

ANNUAL REPORT

2021-22

ISMT LIMITED

Solutions You Can Trust

History

1977-1980

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

1985

Seamless Tube manufacturing capacity increased to 30,000 MTPA.

1992

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

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

Successfully completed Public Issue of ISSAL which was hugely oversubscribed.

1993-1994

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

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

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

1998

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

1999

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

2004-2005

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

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

Exports cross Rs. 100 Crore mark.

2006-2007

Raised USD 20 Million through Foreign Currency Convertible Bonds issue.

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

2010

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

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

2011

Exports cross Rs. 500 Crore mark.

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

2012

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

2022

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

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

COMPANY INFORMATION

Board of Directors

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

Company Secretary & Compliance Officer

Chetan Nathani

Auditors

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

Cost Auditors

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

M/s. Parkhi Limaye & Co., Cost Accountants

Bankers

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

Works

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

Registered Office

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

Registrar & Share Transfer Agent

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

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Performance at a glance**PHYSICAL SUMMARY****(Tonnes Per Annum)**

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

FINANCIAL SUMMARY**(Rs. in Crore)**

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

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

Board's Report

To the Members of ISMT Limited

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

FINANCIAL HIGHLIGHTS

Rs. in Crore

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

*regrouped/ reclassified to meet current years classification.

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

DIVIDEND

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

RESERVES

No amount is proposed to be transferred to Reserves.

IMPACT OF COVID-19

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

OPERATIONS

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

DEBT RESOLUTION

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

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

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

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

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

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

AUTHORIZED SHARE CAPITAL

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

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

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

PREFERENTIAL ALLOTMENT

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

UTILIZATION OF FUNDS RAISED VIA PREFERENTIAL ISSUE

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

Board's Report (Contd.)

CHANGE IN MANAGEMENT

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

CAPTIVE POWER PLANT

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

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

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

IMPORTS

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

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

RAW MATERIAL

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

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

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

- (a) Special tariff for EAF route;
- (b) Free market for sale of power across India;
- (c) Removal of cross subsidy and other State levies on captive power generation; and
- (d) Banking of energy on the lines of renewable.

RESEARCH & DEVELOPMENT

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Under the leadership of Mr. B R Taneja-

- i. The Company, which started with initial capacity of 3,000 Tons at single location, has now reached 4,65,000 Tons of tube making at three locations and 3,50,000 Tons of Steel making capacity in addition to 40 MW CPP;
- ii. Turnover has grown from Rs. 4 Crore in the first year to over Rs. 2,000 Crore;
- iii. The Company provided direct and indirect employment to over 10,000 people; and
- iv. The Company has built a strong reputation for quality and is globally a recognized producer of precision seamless tubes.

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

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

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

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

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

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

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

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

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

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

Board's Report (Contd.)

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

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

AUDITORS

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

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

COST AUDITORS

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

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

- (i) M/s. Dhananjay V. Joshi & Associates; and
- (ii) M/s. Parkhi Limaye & Co.

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

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

SUBSIDIARIES

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

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

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

FIXED DEPOSITS

The Company has not accepted deposits from the public.

MANAGEMENT DISCUSSION & ANALYSIS & CORPORATE GOVERNANCE REPORT

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

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

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

ANNUAL RETURN

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

CONSERVATION OF ENERGY ETC

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That Directors have selected such accounting policies & applied them consistently & made judgments & estimates, that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at end of the financial year March 31, 2022 & of the Profits of the Company for that period;
- iii) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis;
- v) That the Directors had laid down internal financial controls to be followed by the Company & that such internal financial controls are adequate & were operating effectively; and
- vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board's Report (Contd.)

NOMINATION & REMUNERATION POLICY

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

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

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

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

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

SECRETARIAL AUDIT REPORT

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

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

i. Delay in submission of Financial Results:

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

ii. Promoter shareholding not in demat form:

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

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

The Company has initiated corrective steps for filing the APR.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDIT COMMITTEE & VIGIL MECHANISM

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

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

CONTRACTS WITH RELATED PARTIES

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

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

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

GENERAL

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

Board's Report (Contd.)

ACKNOWLEDGEMENTS

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

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

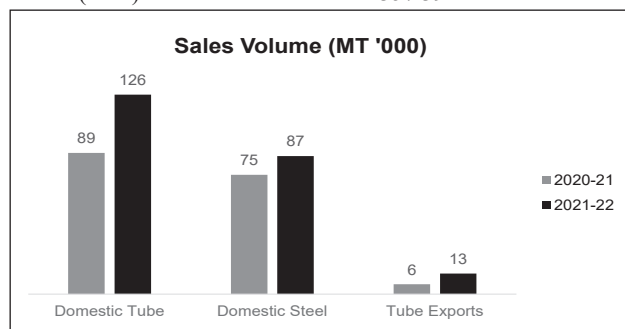
Pune
May 09, 2022

**Rahul Kirloskar
Chairman**

Management Discussion and Analysis

Company Performance:

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



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

Rs. in Crore

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

Seamless Tubes Industry

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

Steel Industry

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

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

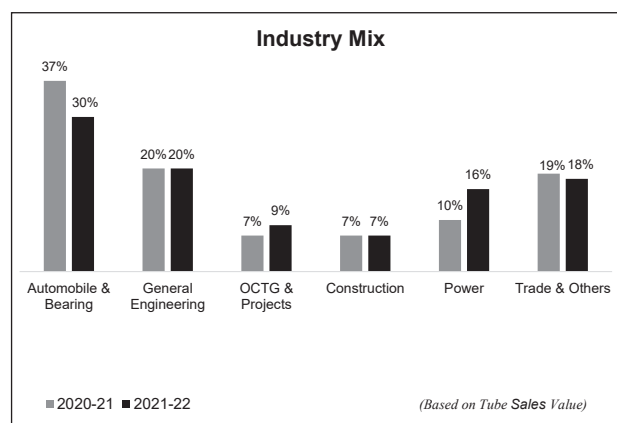
Captive Power Plant

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

MARKET

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

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



In absolute terms, following markets have been increased-

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

OPPORTUNITIES & THREATS

Opportunities

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