>17,664.04</b>
<b>Expenses</b>			
Cost of Material Consumed	27	2,585.09	5,819.67
Purchase of Stock In Trade	28	9,058.21	2,957.30
Changes in Inventories of Finished Goods, WIP and Stock In Trade	29	3,797.08	1,106.27
Employee Benefit Expenses	30	584.97	1,595.61
Finance Cost	31	899.77	964.27
Depreciation and Amortization	3	759.65	1,060.87
Other Expenses	32	1,645.26	6,129.16
<b>Total Expenses</b>		<b>19,330.08</b>	<b>19,633.15</b>
<b>Profit / (Loss) Before Tax and Exceptional Item</b>		<b>-1,703.84</b>	<b>-1,969.10</b>
<b>Exceptional Item</b>	35	<b>-277.01</b>	<b>-</b>
<b>Profit / (Loss) Before Tax</b>		<b>-1,980.86</b>	<b>-1,969.10</b>
<b>Tax Expenses</b>			
Current Tax		-	(0.14)
Deferred Tax		-	-
<b>Profit / (Loss) After Tax</b>		<b>-1,980.86</b>	<b>-1,969.25</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		56.40	10.12
<b>Total Other Comprehensive Income for the year</b>		<b>56.40</b>	<b>10.12</b>
<b>Total Comprehensive Income for the year</b>		<b>-1,924.46</b>	<b>-1,959.13</b>
<b>Earnings Per Share - Basic &amp; Diluted ( )</b>		<b>(0.50)</b>	<b>(0.49)</b>

As per Our Report of Even Date Attached  
For Laxmikant Kabra & Co LLP

Chartered Accountants  
Firm Registration No. 117183W / W100736

CA Laxmikant Kabra  
Partner  
Membership No.101839

Place : THANE  
Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia  
Chairman  
DIN: 02291892

Varun S. Gupta  
Director & CFO  
DIN: 02938137

Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853

Dilip Maharana  
Company Secretary  
ACS: 23014

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021 (Rs. in lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	-1,980.86	-1,969.10
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation & Amortization	759.65	1,060.87
Finance Cost	899.83	964.27
Interest Income	-26.85	-46.30
Dividend Income	-	-0.06
Non-operating income	-3,213.63	-3,663.92
<b>Operating Profit Before Changes in Working Capital</b>	-1,581.00	-1,685.14
<b>Adjustment for Changes in Working Capital</b>	<b>-3,561.85</b>	<b>-3,654.25</b>
(Increase) / Decrease in Trade Receivables	294.08	612.11
(Increase) / Decrease in Inventories	2,982.82	8,551.85
(Increase) / Decrease in Other Current Financial Assets	534.48	-246.51
(Increase) / Decrease in Other Current Assets	208.30	189.04
(Increase) / Decrease in Investment	-	-4.00
(Increase) / Decrease in Other Non - Current Assets	-676.92	-8,463.15
Increase / (Decrease) in Trade Payables	-4,162.67	-1,813.53
Increase / (Decrease) in Other Current Financial Liabilities	68.79	316.23
Increase / (Decrease) in Other Current Liabilities	236.38	221.78
Increase / (Decrease) in Provisions	75.70	185.65
Increase / (Decrease) in Other Non - Financial Liabilities	-0.77	-129.34
<b>Cash Generated from Operations</b>	<b>-4,001.66</b>	<b>-4,234.13</b>
Less: Taxes Paid (Net of refund received)	-	-0.14
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>-4,001.66</b>	<b>-4,234.27</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment & Intangible Assets	-0.00	-29.19
Sale of Property, Plant & Equipment & Intangible Assets	0.33	17.58
Interest Received	26.85	46.30
Movement in other bank balances	78.61	-14.67
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>105.79</b>	<b>20.01</b>
<b>C CASH FLOW FROM FINANCING ACTIVITY</b>		
Receipt of Long Term Borrowings	935.06	1,185.49
Repayment of Long Term Borrowings	80.04	528.03
Increase / (Decrease) in Short Term Borrowings	562.03	-264.31
Finance Cost	2,340.65	2,746.01
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>3,917.78</b>	<b>4,195.22</b>
<b>NET CASH FLOW FOR THE YEAR (A + B + C)</b>	<b>21.91</b>	<b>-19.04</b>
Add: Opening Balance of Cash & Cash Equivalents	47.50	66.54
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>69.41</b>	<b>47.50</b>
<b>RECONCILATION OF CASH AND CASH EQUIVALENT</b>		
<b>TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET</b>	<b>69.41</b>	<b>47.50</b>
<b>CASH AND CASH EQUIVALENT COMPRISSES AS UNDER:</b>		
Balance with banks in current accounts	28.64	22.00
Cash on Hand	40.77	25.50
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>69.41</b>	<b>47.50</b>

As per Our Report of Even Date Attached

For Laxmikant Kabra &amp; Co LLP

Chartered Accountants

Firm Registration No. 117183W / W100736

CA Laxmikant Kabra

Partner

Membership No.101839

Place : THANE

Date : 20th August 2021

For and on behalf of the Board of Directors

T. R. Bajalia

Chairman

DIN: 02291892

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Managing Director

DIN: 00010853

Varun S. Gupta

Director &amp; CFO

DIN: 02938137

Dilip Maharana

Company Secretary

ACS: 23014

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021****A. Equity Share Capital**

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount (In Lakhs)	No. of Shares	Amount (In Lakhs)
<b>Balance as the beginning of the reporting year</b>	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Changes in Equity Capital during the year	-	-	-	-
<b>Balance at the end of the reporting year</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

**B. Other Equity**

(Rs. in lakhs)

Particulars	Capital Redemption Reserve	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as on April 01, 2019</b>	500.00	18,019.38	4,451.30	2,040.00	-11,582.22 -1,969.25	<b>13,428.47 -1,969.25</b>
Profit / (Loss) for the year	-	-	-	-	10.12	<b>10.12</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans						
<b>As at March 31, 2020</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-13,541.35</b>	<b>11,469.34</b>
Profit / (Loss) for the year					-1,980.86	<b>-1,980.86</b>
Other comprehensive income						
- Remeasurements gains / (loss) on defined benefit plans					56.40	<b>56.40</b>
<b>As at March 31, 2021</b>	<b>500.00</b>	<b>18,019.38</b>	<b>4,451.30</b>	<b>2,040.00</b>	<b>-15,465.80</b>	<b>9,544.88</b>

## Notes to Consolidated Financial Statement as on March 31, 2021

### 1 CORPORATE INFORMATION

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

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

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 BASIS FOR PREPARATION OF ACCOUNTS

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

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

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

These consolidated financial statements are approved for issue by the Company's Board of Directors on August 20, 2021.

#### 2.2 KEY ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

#### 2.3 REVENUErecognition

##### a) Sale of Goods

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

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

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

##### b) Rendering of services

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



## Notes to Consolidated Financial Statement as on March 31, 2021

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

### 2.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

### 2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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



## Notes to Consolidated Financial Statement as on March 31, 2021

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

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

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

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

### 2.7 DEPRECIATION AND AMORTISATION

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

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

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

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

Asset	Amortisation period
Software Licenses	5 years
Product Licenses	5 years
Usage Rights	5 years

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

### 2.8 FINANCIAL INSTRUMENTS

#### I. Financial Assets

##### a) Classification of financial assets

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

##### i) Debt instrument at amortised cost:

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

- The asset is held within a business model whose objectives is to hold assets for collecting contractual



## Notes to Consolidated Financial Statement as on March 31, 2021

cash flow and

- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

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

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

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

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

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

- iv) Equity investments:

Investment in associates are accounted using equity method.

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

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

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

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

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

- b) Initial recognition and measurement

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

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

- c) Derecognition of financial assets

## Notes to Consolidated Financial Statement as on March 31, 2021

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

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

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

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

### d) Impairment of financial assets

"In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

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

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

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

## II. Financial Liabilities and equity instruments

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

### a) Equity instruments:

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

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

### b) Financial liabilities :- Classification

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

### c) Initial recognition and measurement:

"All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments."

### d) Derecognition



## Notes to Consolidated Financial Statement as on March 31, 2021

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

### III. Fair Value

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

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

### IV. Accounting for day 1 differences

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

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

In case difference represents :

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

### 2.9 INVENTORIES

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

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

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

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

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

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

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



## Notes to Consolidated Financial Statement as on March 31, 2021

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

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

### 2.10 BORROWING COSTS

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

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

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

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

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

### 2.11 EMPLOYEE BENEFITS

#### a) Short term employee benefit obligations

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

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

##### i) Compensated absences

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

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

#### c) Post-employment obligations

The Company operates the following post-employment schemes:

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

##### Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

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



## Notes to Consolidated Financial Statement as on March 31, 2021

terms of the related obligation.

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

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

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

### Defined Contribution Plans

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

## 2.12 ACCOUNTING FOR TAXES ON INCOME

### a) Income Taxes

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

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

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

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

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

### b) Deferred Taxes

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

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

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

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

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

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items



## Notes to Consolidated Financial Statement as on March 31, 2021

recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

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

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

### 2.13 PROVISIONS AND CONTINGENT LIABILITIES

#### a) Provisions

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

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

#### b) Contingent Liability

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

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

### 2.14 EARNING PER SHARE

#### Basic Earnings Per Share

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

### 2.15 CASH AND CASH EQUIVALENTS

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

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

### 2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-



## Notes to Consolidated Financial Statement as on March 31, 2021

cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

### 2.17 DIVIDEND

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

### 2.18 ROUNDING OFF

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

### 2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

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

### 2.20 EXCEPTIONAL ITEMS

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

### 2.21 OPERATING CYCLE

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

### 2.22 SEGMENT REPORTING

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

### 2.23 LEASES

"At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

- Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Company has the right to direct the use of the asset.
- In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.
- At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate nonlease components and account for the lease and non-lease components as a single lease component."

#### a) Company as a Lessee

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

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



## Notes to Consolidated Financial Statement as on March 31, 2021

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

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

### **Lease liability:**

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

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

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

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

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

### **b) Company as a Lessor**

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

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

## **2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

### **Indian Accounting Standards:**

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

### **Schedule III of the Companies Act 2013:**

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

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



## Notes to Consolidated Financial Statement as on March 31, 2021

### **Balance Sheet:**

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

### **Statement of profit and loss:**

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

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

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

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As At April 01, 2020	Additions / Transfers	Deductions	As At March 31, 2021	As At April 01, 2020	For The Year	On Deductions	As At March 2021
<b>(A) TANGIBLE ASSETS</b>								
Land - Freehold	7,541.92	23.52	-	7,565.44	-		-	7,565.44
Factory Buildings	2,519.86	-	-	2,519.86	555.65	63.13	-	1,901.08
Non-Factory Buildings	135.36	-	-	135.36	11.80	-	-	123.57
Plant & Machinery	17,708.08	-	-	17,708.08	3,955.22	596.59	-	13,752.86
Furniture & Fixture	190.33	-	-	190.33	63.95	15.72	-	110.66
Vehicles	187.01	-	5.64	181.37	67.26	19.68	5.31	99.74
Office Equipments	46.30	-	-	46.30	26.70	7.84	-	34.54
Computers								19.60
<b>Total - Tangible Assets</b>	<b>28,328.87</b>	<b>23.52</b>	<b>5.64</b>	<b>28,346.75</b>	<b>4,680.58</b>	<b>702.96</b>	<b>5.31</b>	<b>5,378.23</b>
<b>(B) CAPITAL WORK IN PROGRESS</b>								
Capital Work In Progress	23.52	-	23.52	-	-	-	-	23.52
<b>Total - Capital Work in Progress</b>	<b>23.52</b>		<b>23.52</b>					
<b>(C) INTANGIBLE ASSETS</b>								
Softwares	358.81	-	-	358.81	122.40	56.69	-	179.09
<b>Total - Intangible Assets</b>	<b>358.81</b>		<b>-</b>	<b>358.81</b>	<b>122.40</b>	<b>56.69</b>	<b>-</b>	<b>179.09</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>28,711.20</b>	<b>23.52</b>	<b>29.16</b>	<b>28,705.56</b>	<b>4,802.98</b>	<b>759.65</b>	<b>5.31</b>	<b>5,557.32</b>
<b>Previous Year's Total</b>								<b>23,908.22</b>

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

ii. Refer Note No.16 &amp; 20 for assets provided as security.

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

(Rs. in lakhs)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK
	As At April 01, 2019	Additions / Transfers	Deductions	As At March 31, 2020	As At April 01, 2019	For The Year	
<b>(A) TANGIBLE ASSETS</b>							
Land - Freehold	7,529.22	12.70	-	7,541.92	-	-	-
Factory Buildings	2,519.86	-	2,519.86	422.92	132.73	-	555.65
Non-Factory Buildings	135.36	-	135.36	11.80	-	-	11.80
Plant & Machinery	17,710.13	16.49	18.54	17,708.08	3,134.49	823.94	3.21
Furniture & Fixture	190.33	-	-	190.33	48.18	15.77	-
Vehicles	198.30	-	11.29	187.01	54.59	21.72	9.04
Office Equipments	46.30	-	-	46.30	17.01	9.69	-
<b>Total - Tangible Assets</b>	<b>28,329.51</b>	<b>29.19</b>	<b>29.83</b>	<b>28,328.87</b>	<b>3,688.98</b>	<b>1,003.85</b>	<b>12.25</b>
<b>(B) CAPITAL WORK IN PROGRESS</b>							
Capital Work In Progress	23.52	-	-	23.52	-	-	-
<b>Total - Capital Work In Progress</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(C) INTANGIBLE ASSETS</b>							
Software Licenses	358.81	-	-	358.81	65.38	57.02	-
<b>Total - Intangible Assets</b>	<b>358.81</b>	<b>-</b>	<b>-</b>	<b>358.81</b>	<b>65.38</b>	<b>57.02</b>	<b>-</b>
<b>TOTAL(A)+(B)+(C)</b>	<b>28,711.84</b>	<b>29.19</b>	<b>29.83</b>	<b>28,711.20</b>	<b>3,754.36</b>	<b>1,060.87</b>	<b>12.25</b>

- i. Motor Vechical includes Rs.10.98 lakhs is in the name of one of the directors of the company  
ii. Refer Note No.16 & 20 for assets provided as security.

**Notes forming part of the financial statements****NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)**

(Rs. in lakhs)

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>Investment in Equity Instruments</b>				
<b>Others (Unquoted At Cost)</b>				
Sai Wradha Power Ltd. (Refer Note No. 1 (2.8) )	21,22,764	212.28	21,22,764	212.28
Dombivali Nagari Sahakari Bank Ltd.	5,330	0.53	5,330	0.53
Indinox Steels Private Limited (Subsidiary)	50,000	-	50,000	-
<b>TOTAL</b>		<b>212.81</b>		<b>212.81</b>
<b>Aggregate Amount of Quoted Investment &amp; Market Value thereof</b>		-		-
<b>Aggregate amount of Unquoted Investments</b>		<b>212.81</b>		<b>212.81</b>
<b>Aggregate amount of impairment in value of Investments</b>		-		-

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

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Insurance Claim Receivable	1,120.27	1,120.27
<b>TOTAL</b>	<b>1,120.27</b>	<b>1,120.27</b>

The company had filed insurance claim for Rs.77.24 cr for a fire incident happened in 2008. The surveyor assessed the claim at Rs.43.78 cr. The insurance company has paid 24.97 cr. The company has filed petition in National Consumer Disputes Redressal Commission (NCDRC) for the balance claim of Rs. 18.79 cr along with applicable interest from 2008 onwards. As a matter of abundant caution the company has provided for 60% of the balance principal as assessed by the surveyor. Appropriate effect would be provided in the books upon final resolution of the claim by National Consumer Disputes Redressal Commission (NCDRC).

**NOTE 6: OTHER NON-CURRENT ASSETS**

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Advances other than capital advances</b>		
Security Deposits	342.09	342.09
Others		
Preliminary Expenses	1.07	1.07
Balances with Govt. Authorities under litigation	332.19	332.19
Inventory**		
Raw materials	4,871.56	3,400.65
Work-in-progress	14,282.70	14,704.83
Finished goods	28.24	31.38
Stock in Trade	679.11	754.57
Stores and Spares	374.09	415.65
Advance to Suppliers / Expenses***	561.93	565.88
Export Incentive Receivable	-	1.75
TDS Receivable	137.27	323.94
TCS Receivable	4.71	-
	<b>21,614.95</b>	<b>20,873.99</b>
<b>Trade Receivables****</b>		
Unsecured - Considered Good	2,166.16	2,230.21
Unsecured Considered for Doubtful	-	-
	<b>2,166.16</b>	<b>2,230.21</b>
Less :- Allowance for unsecured doubtful debts	-	-
	<b>2,166.16</b>	<b>2,230.21</b>
<b>TOTAL</b>	<b>23,781.12</b>	<b>23,104.19</b>



## Notes forming part of the financial statements

\*\* Non current assets are valued at Net Realisable Value (NRV) or cost whichever is lower. Raw Material valued at cost.

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

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

### NOTE 7: INVENTORIES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At Lower of Cost or Net Realisable Value</b>		
Raw Materials	2,154.87	1,786.74
Raw Materials - Goods in Transit	-	84.12
Work in Process	29.52	3,304.88
Finished Goods	844.33	927.10
Stock in Trade (Trading)	111.49	49.72
Stores and Spares	423.91	394.39
<b>TOTAL</b>	<b>3,564.12</b>	<b>6,546.95</b>

#### Notes :-

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

### NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Receivables</b>		
Unsecured - Considered Good	1,030.15	1,324.23
Unsecured Considered for Doubtful	1,878.83	1,678.83
	2,908.98	3,003.06
Less :- Allowance for unsecured doubtful debts	-1,878.83	-1,678.83
<b>TOTAL</b>	<b>1,030.15</b>	<b>1,324.23</b>

#### Notes :-

- i. Trade Receivables have been given as collateral towards borrowing details relating to which has been described in Note No. 20.
- ii. Refer Note No.41 for Related party balances.
- iii. Refer Note No.38 for information about impairment, credit risk and market risk of trade receivables.

### NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks in Current Accounts	28.64	22.00
Cash on Hand	40.77	25.50
<b>TOTAL</b>	<b>69.41</b>	<b>47.50</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits due to mature within 12 months of reporting date*	30.34	29.02
Margin Money for Letter of Credit	-	106.78
<b>TOTAL</b>	<b>30.34</b>	<b>135.80</b>

Notes : Fixed Deposit of Rs. 30.34 lakhs as at 31st March 2021 (Previous Year as at 31st March 2020 Rs. 29.02 lakhs ) have been earmarked by bank against guarantee issued for Maharashtra Pollution Control Board (MPCB).

**Notes forming part of the financial statements****NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Loans to Employees	86.02	104.02
<b>TOTAL</b>	<b>86.02</b>	<b>104.02</b>

**NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Receivable	13.38	23.52
Security Deposits	274.14	253.26
Deposit to Related Party	46.54	46.54
Insurance Claim Receivable	-	527.23
<b>TOTAL</b>	<b>334.06</b>	<b>850.54</b>

**NOTE 13: OTHER CURRENT ASSETS**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	-	87.04
Advances other than capital advances		
Advance to Employees	-	18.72
Advance to Suppliers / Expenses**	43.24	158.17
Others		
Prepaid expenses	19.76	24.14
Balances with Excise, VAT and GST Authorities	25.38	7.89
FMS / FPS / MEIS Licence	-	0.07
Job Work Charges Accrued on Finish Goods	11.78	12.70
TDS Receivable from NBFC	1.45	1.18
<b>TOTAL</b>	<b>101.60</b>	<b>309.90</b>

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

**NOTE 14: EQUITY SHARE CAPITAL**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
Equity shares of Re 1/- each with equal voting rights	4,200.00	4,200.00
<b>TOTAL AUTHORIZED SHARE CAPITAL</b>	<b>4,200.00</b>	<b>4,200.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
Equity shares of Re 1/- each with equal voting rights	3,980.81	3,980.81
<b>TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>3,980.81</b>	<b>3,980.81</b>

**Notes forming part of the financial statements****a) Reconciliation of the number of shares outstanding :**

Particulars	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	Amount (Lakhs)	No. of Shares	Amount (Lakhs)
Shares at the beginning	39,80,80,925	3,980.81	39,80,80,925	3,980.81
Add: Shares Issued	-	-	-	-
Less: Shares Forfeited / buyback	-	-	-	-
<b>Shares at the end</b>	<b>39,80,80,925</b>	<b>3,980.81</b>	<b>39,80,80,925</b>	<b>3,980.81</b>

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

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

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

Name of the Shareholder	As at 31st March , 2021		As at 31st March , 2020	
	No. of Shares	%	No. of Shares	%
Equity shares with voting rights :-				
Indiasteel International P.Ltd.	4,56,34,150	11.46%	4,56,34,150	11.46%
TB Investments Ltd.	2,70,00,000	6.78%	2,70,00,000	6.78%
" Metal Industrial Pte Ltd (Formerly known as ""UD Industrial Holding Pte Ltd."") "	9,04,58,196	22.72%	9,04,58,196	22.72%
Khamgaon Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
Yeotmal Land Development and Trading Co.Pvt.Ltd.	4,36,50,000	10.97%	4,36,50,000	10.97%
<b>TOTAL</b>	<b>25,03,92,346</b>	<b>62.90%</b>	<b>25,03,92,346</b>	<b>62.90%</b>

**NOTE 15: OTHER EQUITY**

(Rs. in lakhs)

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

**Nature and Purpose of the Reserves:-****Capital Share Redemption Reserve**

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

**Securities Premium**

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



## Notes forming part of the financial statements

### **Capital Reserve**

The Capital reserve was created to recognise the gain due to CDR scheme to the extent of Rs.44.51 cr approved by Asset Reconstruction Company of India Ltd. as on 31st March 2008 and gain due to increase in the value of Tangible assets of Rs.74.13 cr as on 31st March 2015 and same was transferred to retained earnings.

### **General Reserve**

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

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
Term Loans		
Banks	94.59	14.55
	94.59	14.55
<b>UNSECURED :</b>		
Loans from Related Party	2,120.55	1,185.49
	2,120.55	1,185.49
<b>TOTAL</b>	<b>2,215.15</b>	<b>1,200.04</b>

### Notes :-

#### A Term Loans Banks :-

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

#### B Unsecured Loan :-

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

## NOTE 17: NON-CURRENT TRADE PAYABLES

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Long term creditors**	16,103.31	19,473.35
<b>TOTAL</b>	<b>16,103.31</b>	<b>19,473.35</b>

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

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Interest accrued but not due on borrowings	629.27	630.05
<b>TOTAL</b>	<b>629.27</b>	<b>630.05</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Gratuity	139.65	116.61
Compensated absences	0.79	31.47
<b>TOTAL</b>	<b>140.44</b>	<b>148.08</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>SECURED :</b>		
Loans repayable on demand - Banks		
Cash Credit	2,512.51	2,364.39
Letter of Credit	614.35	975.16
Term Loan - FITL	188.94	-
Term Loan - Financial Institutions (NBFC)	11.19	10.41
	<b>3,326.99</b>	<b>3,349.97</b>
<b>UNSECURED :</b>		
Loans from Others	585.00	-
Preference Shares	6,418.59	6,418.59
	<b>7,003.59</b>	<b>6,418.59</b>
<b>TOTAL</b>	<b>10,330.58</b>	<b>9,768.56</b>

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

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



## Notes forming part of the financial statements

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

- 1 Loans from Kotak Mahindra Prime Ltd. @ 9.75% p.a. interest are secured against hypothecation of motor vehicles. However the company has defaulted in repaying the same as per the agreed sanctioned terms.
- 2 Loans from Sundaram Finance Ltd. @ 7.10% p.a. interest are secured against hypothecation of komatsu hydraulic excavator machine. However the company has defaulted in repaying the same as per the agreed sanctioned terms.

### C Unsecured Loan :-

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

### D Preference Shares :-

#### a) Details of Preference Shares

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

#### b) Terms of Issue of Preference Shares

- i) 14% Cumulative Redeemable Shares are redeemable in the year 2018.
- ii) 0.01% Cumulative Redeemable Shares are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iii) 0.01% Cumulative Redeemable Shares ( Option Series) are redeemable 25% in the year 2017, 25% in the year 2018, & 50% in the year 2019.
- iv) The company is in the negotiations with the preference shareholders for revised terms of redemption.
- v) Interest accrued but not due includes proposed dividend payable on cumulative redeemable preference shares. As the company is in a process of negotiation with the said preference shareholder for revised terms of redemption, no provision for dividend has been made.

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

Name of the Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Preference shares without voting rights				
IDBI Ltd.	3,75,47,800	58.50%	3,75,47,800	58.50%
Bank of Baroda (Previously Known as Punjab & Sind Bank)	1,21,38,000	18.91%	1,21,38,000	18.91%
Punjab National Bank (Previously known as Oriental Bank of Commerce)	56,98,413	8.88%	56,98,413	8.88%
<b>TOTAL</b>	<b>5,53,84,213</b>	<b>86.29%</b>	<b>5,53,84,213</b>	<b>86.29%</b>

**Notes forming part of the financial statements****NOTE 21: FINANCIAL LIABILITIES - TRADE PAYABLES**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Notes Below)	8,114.73	8,907.35
<b>TOTAL</b>	<b>8,114.73</b>	<b>8,907.35</b>

**Notes :-**

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, In view of the above outstanding as at 31st March 2021 the same has not been quantified relating to Micro and Small Enterprises referred to in the said Act.
- ii. The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustment if any, may be made when the accounts are settled
- iii. Trade Payables Includes related party refer Note No. 41.

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued**	254.50	55.38
Others		
Capital Creditors	50.28	205.25
Employee Benefits payables	403.34	378.70
<b>TOTAL</b>	<b>708.12</b>	<b>639.33</b>

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

**NOTE 23: OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customer**	1,126.33	811.92
Cheque Issued but not cleared	-	114.84
Statutory Liabilities***	187.27	150.45
<b>TOTAL</b>	<b>1,313.60</b>	<b>1,077.22</b>

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

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

**NOTE 24: PROVISIONS (CURRENT)**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Bonus	37.49	37.17
Compensated absences	3.97	18.11
Gratuity	40.67	44.76
	82.13	100.04
<b>Others Provision</b>		
Provision for expenses	315.11	270.26
	315.11	270.26
<b>TOTAL</b>	<b>397.24</b>	<b>370.30</b>

Refer Note No. 1 (2.11) for further reference on Employee benefits.

**Notes forming part of the financial statements****NOTE 25: REVENUE FROM OPERATIONS**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Revenue from Customers</b>		
Sale of Products	13,301.83	8,281.19
Sale of Services	1,048.30	5,648.49
<b>Other Operating Income</b>		
Sale of Scrap	35.63	24.08
<b>TOTAL</b>	<b><u>14,385.76</u></b>	<b><u>13,953.76</u></b>

**NOTE 26: OTHER INCOME**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income	26.85	46.30
Dividend Income	-	0.06
Unclaimed liabilities written back	3,213.63	3,663.92
<b>TOTAL</b>	<b><u>3,240.48</u></b>	<b><u>3,710.29</u></b>

**NOTE 27: COST OF MATERIALS CONSUMED**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw Material Stores / Spares / Material Consumed	2,585.09	6,225.50
Less:- Insurance Claim	-	-405.84
<b>TOTAL</b>	<b><u>2,585.09</u></b>	<b><u>5,819.67</u></b>

**NOTE 28: PURCHASE OF STOCK IN TRADE**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Stock in Trade	9,058.21	2,957.30
<b>TOTAL</b>	<b><u>9,058.21</u></b>	<b><u>2,957.30</u></b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Opening Stocks :</b>		
Finished Goods	958.47	1,992.40
Work in Progress	18,009.71	18,077.54
Stock In Trade	804.29	808.81
<b>Less : Closing Stocks :</b>		
Finished Goods	872.57	958.47
Work in Progress	14,312.22	18,009.71
Stock In Trade	790.60	804.29
<b>NET CHANGE IN INVENTORIES</b>	<b><u>3,797.08</u></b>	<b><u>1,106.27</u></b>

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages and Bonus	436.21	1,319.81
Directors Remuneration	47.14	91.39
Contribution to Provident and Other Funds	13.37	35.65
Gratuity Expenses (Refer Note No. 40)	23.25	21.10
Leave Encashment Expenses (Refer Note No. 40)	7.28	41.64
Staff Welfare Expenses	57.73	102.74
Less:- Insurance Claim	-	-16.72
<b>TOTAL</b>	<b>584.97</b>	<b>1,595.61</b>

**NOTE 31: FINANCE COST**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Expense		
On Borrowings	819.95	832.02
Others (Including Interest on delay / deferred payment)	73.20	27.49
Dividend on redeemable preference shares	-	1.58
Bank and other finance charges	6.68	103.18
<b>TOTAL</b>	<b>899.83</b>	<b>964.27</b>

**NOTE 32: OTHER EXPENSES**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Power, Fuel and Utilities	1,268.77	3,658.98
Processing Charges	108.68	561.40
Hire Charges	-	1.32
Water Charges	2.24	9.77
Repairs to Building	-	30.84
Repairs to Plant and Machinery	10.72	40.57
Other Repairs	0.12	4.67
Packing Materials	4.50	27.86
Commission & Brokerage	5.75	9.23
Exhibition Expenses	-	21.77
Sales Promotion	0.42	4.91
Other Selling Expenses	-	0.58
Outward Freight Charges	5.92	20.10
Bad Debts Written off net of provisions	237.43	452.59
Impairment of other financial asset	-	55.90
Travelling and Conveyance	6.03	116.02
Communication Expenses	6.41	10.07
Insurance Charges	88.05	48.09
Rates and Taxes	179.94	184.21
Legal and Professional Fees	83.95	141.18

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Printing & Stationery	0.31	6.05
Service Charges	3.53	2.93
Directors Sitting Fees	1.90	1.69
Motor Vehicle Expenses	7.63	48.63
VAT / DBK / MEIS Expenses W.off	3.68	-
Loss on Sale of Fixed Assets	-0.29	6.05
CSR Expenses	-	0.16
Payment to Auditors		
- Audit Fees	8.20	8.30
Foreign Exchange Fluctuation (Net)	13.84	610.65
Miscellaneous Expenses	97.53	149.16
Less:- Insurance Claim	-500.00	-104.49
<b>TOTAL</b>	<b>1,645.26</b>	<b>6,129.16</b>

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

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the company/disputed liabilities but not acknowledged as debts	2,674.37	2,661.44
Excise/Customs Matters decided in the companies favour in earlier years, in respect of which show cause notices have been received & contested	1,038.31	1,038.31
Sales Tax matters - Disputed	160.11	160.11
Income Tax matters - Disputed	214.58	-
Property Tax Disputed	471.07	402.19
Bank Guarantee	1.40	1.40
Letter of Credit	-	976.43
Disputed Interest on Overdue Letter of Credit	78.27	-
Disputed Liability of Suppliers	3,925.08	923.00
Disputed GST Liability	39.83	-
Material Claim	91.42	217.48

**Notes :-**

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

**Notes forming part of the financial statements****B. COMMITMENTS**

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account & not provided for**	-	5.00
<b>Net Capital Commitments</b>	<b>-</b>	<b>5.00</b>

\*\* As certified by Management.

**NOTE 34: CORPORATE SOCIAL RESPONSIBILITY**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on:		
Construction / Acquisition of any Asset		
On purposes other than (1) above	-	0.16
<b>Total Paid</b>	<b>-</b>	<b>0.16</b>
<b>Gross Total</b>	<b>-</b>	<b>0.16</b>

**NOTE 35: EXCEPTIONAL ITEMS**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Insurance Claim written off**	277.01	-

\*\*Exceptional Items represents Insurance Claim Write off Rs.277.01 lakhs not receivable.

**NOTE 36: EARNINGS PER SHARE**

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit / (Loss) for the year as per Statement of Profit & Loss Account	(1,980.86)	(1,969.25)
Weighted Average No. of Equity Shares for of Face Value ₹ 1 each	39,80,80,925	39,80,80,925
<b>Earnings Per Share - Basic</b>	<b>(0.50)</b>	<b>(0.49)</b>



## Notes forming part of the financial statements

### NOTE 37: CAPITAL MANAGEMENT

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

(Rs. in lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Total interest bearing financial liabilities	13,429.51	11,654.02
Less : Cash and Cash Equivalents	69.41	47.50
<b>Adjusted Net Debt</b>	<b>13,360.10</b>	<b>11,606.52</b>
Total Equity	13,525.69	15,450.15
<b>Adjusted Equity</b>	<b>13,525.69</b>	<b>15,450.15</b>
Adjusted Net Debt to adjusted Equity Ratio	<b>0.99</b>	<b>0.75</b>

### NOTE 38: FINANCIAL RISK MANAGEMENT AND POLICIES

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

#### (a) Market Risk:-

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

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

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

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

#### Exposure to interest rate risk

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
Financial Liabilities - Borrowings	12,545.73	10,968.60
<b>Total</b>	<b>12,545.73</b>	<b>10,968.60</b>

#### Sensitivity analysis to interest rate risk

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



## Notes forming part of the financial statements

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

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

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

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

#### Exposure to Currency risk

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

Particulars	Foreign Currency	Foreign Currency in lakhs	
		As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>			
Trade and other receivables	USD	47.86	47.86
<b>Financial Liabilities</b>			
Trade and other payables	USD EURO	152.79 27.20	160.43 27.20

#### Sensitivity analysis to currency risk

Foreign Currency	As at 31st March , 2021		As at 31st March , 2020	
	3% increase	3% Decrease	3% increase	3% Decrease
USD	-230.45	230.45	-254.53	254.53
EURO	-69.92	69.92	-67.80	67.80
<b>Total</b>	<b>-300.37</b>	<b>-305.06</b>	<b>-322.32</b>	<b>322.32</b>

### (b) Credit Risk

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

#### Trade Receivables

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

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



## Notes forming part of the financial statements

### Expected credit loss for trade receivable:

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

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

Particulars	(Rs. in lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Opening balance of expected loss provision</b>	<b>1,678.83</b>	<b>1,226.24</b>
Add : Provisions made (net)	200.00	452.59
Less : Utilisation for impairment / de-recognition	-	-
<b>Closing balance</b>	<b>1,878.83</b>	<b>1,678.83</b>

### Other Financial Assets

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

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

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

The Company's maximum exposure to credit risk as at 31st March, 2021 and 31st March, 2020 is the carrying value of each class of financial assets.

### (c) Liquidity Risk

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

### Exposure to Liquidity Risk

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

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

(Rs. in lakhs)

Name of the Shareholder	As at 31st March , 2021		As at 31st March , 2020	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	-	2,215.15	-	1,200.04
Interest accrued but not due on borrowings	629.27	-	630.05	-
Working Capital Loans from Banks	3,326.99	-	3,349.97	-
Loans from Others / Preference Share Capital	7,003.59	-	6,418.59	-
Trade Payables	8,114.73	16,103.31	8,907.35	19,473.35
Other Financial Liabilities	708.12	-	639.33	-
	<b>19,782.71</b>	<b>18,318.45</b>	<b>19,945.28</b>	<b>20,673.39</b>



## Notes forming part of the financial statements

### (d) Collateral

The Company has pledged its Non-Current as well as Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 16 and Refer Note No. 20 for the detailed terms and conditions of the collaterals pledged.

## NOTE 39: FINANCIAL INSTRUMENTS - CLASSIFICATION AND FAIR VALUE MEASUREMENT

### A. Classification of Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>		
At amortised Cost		
Investments	212.81	212.81
Loans	86.02	104.02
Trade Receivables	1,030.15	1,324.23
Cash & Cash Equivalents	69.41	47.50
Other Bank Balances	30.34	135.80
Other Financial Assets	1,454.33	1,970.81
<b>Total Financial Assets</b>	<b>2,883.05</b>	<b>3,795.16</b>
<b>Financial Liabilities</b>		
At amortised Cost		
Borrowings	12,545.73	10,968.60
Trade Payable	24,218.04	28,380.70
Other Financial Liabilities	1,337.40	1,269.38
<b>Total</b>	<b>38,101.16</b>	<b>40,618.68</b>

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

## NOTE 40: EMPLOYEE BENEFITS

### Retirement Benefits

As per Ind AS 19 the Company has recognized "Employees Benefits", in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2021.

### (A) Details of defined benefit obligation and plan assets

#### (a) Retiring Gratuity

##### I Components of Employer Expenses

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Current Service Cost	13.21	12.15
Interest Cost	10.04	8.95
Actuarial (Gain)/Loss	-4.31	21.75
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>18.94</b>	<b>42.84</b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Present value of Funded Obligation	180.32	161.38
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b><u>-180.32</u></b>	<b><u>-161.38</u></b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	161.38	140.37
Current Service Cost	13.21	12.15
Interest Cost	10.04	8.95
Actuarial (Gain)/Loss	-4.31	21.75
Benefit Paid	-	-21.84
<b>Closing Balance of Present Value of Obligation</b>	<b><u>180.32</u></b>	<b><u>161.38</u></b>

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

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	21.84
Benefit Paid	-	-21.84
<b>Fair Value of Plan Assets as at 31st March</b>	<b><u>-</u></b>	<b><u>-</u></b>

**V Actuarial Assumption**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Discount Rate (Per Annum)	5.70%	6.22%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Not applicable since the company has Nil Plan assets

**Notes forming part of the financial statements****VII Movement in net liability recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Gratuity	
	31st March, 2021	31st March, 2020
Net Opening Liability	161.38	140.37
Employer expenses as above	23.25	21.10
Contribution paid	-	-21.84
Other Comprehensive Income (OCI)	-4.31	21.75
<b>Closing Net Liability</b>	<b>180.32</b>	<b>161.38</b>

**VIII Gratuity - Sensitivity Analysis**

(Rs. in lakhs)

Name of the Shareholder	31st March , 2021		31st March , 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	188.90	172.41	168.37	154.92
Discount Rate (1% movement)	172.06	189.46	154.66	168.78

**(b) Compensated Absences****I Components of Employer Expenses**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Current Service Cost	4.19	31.78
Interest Cost	3.08	3.31
Actuarial (Gain)/Loss	-52.09	-31.87
<b>Total Expenses/(Gain) recognized in the Profit &amp; Loss Account</b>	<b>-44.82</b>	<b>3.22</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Present value of Funded Obligation	4.75	49.57
Fair Value of Plan Assets	-	-
<b>Assets/(Liability) recognized in the Balance Sheet</b>	<b>4.75</b>	<b>49.57</b>

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

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	49.57	49.41
Current Service Cost	4.19	31.78
Interest Cost	3.08	3.31
Actuarial (Gain)/Loss	-52.09	-31.87
Benefit Paid	-	-3.05
<b>Closing Balance of Present Value of Obligation</b>	<b>4.75</b>	<b>49.57</b>

**Notes forming part of the financial statements****IV Changes in the Fair Value of Plan Assets**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	3.05
Benefit Paid	-	-3.05
<b>Fair Value of Plan Assets as at 31st March</b>	<b>-</b>	<b>-</b>

**V Actuarial Assumption**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Discount Rate (Per Annum)	5.70%	6.22%
Expected Rate of Return on Assets Per Annum	6.00%	6.00%
Attrition Rate	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%	Upto Age 45: 15% 46 to 50: 10% 51 and above: 5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Not applicable since the company has Nil Plan assets

**VII Movement in net liability recognized in Balance Sheet**

(Rs. in lakhs)

Particulars	Compensated Absence (PL)	
	31st March, 2021	31st March, 2020
Net Opening Liability	49.57	49.41
Employer expenses as above	7.28	35.09
Contribution paid	-	-3.05
Other Comprehensive Income (OCI)	-52.09	-31.87
<b>Closing Net Liability</b>	<b>4.75</b>	<b>49.57</b>

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

(Rs. in lakhs)

Name of the Shareholder	31st March , 2021		31st March , 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	4.80	4.71	51.57	47.74
Discount Rate (1% movement)	4.71	4.81	47.66	51.70

**(B) Defined Contribution Plans**

Amount recognised as expenses on account of "Contribution / Provision to and for Provident and other Funds" of Statement of Profit and Loss - 13.37 Lakhs (Previous year 35.65 Lakhs)



## Notes forming part of the financial statements

### NOTE 41: RELATED PARTY

#### List of related parties

##### A Enterprise in which Key Managerial Personnel and their relatives have significant Influence :

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

##### B Key Managerial Personnel :

###### Executive Directors :

01. Mr.Sudhir H Gupta
02. Mr.Varun S.Gupta
03. Mr.Dipak Gaur

###### Independent Directors :

01. Mr.T R Bajalia
02. Mr.Bimal Desai
03. Mrs.Kavita Joshi
04. Mrs.Riddhi Shah

###### Company Secretary :

01. Mr.Dilip Maharana (Effective Dt. 31.07.2020)
02. Mrs.Dipti Vartak (Resigned Dt. 04.03.2020)

**Notes forming part of the financial statements****C Subsidiary :**

01. Indinox Steels Private Limited

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence		Key Management Personnel		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020		
<b>PURCHASE</b>						
<b>Purchase of Goods</b>						
Isinox Limited	4,706.34	4,207.80	-	-	4,706.34	4,207.80
LeapIndia Brandhub Pvt. Ltd.	51.12	112.47	-	-	51.12	112.47
Purchase of Plant & Machinery						
Isinox Limited	-	19.46	-	-	-	19.46
<b>Total</b>	<b>4,757.46</b>	<b>4,339.73</b>	<b>-</b>	<b>-</b>	<b>4,757.46</b>	<b>4,339.73</b>
<b>SALES</b>						
Sale of Goods						
Isinox Limited	4,228.16	8,442.90	-	-	4,228.16	8,442.90
LeapIndia Brandhub Pvt. Ltd.	412.49	307.65	-	-	412.49	307.65
Sale of Plant & Machinery						
Isinox Limited	-	11.80	-	-	-	11.80
<b>Total</b>	<b>4,640.65</b>	<b>8,762.35</b>	<b>-</b>	<b>-</b>	<b>4,640.65</b>	<b>8,762.35</b>
<b>LICENCE FEES</b>						
Licence Fees Paid						
Isinox Limited	169.92	169.92	-	-	169.92	169.92
Rent Paid						
ISL Global PTE Ltd.	-	5.93	-	-	-	5.93
<b>Total</b>	<b>169.92</b>	<b>175.85</b>	<b>-</b>	<b>-</b>	<b>169.92</b>	<b>175.85</b>
<b>LABOUR CHARGES INCOME</b>						
Isinox Limited	566.77	4,573.97	-	-	566.77	4,573.97
LeapIndia Brandhub Pvt. Ltd.	36.90	201.22	-	-	36.90	201.22
<b>Total</b>	<b>603.66</b>	<b>4,775.19</b>	<b>-</b>	<b>-</b>	<b>603.66</b>	<b>4,775.19</b>
<b>LABOUR CHARGES EXPENSES</b>						
Isinox Limited	26.04	47.71	-	-	26.04	47.71
<b>Total</b>	<b>26.04</b>	<b>47.71</b>	<b>-</b>	<b>-</b>	<b>26.04</b>	<b>47.71</b>
<b>Other Income</b>						
Isinox Limited	27.94	28.32	-	-	27.94	28.32
<b>Total</b>	<b>27.94</b>	<b>28.32</b>	<b>-</b>	<b>-</b>	<b>27.94</b>	<b>28.32</b>
<b>INTEREST EXPENSES</b>						
Isinox Limited	185.78	28.65	-	-	185.78	28.65
Level Enterprises LLP	-	32.88	-	-	-	32.88
Gupta Housing Pvt. Ltd.	9.77	-	-	-	9.77	-
<b>Total</b>	<b>195.55</b>	<b>61.53</b>	<b>-</b>	<b>-</b>	<b>195.55</b>	<b>61.53</b>
<b>REMBURSEMENT OF EXPENSES</b>						
ISL Global PTE Ltd.	-	4.27	-	-	-	4.27
<b>Total</b>	<b>-</b>	<b>4.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.27</b>



## Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant influence		Key Management Personnel		Total	Total
	31st March 2021	31st March 2020	31st March 2021	31st March 2020		
<b>REMUNERATION TO DIRECTORS</b>						
Mr.Ashwin H. Gupta			-	5.27	-	5.27
Mr.Sudhir H Gupta			11.97	25.84	11.97	25.84
Mr.Varun S.Gupta			11.13	23.20	11.13	23.20
Mr.Dipak Gaur			24.03	37.08	24.03	37.08
<b>REMUNERATION TO COMPANY SECRETARY</b>						
Mrs.Dipti Vartak			-	11.51	-	11.51
Mr.Dilip Maharana			5.91	-	5.91	-
<b>DIRECTOR PERQUISITES</b>						
Mr.Dipak Gaur			6.60	-	6.60	-
<b>DIRECTOR SITTING FEES</b>						
Mr. Bimal Desai			0.25	0.32	0.25	0.32
Mr.T.R.Bajalia			0.72	0.44	0.72	0.44
Mrs. Kavita Joshi			0.60	0.57	0.60	0.57
Mrs. Riddhi Shah			0.34	0.36	0.34	0.36
<b>Total</b>	<b>—</b>	<b>—</b>	<b>61.54</b>	<b>104.59</b>	<b>61.54</b>	<b>104.59</b>
<b>OUTSTANDING BALANCES</b>						
<b>RECEIVABLES</b>						
ISL Global PTE Ltd.	679.33	699.49	-	-	679.33	699.49
Isisales India Pvt. Ltd.	383.53	420.53	-	-	383.53	420.53
Leapindia Brandhub Services Pvt Ltd	17.65	2.99			17.65	2.99
<b>Total</b>	<b>1,080.51</b>	<b>1,123.01</b>	<b>—</b>	<b>—</b>	<b>1,080.51</b>	<b>1,123.01</b>
<b>PAYABLES</b>						
Inoxware P.Ltd.	3.68	3.68	-	-	3.68	3.68
Isinox Limited	5,970.73	7,125.52	-	-	5,972.15	7,125.52
<b>Total</b>	<b>5,974.40</b>	<b>7,129.20</b>	<b>—</b>	<b>—</b>	<b>5,975.83</b>	<b>7,129.20</b>
<b>DEPOSITS</b>						
India Steel Industries	46.54	46.54	-	-	46.54	46.54
<b>Total</b>	<b>46.54</b>	<b>46.54</b>	<b>—</b>	<b>—</b>	<b>46.54</b>	<b>46.54</b>
<b>LOAN RECEIVED</b>						
Isinox Limited	1,822.01	1,185.49	-	-	1,822.01	1,185.49
Gupta Housing Pvt. Ltd.	228.54	-	-	-	228.54	-
SPV Family Trust	50.00	-	-	-	50.00	-
Level Construction Pvt.Ltd.						
(Emgee Homes)	20.00	-	-	-	20.00	-
<b>Total</b>	<b>2,120.55</b>	<b>1,185.49</b>	<b>—</b>	<b>—</b>	<b>2,120.55</b>	<b>1,185.49</b>
<b>INTEREST PAYABLE</b>						
Isinox Limited	197.63	25.79	-	-	197.63	25.79
Gupta Housing Pvt. Ltd.	9.04	-	-	-	9.04	-
<b>Total</b>	<b>206.67</b>	<b>25.79</b>	<b>—</b>	<b>—</b>	<b>206.67</b>	<b>25.79</b>



## Notes forming part of the financial statements

(Rs. in lakhs)

Particulars	Enterprise in which Key Managerial Personnel and their relatives have significant Influence	Key Management Personnel		Total	
		31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>ADVANCE RECEIVED FROM CUSTOMER</b>					
Level Enterprises LLP	1,052.59	758.00	-	-	1,052.59
<b>Total</b>	<b>1,052.59</b>	<b>758.00</b>	<b>-</b>	<b>-</b>	<b>1,052.59</b>
<b>ADVANCE TO SUPPLIERS</b>					
Indinox Pvt Ltd.	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes:-

- (a) Related party relationship is identified by the management and relied upon by the auditors.
- (b) Amount in respect of related parties have been made provisions for doubtful debts of Rs.383.53 lakhs.
- (c) Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key management Personnel.

**42** Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes.

Party	Purpose of loan utilisation	Loan given during the year	Outstanding loan amount
India Steel Industry Deposit	Business Purpose	-	46.54
Others	Business Purpose	-	0.01
Loans to Employees	Staff Welfare	-	86.02

**43 Segment Information :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments.

**44 Impact of COVID-19**

Covid-19 virus has impacted the entire global economy severely, resulting into many restrictions, including free movement of people, thereby hampering businesses and day to day functioning of the Companies. Consequently, in compliance of the orders of the Government, the company's manufacturing plants and corporate office had to be closed down for some time.

The Company continues to monitor any material changes to future economic/ business conditions and its consequential impact on financial results.

**45** Figures in Brackets indicate previous years figures. Previous periods figure have been regrouped, rearranged, reclassified wherever necessary to correspond with those of the current period.

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

**CA Laxmikant Kabra  
Partner  
Membership No.101839**

**Place : THANE  
Date : 20th August 2021**

**For and on behalf of the Board of Directors**

**T. R. Bajalia  
Chairman  
DIN: 02291892**

**Varun S. Gupta  
Director & CFO  
DIN: 02938137**

**Sudhirkumar H Gupta  
Managing Director  
DIN: 00010853**

**Dilip Maharana  
Company Secretary  
ACS: 23014**

## NOTICE

**NOTICE** is hereby given that the Thirty Fourth Annual General Meeting of the Members of India Steel Works Limited (CIN:L29100MH1987PLC043186) will be held on Tuesday, December 28, 2021 at 2:00 p.m. (IST) through Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (i) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon, and
  - (ii) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Report of the Auditors thereon and in this regard, to consider
2. To declare dividend @0.01% on the total paid up preference share capital of the Company for the financial year 2020-21.
3. To appoint a Director in place of Mr. Bimal Desai (DIN: 00872271), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Bimal Desai (DIN: 00872271), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

4. **To appoint / regularize appointment of Mr. Karan Lamba (DIN: 06533079) as an Independent Director of the Company for a consecutive period of 5 years.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Karan Lamba (DIN: 06533079) who was appointed as an Additional Director in the category Non-executive Independent Director of the Company by the Board of Directors with effect from November 13, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting for Financial Year 2020-21 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a consecutive period of five years i.e till November 12, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution."

5. **To appoint / regularize appointment of Mr. Santino Rocco Morea (DIN: 01642189) as an Independent Director of the Company for a consecutive period of 5 years.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Santino Rocco Morea (DIN: 01642189) who was appointed as an Additional Director in the category Non-executive Independent Director of the Company by the Board of Directors with effect from November 12, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting for Financial Year 2020-21 and who is eligible for



appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a consecutive period of five years i.e till November 11, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**6. To appoint / regularize appointment of Mr. Harpreet Baweja (DIN: 02742525) as an Independent Director of the Company for a consecutive period of 5 years.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Harpreet Baweja (DIN: 02742525 ) who was appointed as an Additional Director in the category Non-executive Independent Director of the Company by the Board of Directors with effect from November 12, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting for Financial Year 2020-21 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a consecutive period of five years i.e till November 11, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**7. To appoint / regularize appointment of Mrs. Aastha Sharma ( DIN 06595976) as an Independent Director of the Company for a consecutive period of 5 years.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mrs. Aastha Sharma ( DIN 06595976 ) who was appointed as an Additional Director in the category Non-executive Independent Director of the Company by the Board of Directors with effect from November 12, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting for Financial Year 2020-21 and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a consecutive period of five years i.e till November 11, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

**8. Appointment of Mr. Varun S. Gupta (DIN: 02938137) as Managing Director of the Company for a period of 3 years.**

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

“**RESOLVED THAT** subject to the provisions of sections 2(94), 161, 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any

statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to the appoint of Mr. Varun S. Gupta (DIN-02938137), as "Managing Director" of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 15th November, 2021 with liberty to either party to terminate by giving two months notice in writing to the other.

- A. Salary: Rs.2.00 Lakhs p.m.
- B. Perquisites: In addition to salary the Whole-time Director shall also be entitled to following perquisites and allowances:
  - a. Accommodation: Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.
  - b. Medical Reimbursement: For self and family in accordance with the rules of the Company, and shall further also includes reimbursement of Life insurance, accidental insurance and Mediclaim Insurance for self and family.
  - c. Leave Travel Assistance: For self and family in accordance with the rules of the Company.
  - d. Leave: Leave on full pay as per rules of the Company
  - e. Provident Fund/ Gratuity/ pension: As per the rules of the Company
  - f. Insurance: Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs. 0.20 Lacs per annum.
  - g. Car: Free use of Company's car including maintenance and operations together with driver for official purpose.
  - h. Telephone: Free telephone facility at residence.
  - i. Entertainment: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
  - j. Other Perquisites: Travelling and halting allowances for self and spouse on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost. The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1st April each year from time to time at a rate not exceeding Rs.0.50 Lacs p.m.

**RESOLVED FURTHER THAT** during the currency of tenure of the Whole-time Director, if the company has no profits or its profits are inadequate in any financial year, Mr. Varun S. Gupta shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, in the event of any statutory modification or of relaxation by the Central Government in Schedule V to the Companies Act, 2013, to vary or increase the Remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

9. **Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as the Chairman of the Company.**

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

**"RESOLVED THAT** subject to applicable provisions of the Companies Act, 2013, read with the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors, approval be and is hereby accorded to the appointment of Mr. Sudhir H. Gupta as "Chairman" of the Company w.e.f. 13th November, 2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

10. **Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as a Whole-time Director designated as “Executive- Chairman”.**

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

**“RESOLVED THAT** subject to the provisions of sections 2(94), 161, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, approvals and permissions and as are agreed to by the Board of Directors (Hereinafter referred to as the Board, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf) approval be and is hereby accorded to the appointment of Mr. Sudhir H. Gupta, the Chairman (DIN-00010853), as a Whole-time Director designated as “Executive-Chairman” of the Company upon the terms and conditions as set out herein below:

Period: 3 years with effect from 15th November, 2021 with liberty to either party to terminate by giving two month notice in writing to the other.

A. Salary: Rs. 2.25 Lacs p.m.

B. Perquisites: In addition to salary the Whole-time Director shall also be entitled to following perquisites and allowances:

a. Accommodation:

Furnished or otherwise shall be provided by the Company the expenditure on which shall be subject to a limit of sixty percent of the salary over and above ten percent payable by him or House Rent Allowance in lieu thereof subject to a limit of sixty percent of annual salary.

b. Medical Reimbursement:

For self and family in accordance with the rules of the Company, and shall further also includes reimbursement of Life insurance, accidental insurance and Mediclaim Insurance for self and family.

c. Leave Travel Assistance: For self and family in accordance with the rules of the Company.

d. Leave: Leave on full pay as per rules of the Company

e. Provident Fund/ Gratuity/ pension: As per the rules of the Company

f. Insurance: Personal Accident insurance of an amount, the total annual premium of which does not exceed to Rs. 0.20 Lacs per annum.

g. Car: Free use of Company's car including maintenance and operations together with driver for official purpose.

h. Telephone: Free telephone facility at residence.

i. Entertainment: Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.

j. Other Perquisites: Travelling and halting allowances for self and spouse on actual basis.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rules perquisites shall be evaluated at actual cost. The Board of Directors / Nomination and Remuneration committee shall have authority to approve annual increment of salary effective 1st April each year from time to time at a rate not exceeding Rs.0.50 Lacs p.m.

**RESOLVED FURTHER THAT** during the currency of tenure of the Whole-time Director, if the company has no profits or its profits are inadequate in any financial year, Mr. Sudhir H. Gupta shall be entitled to aforesaid remuneration as Minimum Remuneration subject to the limit specified in Section II of Part II of the said Schedule V of the Companies Act, 2013.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, in the event of any statutory modification or of relaxation by the Central Government in Schedule V to the Companies Act, 2013, to vary or increase the Remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling without any further reference to the members of the Company in General Meeting.



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

**11. Approval of arrangements/transactions with related Parties:**

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

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Regulation 23 of Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to ratify / approve all existing contracts / arrangements / agreements and to enter into contract (s) / transaction(s) with “Isinox Limited”, “ISL Global Pte Ltd”, “UAB ISL Lithuania”, “Leap India Brandhub Services Pvt Ltd.”, “Isisales India Pvt. Ltd.”, “Level Construction Pvt Limited”, Gupta Housing Private Ltd., or other related party(ies) within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of financial year 2020-21; as detailed herein below and in the Explanatory Statement annexed hereto:

Description of Contract	Total cumulative contract value with Related Party (Rs. In Crore)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out / availing job-work and hire of facilities, availing / rendering of marketing/ business transfer and other services, leasing of factory / office premises/facilities or any other transactions.	150

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and be authorized to approve aforesaid transactions and the terms & conditions thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion pursuant to the above Resolution.”

**12. To appoint branch Auditors**

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

**“RESOLVED THAT** pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditor within the provisions of section 143(8) of the Act and to fix their remuneration.”

**13. Ratification of Cost Auditors’ remuneration**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Company hereby ratifies the remuneration of Rs.65000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to Mr. Mohammed Rampurawala (Membership No. 32100), who has been appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the cost records of the Company for the



financial year ending March 31, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Regd. Office:

**India Steel Works Complex,**

Zenith Compound,

Khopoli, Raigad-410203

Place: Mumbai

Date: 13/11/2021.

By Order of the Board of Directors

**India Steel Works Limited**

Sd/-

**Sudhir H. Gupta**

Executive Chairman

DIN:00010853

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.

The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

Corporate members intending to appoint their authorized representatives to participate in the AGM are requested to send a certified true copy of their Board resolution to the Company at [cosec@indiasteel.in](mailto:cosec@indiasteel.in).

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In terms of the provisions of Section 152 of the Act, Mr. Bimal Desai (DIN: 00872271), Non-Executive Director, retire by rotation at this Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company command the re-appointment. Mr. Bimal Desai is interested in the Ordinary Resolution set out at Item Nos. 3 of the Notice with regard to his re-appointment. The relatives of Mr. Bimal Desai may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Mrs. Bhavana B. Devda was appointed as an additional Independent Director by the Board at its Meetingheld on 20.08.2021. She resigned for personal reasons on 21.10.2021. Hence her regularisation as mentioned in the Directors report withdrew. Mr. Tilak R. Bajalia has resigned w.e.f 17.09.2021. Mrs. Kavita R. Joshi has resigned w.e.f 19.10.2021. Mr. Varun S. Gupta has been resigned as WTD & CFO and appointed as Managing Director of the Company. Mr. Sudhir H. Gupta has been appointed as the Wholetime Director designated as the Executive Chairman of the Company.

6. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice. The relevant details, pursuant to the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of a Director seeking appointment / re-appointment at this AGM are also annexed.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has

been uploaded on the website of the Company at [www.indiasteel.in](http://www.indiasteel.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
11. In compliance with the MCA Circular, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the website of the Company. For members who have not registered their email address, kindly register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [cosec@indiasteel.in](mailto:cosec@indiasteel.in), as copies of this notice as well as the other documents will not be sent to them in physical mode and will be sent only through email, in view of COVID-19 and MCA Circulars.
12. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
13. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address to the Company / RTA Link intime India Pvt Limited.
14. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
15. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL and RTA and will also be displayed on the Company's website at [www.indiasteel.in](http://www.indiasteel.in).
16. The Company has appointed **CS Reena Modi-Parekh of Reena S Modi& Associates**, Practicing Company Secretary M. No: A25346 COP: 12621 as scrutineer for conducting e-voting process for the Annual General Meeting in a fair & transparent manner.
17. The Members desirous of seeking any information/clarification or explanation with regard to the Accounts or any items of the notice at the 34th Annual General Meeting are requested to write to the Company at least 10 days prior to the AGM date, so that the required information can be made available at the Meeting.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., 28th December, 2021. Members seeking to inspect such documents can send an email to [Cosec@indiasteel.in](mailto:Cosec@indiasteel.in).
19. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members on all working days of the Company, during business hours up to the date of AGM.
20. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
21. **The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, December 22, 2021 to Tuesday, December 28, 2021 (both days inclusive).**
22. **The remote e-voting period begins on Saturday, December 25, 2021 at 09:00 A.M. and ends on Monday, December 27, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, December 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their**

**share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, December 21, 2021.**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e- Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e- Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

Type of shareholders	Login Method
	<p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cDSLindia.com">www.cDSLindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL. Login type Helpdesk details Individual Shareholders holding securities in demat mode with NSDL Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020990 and 1800 22 44 30

Individual Shareholders holding securities in demat mode with CDSL Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your emailID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. **If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:**

- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [reena.modi88@gmail.com](mailto:reena.modi88@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 2244 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:
  1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cosec@indiasteel.co.in](mailto:cosec@indiasteel.co.in)
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF T AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

**OTHER INSTRUCTIONS**

1. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, December 21, are entitled to vote on the Resolutions, set forth in this Notice.
2. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of Tuesday, December 21, 2021.
3. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
5. **CS Reena Modi-Parekh of Reena S Modi& Associates**, Practicing Company Secretary M. No: A25346 COP: 12621 has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
6. The Scrutiniser shall, after scrutinising the votes, within two working days from the conclusion of the Meeting, submit a consolidated scrutiniser's report thereon to the Chairman or a person authorised by him in writing which will be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited.

**Regd. Office:**

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

By Order of the Board of Directors

**India Steel Works Limited**

**Place: Mumbai**  
**Date: 13/11/2021.**

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



## EXPLANATORY STATEMENT PERSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.4 to 13 of the accompanying Notice dated 13th November, 2021:

### **Item No.4: To appoint / regularize appointment of Mr. Karan Lamba (DIN: 06533079) as a Non-Executive Independent Director of the Company for a consecutive period of 5 years.**

Mr. Karan Lamba (DIN: 06533079) was appointed as an Additional Director (Non-executive & Independent) of the Company by the Board on the recommendation of the Nomination and Remuneration Committee with effect from November 13, 2021 and holds the office up to this Annual General Meeting, is eligible for appointment as an Independent Director (Non-Executive) for a term upto five years.

The Board is of the view that his appointment as an Independent Director would benefit the Company. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules thereunder for the appointment as an Independent Director and he is independent of the management of the Company.

Declaration has been received from Mr. Karan Lamba (DIN: 06533079) that he meets the criteria of Independence prescribed under Section 149 of the Act read with Rules made thereunder. He is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has given his consent to act as Director. Requisite Notice under Section 160 of the Act proposing his appointment has been received by the Company.

The details of Mr. Karan Lamba (DIN: 06533079), as required to be given pursuant to the Listing Obligations & Secretarial Standard on General Meetings, are attached to this Notice.

As per LODR the appointment of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution effective 1.1.2022. However, as a good practice, special resolution is considered to appoint independent Directors.

The Board recommends the passing of the Special Resolution as set out in the Item No. 4 of this Notice for the appointment of Mr. Karan Lamba (DIN: 06533079) as an Independent Director not liable to retire by rotation.

The terms and conditions of appointment of Mr. Karan Lamba (DIN: 06533079) shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working days, excluding Sundays.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

### **Item No.5: To appoint / regularize appointment of Mr. Santino Rocco Morea (DIN: 01642189) as a Non-Executive Independent Director of the Company for a consecutive period of 5 years.**

Mr. Santino Rocco Morea (DIN: 01642189) was appointed as an Additional Director (Non-executive & Independent) of the Company by the Board on the recommendation of the Nomination and Remuneration Committee with effect from November 12, 2021 and holds the office up to this Annual General Meeting, is eligible for appointment as an Independent Director (Non-Executive) for a term upto five years.

The Board is of the view that his appointment as an Independent Director would benefit the Company. In the opinion of the Board, Mr. Santino Rocco Morea (DIN: 01642189) fulfils the conditions specified in the Act and the Rules thereunder for the appointment as an Independent Director and he is independent of the management of the Company.

Declaration has been received from Mr. Santino Rocco Morea (DIN: 01642189) that he meets the criteria of Independence prescribed under Section 149 of the Act read with Rules made thereunder. He is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has given his consent to act as Director. Requisite Notice under Section 160 of the Act proposing his appointment has been received by the Company.

The details of Mr. Santino Rocco Morea (DIN: 01642189), as required to be given pursuant to the Listing Obligations & Secretarial Standard on General Meetings, are attached to this Notice.

As per LODR the appointment of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution effective 1.1.2022. However, as a good practice, special resolution is considered to appoint independent Directors.

The Board recommends the passing of the Special Resolution as set out in the Item No. 5 of this Notice for the appointment of Mr. Santino Rocco Morea (DIN: 01642189) as an Independent Director not liable to retire by rotation.

The terms and conditions of appointment of Mr. Santino Rocco Morea (DIN: 01642189) shall be open for inspection by the Members at



the Registered Office of the Company during the normal business hours on any working days, excluding Sundays.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**Item No.6: To appoint / regularize appointment of Mr. Harpreet Baweja (DIN: 02742525) as an Independent Director of the Company for a consecutive period of 5 years.**

Mr. Harpreet Baweja (DIN: 02742525) was appointed as an Additional Director (Non-executive & Independent) of the Company by the Board on the recommendation of the Nomination and Remuneration Committee with effect from November 12, 2021 and holds the office up to this Annual General Meeting, is eligible for appointment as an Independent Director (Non-Executive) for a term upto five years.

The Board is of the view that the appointment of Mr. Santino Rocco Morea (DIN: 01642189) as an Independent Director would benefit the Company. In the opinion of the Board, Mr. Santino Rocco Morea (DIN: 01642189) fulfils the conditions specified in the Act and the Rules thereunder for the appointment as an Independent Director and he is independent of the management of the Company.

Declaration has been received from Mr. Santino Rocco Morea (DIN: 01642189) that he meets the criteria of Independence prescribed under Section 149 of the Act read with Rules made thereunder. He is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has given his consent to act as Director. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Santino Rocco Morea (DIN: 01642189) has been received by the Company.

The details of Mr. Santino Rocco Morea (DIN: 01642189), as required to be given pursuant to the Secretarial Standard on General Meetings, are attached to this Notice.

As per LODR the appointment of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution effective 1.1.2022. However, as a good practice, special resolution is considered to appoint independent Directors.

The Board recommends the passing of the Special Resolution as set out in the Item No. 6 of this Notice for the appointment of Mr. Santino Rocco Morea (DIN: 01642189) as an Independent Director not liable to retire by rotation.

The terms and conditions of appointment of Mr. Santino Rocco Morea (DIN: 01642189) shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working days, excluding Sundays.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**Item No.7: To appoint / regularize appointment of Ms. Aastha Sharma (DIN: 06595976) as an Independent Director of the Company for a consecutive period of 5 years.**

Ms. Aastha Sharma (DIN: 06595976) was appointed as an Additional Director (Non-executive & Independent) of the Company by the Board on the recommendation of the Nomination and Remuneration Committee with effect from November 13, 2021 and holds the office up to this Annual General Meeting, is eligible for appointment as an Independent Director (Non-Executive) for a term upto five years.

The Board is of the view that the appointment of Ms. Aastha Sharma (DIN: 06595976) as an Independent Director would benefit the Company. In the opinion of the Board, she fulfils the conditions specified in the Act and the Rules thereunder for the appointment as an Independent Director and she is independent of the management of the Company.

Declaration has been received from Ms. Aastha Sharma (DIN: 06595976) that she meets the criteria of Independence prescribed under Section 149 of the Act read with Rules made thereunder. She is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has given his consent to act as Director. Requisite Notice under Section 160 of the Act proposing her appointment has been received by the Company.

The details of Ms. Aastha Sharma (DIN: 06595976), as required to be given pursuant to the Listing Obligations & Secretarial Standard on General Meetings, are attached to this Notice.

As per LODR the appointment of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution effective 1.1.2022. However, as a good practice, special resolution is considered to appoint independent Directors.

The Board recommends the passing of the Special Resolution as set out in the Item No. 7 of this Notice for the appointment of Ms. Aastha Sharma (DIN: 06595976) as an Independent Director not liable to retire by rotation.

The terms and conditions of appointment of Ms. Aastha Sharma (DIN: 06595976) shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working days, excluding Sundays.



None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**Item No.8: Appointment of Mr. Varun S. Gupta (DIN: 02938137) as Managing Director of the Company.**

The Board of Directors of the Company at its meeting held on November 13, 2021 has, subject to the approval of members, appointed Mr. Varun S. Gupta as Managing Director (DIN:02938137) of the Company for a period of 3 (three) years effective 15.11.2021, at the remuneration approved by the Nomination & Remuneration Committee and the Board.

Prior to his appointment as Managing Director, Mr. Varun Gupta was re-appointed as Whole-time Director designated as Executive Director & CFO. He resigned as Executive Director & CFO of the Company. He was then appointed as the Managing Director by the Board effective 15.11.2021. He satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Varun S. Gupta as Whole-time Director are more specifically mentioned in the Resolution. The statement as required under Part II of Section II, of the Schedule V of the Companies Act, 2013 with reference to:

- i. Payment of Remuneration is approved by the Board as well as the Nomination & remuneration committee of the Company.
  - ii. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
  - iii. a statement along with a notice calling the general meeting referred to in clause (ii) is given to the shareholders containing the following information, namely:-
- I. General Information:
- (1) Nature of Industry: Manufacturing of Stainless Steel and alloy steel long products.
  - (2) Date or expected date of commencement of commercial production: Existing Company, already commenced from 1987.
  - (3) Financial performance based on given indicators (Rs. In Lakhs)

Sr. No	Particulars	31/03/2019	31/03/20	31/03/2021
1	Net sales / Income	53179.42	13953.76	14385.76
2	Other operating Income	2577.64	3710.29	3240.48
3	Total Expenditure	54966.85	18667.32	18428.80
4	Finance Cost	1330.22	964.27	899.77
5	Profit/(loss) before Tax	(540.01)	(1967.55)	(1979.36)
6	Tax Expenses	2.04	(0.14)	-
7	Net Profit/(loss): For the year	(537.98)	(1967.70)	(1979.36)
8	Total comprehensive income for the year	(590.67)	(1957.58)	(1922.95)

- (4) Export performance and net foreign exchange earnings: on FOB basis is Rs. Nil

- (5) Foreign Investments or Collaborators, if any:

The Company has received investments from Tb Investments Ltd and Metal Industriail Pte Ltd, and as on March 31, 2021 they hold 27000000 Equity Shares( 6.78%) and 90458196 Equity Shares 22.72% respectively in the Equity Share Capital of the Company.

II. Information about the appointee:

- (1) Background details: Mr. Varun Gupta, aged about 35 is a graduate in Business administration from the Bond University, Gold Coast, Australia. He started his career as a sales representative in Australia and later joined the Company in 2007 as a Management Trainee. On December 29, 2008 he was appointed as Management Executive. On 17 December, 2009 he was appointed as an Additional Director by the Board and appointed as Executive Director w.e.f. 1.07.2010 & was reappointed as such from time to time for 3 years.

- (2) Past remuneration: During previous financial year FY 2020-21, Mr. Varun Gupta was paid managerial remuneration @ of Rs.2.00 Lacs per month.
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability: Mr. Varun Gupta devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company. He has more than 10 years of experience in the business of the Company which is compatible with the organizational requirements. He has been associated with the Company since 2007 and the Company will continue to be benefited from his leadership and guidance.
- (5) Remuneration proposed: Salary Rs. 2.00 Lacs per month plus perquisites as more fully described in the Resolution for the remaining term of the office.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration payable has been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the industry and has been considered by the Nomination and Remuneration Committee of the Company at its meeting held on 13th November, 2021.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Varun S. Gupta is a Promoter. Before appointment as Managing Director, he was the Executive Director and CFO of the Company. He is holding 6,54,800 (0.16%) Equity Shares as on March 31, 2021 in the Equity Share Capital of the Company in his personal capacity. He has no other pecuniary relationship with the Company or with any key managerial personnel except to the extent of his remuneration as Executive Director and CFO.

### **III. Other Information:**

- 1) Reasons of loss or inadequate profits: High borrowing cost, Increase in input costs, suboptimal level of operations due to non availment of adequate working capital from banks etc.
- 2) Steps taken or proposed to be taken for improvement: Improvements and upgradation in steel making process, better yield & less power consumption, rationalization of man power, broad basing Marketing network, procuring fresh working capital facilities.
- 3) Expected increase in productivity and profits in measurable terms: All the above measures result in increase in the production of the Company and the Company is expected to turn around in future.

### **IV. Disclosure:** The disclosures on remuneration of each Director are given in the Board's Report.

Besides Isinox Limited, he has no Directorship in other public limited Companies in India. Mr. Varun Gupta (Managing Director) is Son of Mr. Sudhir H. Gupta, Executive Chairman of the Company. No other managerial personnel have any relationship with Mr. Varun S. Gupta.

Mr. Varun S. Gupta, being appointee and his relatives, Mr. Sudhir H. Gupta, Chairman are deemed to be interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 8 of the Notice. The Board recommends passing of the Special Resolution at item no.8.

### **Item No.9: Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as Chairman of the Company**

The Board of Directors of the Company on basis of recommendation of the Nomination and Remuneration Committee decided to appoint Mr. Sudhir H. Gupta, as Chairman of the Company w.e.f 13th November, 2021. Considering his experience, performance, knowledge of the business and decision making power the Board has unanimously decided to propose his name for the Chairmanship of the Company. The relatives of the said appointee Directors may be deemed to be interested in the resolutions, to the extent of their shareholding interest, if any, in the Company. The Board recommends the Special Resolution at item no 9 for approval of the members. for approval by the Members.

Mr. Sudhir H. Gupta, being appointee and his relatives, Mr. Varun S. Gupta are deemed to be interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 9 of the Notice.



**Item No.10: Appointment of Mr. Sudhir H. Gupta (DIN-00010853), as a Whole-time Director designated as “Executive-Chairman”.**

The Board of Directors of the Company at its meeting held on 13th November, 2021 has, subject to the approval of members, appointed Mr. Sudhir H. Gupta, as Whole-time Director of the Company, designated as “Executive-Chairman” for a period of 3 (three) years with effect from 15th November, 2021 at the remuneration approved by the Nomination & Remuneration Committee and the Board.

In accordance to the provisions of Section 2(94), 196,197,198 and 203 read with schedule V and other applicable provisions including rules, regulations made there under, if any, of the Companies Act, 2013, (“the Act”), that the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by shareholders at ensuing general meeting.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sudhir H. Gupta as Whole-time Director are more specifically mentioned in the Resolution.

The said Director will perform such duties as shall from time to time be entrusted to him by the Board of Directors and subject to superintendence, guidance and control of the Board. Mr. Sudhir H. Gupta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The statement as required under Part II of Section II, of the Schedule V of the Companies Act, 2013 with reference to:

- i. Payment of Remuneration is approved by the Board as well as the Nomination & remuneration committee of the Company.
- ii. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;
- iii. a statement along with a notice calling the general meeting referred to in clause (iii) is given to the shareholders containing the following information, namely:—

**I. General Information :**

- (1) Nature of Industry : Manufacturing of Stainless Steel and alloy steel long products.
- (2) Date or expected date of commencement of commercial production: Existing Company, already commenced from 1987.
- (3) Financial performance based on given indicators (Rs. In Lacs)

Sr. No	Particulars	31/03/2019	31/03/20	31/03/2021
1	Net sales / Income	53179.42	13953.76	14385.76
2	Other operating Income	2577.64	3710.29	3240.48
3	Total Expenditure	54966.85	18667.32	18428.80
4	Finance Cost	1330.22	964.27	899.77
5	Profit/(loss) before Tax	(540.01)	(1967.55)	(1979.36)
6	Tax Expenses	2.04	(0.14)	-
7	Net Profit/(loss): For the year	(537.98)	(1967.70)	(1979.36)
8	Total comprehensive income for the year	(590.67)	(1957.58)	(1922.95)

- (4) Export performance and net foreign exchange earnings: on FOB basis is Rs. Nil
- (5) Foreign Investments or Collaborators, if any:

The Company has received investments from Tb Investments Ltd and Metal Industriail Pte Ltd, and as on March 31, 2021 they hold 27000000 Equity Shares( 6.78%) and 90458196 Equity Shares 22.72% respectively in the Equity Share Capital of the Company.

**II. Information about the appointee:**

## (1) Background details:

Mr. Sudhir H. Gupta aged about 60 has Degree in Science and Law from University of Mumbai. He has more than 30 years of experience in the steel industry. He has been the Jt. Managing Director since the year 1991 and re-designated as Managing Director of the Company from 30th day of June, 2009.

(2) Past remuneration: During previous financial year FY 2020-21, Mr. Varun Gupta was paid managerial remuneration @ of Rs.2.25 Lacs per month.

(3) Recognition or awards: Nil

(4) Job profile and his suitability: Mr. Sudhir H. Gupta has been managing day to day affairs of the company. Subject to the supervision and control of the Board of Directors, he is overall in-charge of running the day to day affairs of the Company including Budgeting, Funding, Liasoning with the Investors and Corporate affairs.

He is also looking after the general administration, banking, finance, sales and purchase. As a Managing Director he has played a key role in making the Company to grow inspite of every odd in the past.

(5) Remuneration proposed: Salary Rs. 2.25 Lacs per month plus perquisites as more fully described in the Resolution for the remaining term of the office.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration payable has been benchmarked with the remuneration being drawn by peers in similar capacity in similar companies of comparable size in the industry and has been considered by the Nomination and Remuneration Committee of the Company at its meeting held on 13th November, 2021.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Sudhir H. Gupta is a Promoter. Before appointment as Executive Director, he was the Managing Director of the Company. He is holding 44,41,825(1.12%) Equity Shares as on March 31, 2021 in the Equity Share Capital of the Company in his personal capacity. He has no other pecuniary relationship with the Company or with any key managerial personnel except to the extent of his remuneration as Managing Director.

**III. Other Information:**

1) Reasons of loss or inadequate profits: High borrowing cost, Increase in input costs, suboptimal level of operations due to non availment of adequate working capital from banks etc.

2) Steps taken or proposed to be taken for improvement: Improvements and upgradation in steel making process, better yield & less power consumption, rationalization of man power, broad basing Marketing network, procuring fresh working capital facilities.

3) Expected increase in productivity and profits in measurable terms: All the above measures result in increase in the production of the Company and the Company is expected to turn around in future.

**IV. Disclosure:** The disclosures on remuneration of each Director are given in the Board's Report.

Besides Isinox Limited , he has no other Directorship in other public Limited Companies in India. He is the father of Mr. Varun S. Gupta, Managing Director of the Company. No other Managerial person have any relationship with Mr. Sudhir H. Gupta.

The Board recommends passing of the Special resolution at item No. 10. for approval of the members.

Mr. Sudhir H. Gupta being appointee and his relatives, Mr. Varun S. Gupta, MD are deemed to be interested in the said resolution. None of the other Directors / Key Managerial Personnel of the Company and their relatives is/are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 10 of the Notice.

**Item No.11: Arrangements/transactions with related Parties:**

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by special resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on arm's length basis.



However, pursuant to Regulation 23 with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders through special resolution is required for all 'material related party transactions (RPT) even if they are entered into in the ordinary course of business on arm's length basis. For this purpose, a RPT will be considered 'material' if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year 10% or more of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with "**Isinox Limited**", "**ISL Global Pte Ltd**", "**UAB ISL Lithuania**" "**ISL Europe Spolka Z.o.o**" and "**ISL Italia Spa**", "**Level Construction P Ltd**", **Leap India Brandhub Services Pvt Ltd.**, **Gupta Hpusing Pvt Ltd.** related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, are estimated to 10% or more of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31st March, 2021:-

Sr.No.	Nature of Transaction	2020-21 Estimated Annual Value of Contracts & Services [in Rs. crore]
<b>Sale of Goods &amp; rendering of Services by the Company to Isinox Limited</b>		
1	Sale and Job work income	75
	<b>Total Income</b>	
<b>Purchase of Goods &amp; receiving of Services by the Company from Isinox Limited</b>		
1	Purchase and Job Work Charges / Hire Charges	73
2	Rent	2
	<b>Total Expenditure</b>	75
	<b>Total Transaction Value</b>	150

The other particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of the related parties:  
"Isinox Limited", "ISL Global Pte Ltd", "UAB ISL Lithuania" "ISL Europe Spolka Z.o.o" "Level Construction Pvt Ltd" and "ISL Italia Spa". Leapindia Brandhub Services Pvt Ltd., Gupta Housing Private Ltd.
2. Name of the director or key managerial personnel who is related, if any:  
Mr. Sudhir H Gupta, Mr. Varun S Gupta, Mr. Deepak Kumar Gaur
3. Nature of relationship:  
Isinox Limited & other Companies are owned by the aforesaid promoter Directors Mr. Sudhir H. Gupta, Mr. Varun S. Gupta & their relatives .ISL Global Pte Limited is a Wholly Owned Subsidiary of Isinox Limited.
4. Nature of the Contract or arrangement:  
purchases, sells, availing services and also rendering services, giving advances against its orders, providing and accepting short term Inter Corporate Deposits to/from the Company in normal course of business at commercial terms, from time to time, on an on-going concern basis. Isinox Ltd. has also entered into a long-term 'Conversion Agreement' JOB WORK AGREEMENT with the Company with effect from 1st April 2014.

Except Mr. Sudhir H Gupta, Mr. Varun S Gupta and their relatives none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

The above transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. In view of the above, it is proposed to seek approval of the members of the Company through Special resolution for the above transactions and the related parties are abstained from voting on the said resolution. None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution except for their holdings in the shares of the Company and to the extent of their memberships and/ or directorships in the Isinox Limited and ISL Global Pte Ltd. and other Companies. The Board recommends the Resolution at Item Nos.11 of the Notice for approval of the Members.

**Item No.12: Appoint branch Auditors:**

The Company has branch outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint NATARAJAN & SWAMINATHAN, Chartered Accountants of Singapore, branch auditors in consultation with the Company's Auditors and fix their remuneration. The Board recommends the Resolution at Item No.12 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 12 of the accompanying Notice.

**Item No.13: Approval /ratification of remuneration payable to the Cost Auditor:**

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of Mr.Mohammed Rampurawala at a remuneration of Rs.65,000 plus applicable taxes and out-of-pocket expenses. Mr.Mohammed Rampurawala have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 13 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution at Item No.13 .

**Regd. Office:**

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

**Place: Mumbai**

**Date: 13/11/2021.**

By Order of the Board of Directors

**India Steel Works Limited**

**Sudhir H. Gupta**

Executive Chairman

DIN: 00010853



**DETAILS OF DIRECTOR SEEKING APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS & SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:**

Particulars	Karan Lamba (DIN: 06533079)	Santino Rocco Morea (DIN: 01642189)	Harpreet Baweja (DIN: 02742525)	Aastha Sharma (DIN 06595976)
Date of birth and age	22/04/1985 & 36 years	6.05.1982 40 years	08.06.1981 41 years	03-05-1986 & 35 years
Date of appointment / re-appointment	13.11.2021	12.11.2021	12.11.2021	12.11.2021
Qualifications	B.A(Bachler of Arts)	B.A(Bachler of Arts)	B.A(Bachler of Arts)	B.A(Bachler of Arts)
Experience and expertise in specific functional areas	Having more than 12 years of experience in the field of Consulting, marketing, making business strategies.	Having 20 years of experience in the field of film, advertising and other business. managing business, planning etc.	He has good experience in the Business activities of Companies in general.	A graduate, aged about 35, having experience of fashion marketing & merchandising , managing business in general.
Remuneration last drawn (including sitting fees, if any)	Nil	Nil	Nil	Nil
Remuneration proposed to be paid	sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof.	sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof.	sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof.	sitting fee and reimbursement of expenses for attending meetings of the Board or Committees thereof.
Disclosure of Relationships between Director Inter-se	None	None	None	None
Directorships held in other (excluding foreign) Companies	Nil	HAPPY LAB SOLUTIONS PRIVATE LIMITED UBO RIDEZ PRIVATE LIMITED CLOCKWORK MOBILE BUZZ PRIVATE LIMITED DM MOVIES PRIVATE LIMITED DM FITNESS PRIVATE LIMITED	HAPPY LAB SOLUTIONS PRIVATE LIMITED AROMATHAI SPA (DELHI) PRIVATE LIMITED AROMATHAI SERVICES PRIVATE LIMITED BUTTER EVENTS PRIVATE LIMITED AROMATHAI SPA PRIVATE LIMITED	WARDROBIST CONSULTANCY PRIVATE LIMITED
Memberships / Chairmanships of committees across companies	Nil	Nil	Nil	Nil



Particulars	Karan Lamba (DIN: 06533079)	Santina Rocco Morea (DIN: 01642189)	Harpreet Baweja (DIN: 02742525)	Aastha Sharma (DIN 06595976)
No. of shares held in the Company including shareholding as beneficial owner	Nil	Nil	Nil	Nil

Particulars	Bimal Desai (DIN: 00872271)	Varun S. Gupta (DIN: 02938137)	Sudhir H. Gupta (DIN: 00010853)
Date of birth and age	19-11-1964 & 57 years	17.06.1986 & 35 years	06.07.1961 & 60 Years
Date of appointment / re-appointment	29/05/2019	17/12/2009	19/02/1990
Qualifications	Commerce and law graduate with double post graduate in Management- Finance & marketing	Graduate in Business administration from the Bond University, Gold Coast, Australia.	Degree in Science and Law from University of Mumbai.
Experience and expertise in specific functional areas	He started his career in Essar Group with project marketing. He has vast and rich experience in the commodity markets especially in steel.	Liaisoning with the Investors, general administration, banking, finance, sales and purchase.	running the day to day affairs of the Company including Budgeting, Funding, Liaisoning with the Investors and Corporate affairs, general administration, banking, finance, sales and purchase.
Remuneration last drawn (including sitting fees, if any)	Entitled to sitting fees	1.50 Lac p.m	2.25 Lacs
Remuneration proposed to be paid	N.A	2.00 Lac p.m	2.25 Lacs
Disclosure of Relationships between Director Inter-se	None	Son of Mr. Sudhir H. Gupta	Father of Mr. Varun S. Gupta
Directorships held in other (excluding foreign) Companies.	NUTAN AGRO INDUSTRIES PRIVATE LIMITED TITAN STEELS PRIVATE LIMITED MAGNUS BUILDCON PROJECTS PRIVATE LIMITED	ISINOX LIMITED INDINOX STEELS PRIVATE LIMITED WATERTIGHT DEVELOPERS PRIVATE LIMITED GUPTA HOUSING PRIVATE LIMITED BANDRAFOOTBALL CLUB GLOBAL PRIVATE LIMITED	ISINOX LIMITED Y E O T M A L L A N D DEVELOPMENT AND TRADING CO PRIVATE LIMITED K H A M G A O N L A N D DEVELOPMENT AND TRADING CO PRIVATE LIMITED LEVEL CONSTRUCTIONS PRIVATE LIMITED WATERTIGHT DEVELOPERS



Particulars	Bimal Desai (DIN: 00872271)	Varun S. Gupta (DIN:02938137)	Sudhir H. Gupta (DIN:00010853)
			PRIVATE LIMITED ISIWORLD STEELS PVT LTD ISIMETALS (INDIA) PVT LTD ISICOM TRADERS PVT LTD ISISALES (INDIA) PVT LTD ISISTAR EXPORTS PVT LTD INDIA STEEL INTERNATIONAL PRIVATE LIMITED GUPTA HOUSING PRIVATE LIMITED HARBOUR VIEW REALTY PRIVATE LIMITED
Memberships / Chairmanships of committees across companies	Stake holders relationship Committee & Corporate Social Responsibility Committee-Chairman Member in Audit Committee & Nomination & Remuneration Committee	Corporate Relationship Committee Member	None
No. of shares held in the Company including shareholding as beneficial owner	Nil	6,54,800 Equity Shares as on 31 03 2021	44,41,825 Equity Shares as on 31 03 2021



**If undelivered Please Return to :**

**India Steel Works Limited**

Zenith Compound, Khopoli, Raigad-410203, Maharashtra

Ph.: 02192 266005/02192 266007 Fax : 02192 264061

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