

ANNUAL REPORT

2022-23



ISMT LIMITED

Solutions You Can Trust

Historical Achievements

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.

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.

2023

Highest ever Net Sales of Rs. 2,534 Crore.

COMPANY INFORMATION

Board of Directors

Rahul Kirloskar	- Chairman
Ravindranath Gumaste	- Vice Chairman
Nishikant Ektare	- Managing Director
Rajiv Goel	- Director (upto March 17, 2023)
Kanakraj M	- Director
R Poornalingam	- Director (upto March 7, 2023)
S Venkataramani	- Director
Shalini Sarin	- Director

Chief Financial Officer

Rajiv Goel (upto September 30, 2022)
Suresh Patil (w.e.f. November 5, 2022)

Company Secretary & Compliance Officer

Chetan Nathani

Auditors

M/s. DNV & Co., Chartered Accountants (upto July 29, 2022)
P G Bhagwat LLP, Chartered Accountants (w.e.f. July 29, 2022)

Bankers

Kotak Mahindra Bank
ICICI Bank
Indian Overseas Bank
Axis Bank
Bank of Baroda

Cost Auditors

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

Works

Tube - MIDC Industrial Area, **Ahmednagar** - 414 111
MIDC Industrial Area, **Baramati** - 413 133
Structo Hydraulics AB, Storfors, **Sweden**
Steel - Jejuri - Morgaon Road, **Jejuri** - 412 303
Power - Village Kurla, Warora, **Chandrapur** - 422 910
(upto February 27, 2023)

Registered Office

Panama House,
(Earlier known as Lunkad Towers),
Viman Nagar, Pune - 411014
Tel: +91-20-4143 4100/ 2663 0144
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://ris.kfintech.com/clientservices/isc>
Toll free number: 1 800 309 4001

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Performance at a glance**FINANCIAL PERFORMANCE****(Rs. in Crore)**

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Net Sales / Revenue from Operations	2,561.31	2,152.54	1,234.67	1,304.29	1,825.10	1,490.25	1,053.18	991.68	1,504.50	1,561.11
Other Income	20.39	18.12	43.63	9.70	6.94	10.13	6.07	12.08	11.39	15.61
Profit/(Loss) Before Tax	157.31	2,500.05*	(350.61)	(242.38)	(228.78)	(240.93)	(288.44)	(372.82)	(220.99)	(204.65)
Tax Provisions	60.76	142.66	0.10	(1.95)	-	(0.98)	-	9.39	-	(34.36)
Profit/(Loss) After Tax	96.55	2,357.39*	(350.71)	(240.43)	(228.78)	(239.95)	(288.44)	(382.21)	(220.99)	(170.29)
Earnings per Share (Rs.)	3.21	151.32	(23.94)	(16.41)	(15.62)	(16.38)	(19.69)	(26.09)	(15.08)	(11.62)
Book Value per Share (Rs.)	50.41	47.11	(96.41)	(72.50)	(55.91)	(40.24)	(24.03)	(4.35)	19.02	20.78
Equity Share Capital	150.25	150.25	73.25	73.25	73.25	73.25	73.25	73.25	73.25	73.25
Reserves & Surplus	1,364.56	1,265.53	(1,485.63)	(1,135.45)	(892.33)	(662.71)	(425.36)	(136.92)	205.45	231.24
Shareholders' Funds	1,514.81	1,415.78	(1,412.38)	(1,062.20)	(819.08)	(589.46)	(352.11)	(63.67)	278.70	304.49
Capital Employed	1,644.95	1,665.60	2,030.89	2,166.41	2,195.75	2,173.86	2,231.33	2,150.25	1,948.96	1,808.46

* 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

The Directors are pleased to present the 25th Annual Report together with the Audited Financial Statements for the year ended March 31, 2023 of ISMT Limited ("Company"). Below is the state of the Company's affairs during FY2022-23:

Financial Summary (Standalone)

Rs. in Crore

Particulars	2022-23	2021-22
Total Income	2,581.70	2,170.66
Profit before tax	157.31	2,500.05*
Tax Expenses	60.76	142.66
Profit for the year	96.55	2,357.39*
Other Comprehensive Income	2.48	(5.86)
Total Comprehensive Income	99.03	2,351.53

* 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.

DIVIDEND

Directors do not propose any dividend for the year ended March 31, 2023, in order to conserve resources.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the Dividend Distribution Policy which is available on the website of the Company: www.ismt.co.in

RESERVES

No amount is proposed to be transferred to Reserves.

COMPANY PERFORMANCE

The Company achieved Net Sales of Rs. 2,533.53 Crores as compared to Rs. 2,123.41 Crores in the previous year.

Profit before Tax for the year under review stood at Rs. 157.31 Crores as compared to Rs. 2,500.05 Crores for the previous year (this includes 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).

During the year under review:

- The Company recorded a growth in Tube business with capacity utilization improvement at Nagar and Baramati Plant.
- Jejuri Steel Plant remained operational throughout the year & contributed both in volume and value growth of the Company.

SALE OF PRODUCTS

The Company sold 1,57,143 MT of Tubes valued at Rs. 1,977 Crore during FY 2022-23 as compared to 1,39,057 MT of Tubes valued at Rs. 1,503 Crore in the previous financial year.

The demand for Tubes was good especially from OCTG & Projects throughout the year under review. The average realisation of Tube, which was at around Rs. 1,08,075 per MT in the previous year went upto around Rs 1,25,838 per MT during the year under review.

The Company sold 68,165 MT of Steel aggregating to Rs. 556 Crore during FY 2022-23 as compared to 87,214 MT Steel aggregating to Rs. 621 Crore for the previous financial year.

The demand for Steel from Automobile and Bearing Sectors was lower during the financial year under review.

OPERATIONS

Capacity utilization at Steel Plant dropped marginally from 68% to 67%. The Capacity utilization at Tube Plants gone up from 45% to 49%.

FINANCE COSTS

The Company has availed credit facilities from ICICI Bank Limited, Axis Bank Limited and Kotak Mahindra Bank Limited. The Company aims for optimization of interest rates by availing credit facilities at competitive rates and to effectively manage the working capital thereby reducing the interest expenses.

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.

The Company's appeal against wrongful denial of banking facility is pending in Supreme Court.

Nevertheless, the Company had identified a buyer (viz. Omsairam Steels and Alloys Private Limited) for CPP and executed Business Transfer Agreement with the said buyer on December 9, 2022 for sale of CPP on a slump sale basis for Rs. 65.71 Crore. The Plant has been handed over to the buyer on February 27, 2023.

SCHEME OF ARRANGEMENT – MERGER

The Board at its meeting held on November 4, 2022 which was adjourned to November 5, 2022 has approved a draft Scheme of Arrangement and Merger between the Company (Transferor Company) and Kirloskar Ferrous Industries Limited (KFIL/ Transferee Company). Pursuant to the said Scheme and upon receipt of all the requisite approvals, 17 fully paid up equity shares of face value of Rs. 5/- each of KFIL will be allotted for every 100 fully paid up equity shares of face value of Rs. 5/- each of the Company.

As on date, the Company is awaiting approval of the stock exchanges to the aforesaid draft Scheme.

DIRECTORS

a. Changes in Directors & Key Managerial Personnel (KMP)

Mr. Nishikant Ektare, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Board's Report (Contd.)**Changes in Directors during FY2022-23**

The shareholders of the Company at the Extra-ordinary General Meeting (EGM) held on June 9, 2022 regularized the appointment of Mr. Rahul Kirloskar, Mr. Ravindranath Gumaste, Mr. Nishikant Ektare, Dr. Shalini Sarin and Mr. S Venkataramani as Directors of the Company.

In the EGM, the shareholders approved the appointment of Mr. Nishikant Ektare as Managing Director of the Company and Dr. Shalini Sarin and Mr. S Venkataramani were also appointed as Independent Directors of the Company.

The Board requires and possesses skills and expertise in the field of Management, Operations, Strategic Planning, Finance, Accounts, Legal, Corporate Restructuring, Administration, Sales & Marketing. Dr. Shalini Sarin brings the desired skills into the Board including but not limited to Management, Administration, Corporate Restructuring & Strategic Planning whereas Mr. S Venkataramani brings the desired skills into the Board including but not limited to Management, Strategic Planning, Finance, Accounts & Legal.

Upon expiry of tenure as Whole-time Director, which tenure was upto September 30, 2022, Mr. Rajiv Goel resigned as the Chief Financial Officer of the Company w.e.f. October 1, 2022.

Mr. R Poornalingam & Mr. Rajiv Goel resigned as Directors of the Company w.e.f. March 8, 2023 & March 18, 2023, respectively.

The Board placed on records its sincere appreciation and gratitude for services rendered by Mr. R Poornalingam & Mr. Rajiv Goel during their association with the Company.

Changes in KMP during FY2022-23

Mr. Suresh Patil was appointed as the Chief Financial Officer of the Company w.e.f. November 5, 2022.

b. Statement on declarations by Independent Directors

Independent Directors have given declarations pursuant to Section 149(7) of the Companies Act, 2013 (Act) & Regulation 25(8) of the SEBI (LODR), Regulations 2015 (Listing Regulations), stating that they meet the criteria of independence. 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.

The Board is assured that Independent Directors possess adequate proficiency, experience, expertise and integrity.

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

Board Members and Senior Management Personnel's of the Company have affirmed compliance with the Code.

c. Board Evaluation

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.

d. Nomination and Remuneration Policy

The Board has adopted a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel, their remuneration and criteria. The policy is available on website of the Company: [viz. www.ismt.co.in](http://viz.www.ismt.co.in)

e. Number of meetings of the Board

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

f. Composition of Audit and other Committees of the Board

Details of composition of committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee etc. are provided in the Report on Corporate Governance as enclosed herewith.

LOANS, GUARANTEES & INVESTMENTS

Particulars of Loans, Guarantees & Investments covered under Section 186 of the Act have been mentioned in Notes to the Financial Statements of the Company for FY 2022-23 and forms part of the Annual report for FY 2022-23.

TRANSACTIONS WITH RELATED PARTIES

During the year under review, all related party transactions entered into by the Company were approved by the Audit Committee and were at arm's length and in the ordinary course of business.

Pursuant to Section 134 of the Act read with Rules thereof, details of material transaction with related party in Form AOC-2 is enclosed herewith as **Annexure A**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on website of the Company: www.ismt.co.in

RESEARCH & DEVELOPMENT

Details of R&D activities undertaken are enumerated in **Annexure B** as enclosed herewith.

Board's Report (Contd.)

RISK MANAGEMENT

The Company has constituted a Risk Management Committee consisting of Mr. Ravindranath Gumaste as Chairman and Dr. Shalini Sarin and Mr. S Venkataramani as Members to address the 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 the aforesaid risks.

INTERNAL FINANCIAL CONTROLS

The Company has deployed controls including defined code of conduct, whistle blower policy, management review and MIS mechanisms, internal audit mechanism. The process level controls have been instituted through the Company policies and procedures and continuous monitoring of efficiency in operations. There is regular management oversight of the internal controls environment at the Company. The Audit Committee along-with the Management oversees reports of the internal audit and reviews implementation, on a periodic basis.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board has adopted the Vigil Mechanism/ Whistle Blower Policy to deal with instances of fraud, unethical behaviour, mismanagement, leakage of Unpublished Price Sensitive Information etc. The Policy has provided a mechanism for employees and other persons dealing with the Company to report any such instance to the Chairman of the Audit Committee. No case was filed during the year. The Policy has been uploaded on website of the Company: www.ismt.co.in.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for Prevention of Sexual Harassment at workplace which, inter alia, provides a mechanism for the resolution, settlements or prosecution of acts or instances of sexual harassment at workplace and to ensure that all employees are treated with respect and dignity. There was no complaint/ case filed/ pending with the Company during the year under review. The Company has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ANNUAL RETURNS FILED WITH THE MINISTRY OF CORPORATE AFFAIRS

Pursuant to Section 134 read with Section 92(3) of the Act, as amended, copies of the annual returns filed with the Ministry of Corporate Affairs (MCA) are available on website of the Company: www.ismt.co.in and Annual Return for FY 2022-23 will be uploaded on the Company's website in due course.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Details on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as **Annexure B**.

CORPORATE SOCIAL RESPONSIBILITY

The Company has always believed in working for the betterment and upliftment of the society and that Corporate Social Responsibility (CSR) has been practiced over the years in the Kirloskar Group. Focus areas under CSR includes Education, Health and Hygiene, Environment and Rural Development. During the period under review, the Company has carried out CSR activities through an implementing agency. The composition of CSR Committee and the Report on CSR is annexed herewith as **Annexure C**.

INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Information relating to remuneration and other details as required pursuant to Rule 5 of the Companies (appointment and remuneration of managerial personnel) Rules, 2014 is annexed herewith as **Annexure D**.

AUDITORS

A. STATUTORY AUDITORS

The Members of the Company at Annual General Meeting (AGM) held on 29 July 2022 appointed P G Bhagwat LLP, Chartered Accountants as Statutory Auditors of the Company to hold office for term of five years from conclusion of 24th AGM until the conclusion of 29th AGM of the Company. The Statutory Auditors have provided a certificate confirming that requirements prescribed under provisions of Section 141 of the Act have been fulfilled.

The reports given by the Statutory Auditors on standalone and consolidated financial statements of the Company forms part of the Annual report for FY 2022-23.

There are no qualification/ reservation/ adverse remark in the aforesaid reports given by the Statutory Auditors.

B. SECRETARIAL AUDITORS

Pursuant to Section 204 of the Act and rules thereof, M/s. KPRC & Associates, Company Secretaries have been appointed to conduct the Secretarial Audit of the Company for FY2022-23. The Secretarial Audit Report issued by them is annexed herewith as **Annexure E**.

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

a. Shareholding of promoter group not in demat form:

During FY2022-23, the concerned promoter group entity has Dematted its entire shareholding in the Company.

b. Non-filing of Annual Performance Report:

Opinion will be taken on its applicability and accordingly, corrective steps, if any, will be taken.

Board's Report (Contd.)**c. Non-filing of e-form CHG-4 – Charge satisfaction:**

In view of the technical issue in filing e-form CHG-4 on MCA website, the Company has requested ROC to take on record the charge satisfaction through back office mechanism.

d. Non receipt of prior approval of the Audit Committee:

Prior approval was, inadvertently, not obtained for reimbursement of expenses to a related party of Rs. 4 Lakh which was subsequently ratified by the Audit Committee.

C. COST AUDITORS

Pursuant to Section 148 of the Act & rules thereof, the Board appointed M/s. Dhananjay V. Joshi & Associates & M/s. Parkhi Limaye & Co, Cost Accountants as the Cost Auditors to conduct audit of cost records maintained by the Company for FY2022-23.

Payment of remuneration for FY2022-23 to the aforesaid Cost Auditors is subject to ratification by members at the ensuing AGM.

Cost Audit Report for FY2021-22 was filed within prescribed time limit as per the Companies (Cost Record and Audit Rules), 2014.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34(3) of the Listing Regulations, the Report on Management Discussion and Analysis forms part of the Annual Report of the Company for FY2022-23.

CORPORATE GOVERNANCE REPORT

The Company conforms to norms of the corporate governance as envisaged in the Listing Agreement executed with the stock exchanges. Pursuant to Regulation 34(3) of the Listing Regulations, the Report on Corporate Governance forms part of the Annual Report of the Company for FY2022-23.

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.

A certificate from the Practicing Company Secretary, regarding compliance with conditions of corporate governance, as required pursuant to the Listing Regulations, has been annexed to the Report on Corporate Governance.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility & Sustainability Report forms part of the Annual Report for FY 2022-23.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, in respect of Director's Responsibility Statement, the Directors state that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures;

- b) accounting policies as mentioned in the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments & estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company as at March 31, 2023 & of the Profits of the Company for the year ended on that date;
- c) proper and sufficient care has been taken 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;
- d) the annual financial statements have been prepared on a going concern basis;
- e) proper internal financial controls were laid down & such financial controls were adequate & operating effectively; &
- f) proper systems were in place to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

NCLT PETITION

In relation to an ongoing MCA investigation initiated against the Company, under Section 212 of the Act, a Petition has been filed by MCA in NCLT, Mumbai against certain past Key Managerial Personnels of the Company, inter alia, alleging misappropriation of resources of the Company and seeking freezing of their assets.

The Company has been made a party to the aforesaid Petition as a Proforma Respondent. However, the Company has applied to the NCLT for removal of its name from the Petition as there is no prayer against the Company in the said Petition.

The Petition is still being heard before the NCLT.

INVESTMENT IN SOLAR AND WIND MILLS

With an intent to reduce the power cost, the Company has decided to make investments, upto Rs. 305 Crore, for setting up of solar power plant for captive consumption. For this, commissioning of 70 MW solar power plant, in phased manner, is in process.

Similarly, consent has been accorded for investment by the Company, upto Rs. 50 Crore, for acquiring wind-mills, upto 35 MW, for captive consumption, in a phased manner.

REPAYMENT OF UNSECURED LOAN

During the year under review, the Company has repaid the unsecured loan so availed from KFIL of Rs. 194 Crore.

SUBSIDIARIES

As on date, the Company has ten direct & indirect subsidiaries. In accordance with Section 129(3) of the Act, statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 & report on performance & financial position of each subsidiary is provided in the financial statements for FY2022-23. The Company has framed the Policy for determining Material Subsidiaries which is available on: www.ismt.co.in

Board's Report (Contd.)

The Board has in principle agreed to take steps for closure of non-operational subsidiaries viz. Indian Seamless Inc., USA, ISMT Europe AB, Sweden and PT ISMT Resources, Indonesia.

The Company has also initiated review of operations & future opportunities of subsidiary viz. Structo Hydraulics AB, Sweden.

During the period under review, no company has become or ceased to be a Subsidiary, Joint Venture or Associate Company.

GENERAL

During the year under review-

1. The Company was required to maintain cost records as specified u/S 148(1) of the Act & accordingly such accounts/ records are prepared & maintained.
2. The Company has complied with the applicable secretarial standards.
3. The Company has not accepted deposits from the public.
4. There has been no change in nature of business of the Company.
5. To the best of our knowledge, no significant or material orders were passed by the Regulators, Courts or Tribunals which impact the going concern status & the Company's operations in future.
6. No case of fraud by any officer or employee of the Company has been reported by the Auditors of the Company either to the Audit Committee or the Board pursuant to Section 143(12) of the Act.
7. Neither any application has been made nor has any proceeding been pending against the Company under the Insolvency and Bankruptcy Code, 2016.

8. There was no incidence of settlement in respect of any loan availed from any bank or financial institution.

There is no material change or commitment occurring after the end of the financial year, which may affect the financial position of the Company.

CAUTIONARY STATEMENT

Statements in this report, particularly those which relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

APPRECIATION

The Directors wish to place on record their appreciation towards the contribution of all employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

For and on behalf of
the Board of Directors
ISMT Limited

Pune
May 03, 2023

Rahul Kirloskar
Chairman

Annexure A to the Directors' Report**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 Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts/ arrangements/ transactions not at arm's length basis: None**2. Details of material contracts/ arrangement/ transactions at arm's length basis during FY2022-23:**

a.	Name of related party & nature of relationship	Kirloskar Ferrous Industries Limited, Holding Company
b.	Nature of contracts/ arrangements/ transactions	(a) Purchase of Pig Iron, Castings & other products; (b) Sale of Tubes and other products; (c) Availing and repayment of loan(s); (d) Availing of guarantee(s); and (e) Any other transaction as decided by the Audit Committee and/ or the Board.
c.	Duration of contracts/ arrangements/ transactions	No specific duration. These transactions are of a recurring nature
d.	Salient terms of contracts/ arrangements/ transactions including the value, if any	(a) Purchase of Pig Iron – Rs. 310.51 Crore (b) Sale of Tubes/ other products – Rs. 0.87 Crore (c) Interest on unsecured loan – Rs. 10.98 Crore (d) Corporate Guarantee availed – Rs. 41 Crore (e) Reimbursement of expenses incurred on behalf of the Company – Rs. 0.09 Crore
e.	Date of approval by the Board, if any	None
f.	Amount paid as advances, if any	None

Pune
May 03, 2023

For and on behalf of
the Board of Directors
Rahul Kirloskar
Chairman