



SATHAVAHANA ISPAT LIMITED

Reg. Off : 505, Block 1, Divyashakti Complex, Ameerpet, Hyderabad – 500 016.
Phones : 237330812,3,4 E-mail : info@sathavahana.com web : www.sathavahana.com

8th December, 2022

To B S E Limited, Corporate Relationship Department, P.J Towers, Dalal Street, Mumbai – 400001	To National Stock Exchange of India Limited,, Listing Department, Regd. Office: “Exchange Plaza”, Bandra Kurla Complex, Mumbai – 400051
STOCK CODE:526093	STOCK CODE: SATHAISPAT

Dear Sir/Madam,

Sub: -Submission of Annual Report for the Financial Year – 2021-22

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

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing here with, Annual Report of the Company along with Notice of Annual General Meeting of the Company for the Financial Year 2021-22

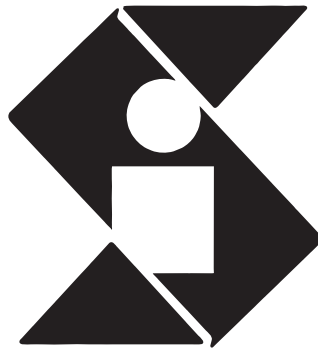
This is for your information and records.

For SATHAVAHANA ISPAT LIMITED



Bhuvan Madan
Resolution Professional
SATHAVAHANA ISPAT LIMITED
Email : cirp.bm.sil@gmail.com
A-103, Ashok Vihar, Phase – III, Delhi – 110 052
IP Regn. No. IBBI/IPA-001/IP-P01004/2017-2018/11655
AFA number : AAI/11655/02/210123/103825

SATHAVAHANA ISPAT LIMITED



33rd

ANNUAL REPORT

2021-22

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AGM	: 33 rd Annual General Meeting
Day and Date	: Friday, December 30, 2022
Time	: 3.00 pm
Date of Book Closure	: 24.12.2022 to 30.12.2022
Cut of Date / Record Date	: 23.12.2022
ISIN No.	: INE 176C01016
Listing	BSE Limited (BSE) (Scrip Code: 526093) NSE (Scrip Code: SATHAISPAT)

GENERAL CORPORATE INFORMATION**RESOLUTION PROFESSIONAL:****BHUVAN MADAN**

Resolution Professional in the matter of
M/s. Sathavahana Ispat Limited
(IBBI/IPA-001/IP-P01004/2017-2018/11655)
Email id: madan.bhuvan@gmail.com

BOARD OF DIRECTORS:

Shri K.Thanu Pillai	Chairman
Shri A.S.Rao	Executive Vice Chairman
Shri Syed Anis Hussain	Director
Shri S.N.Rao	Director
Shri A. Naresh Kumar	Managing Director
Smt Latha Pamula	Director
Shri Kiran Kumar Yeda	Director
Shri Ramana Kumar Davuluri	Executive Director

AUDITORS:

M/s. Majeti & Co.,
Chartered Accountants, Hyderabad

SECRETARIAL AUDITORS:

M/s. D. Hanumanta Raju & Co.,
Company Secretaries, Hyderabad

COST AUDITORS:

M/s. S. Nageshwara Rao & Co.,
Cost Accountants, Secunderabad

BANKERS:

Canara Bank
State Bank of India
Union Bank of India
IFCI

**REGISTERED OFFICE &
SECRETARIAL DEPARTMENT**

505, 5th Floor, Block - 1,
Divyashakti Complex,
Ameerpet, Hyderabad - 500 016, Telangana

SHARE TRANSFER AGENTS:

M/s. XL Softech Systems Limited,
#3, Sagar Society, Road No.2,
Banjara Hills, HYDERABAD – 500 034 Telangana

PLANTS:

1. Haresamudram Village, Bommanahal Mandal,
Anantapuram District, Andhra Pradesh.
2. Kudithini Village, Korugodu Road,
Bellary District, Karnataka.

NOTICE OF 33rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of SATHAVAHANA ISPAT LIMITED will be held on Friday, 30th December, 2022 at 03:00 p.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2022 along with the Reports of Directors and the Auditors thereon.
2. To consider and approve reappointment of M/s Majeti & Co, Chartered Accountants, Hyderabad

“RESOLVED THAT M/s Majeti & Co, Chartered Accountants, Hyderabad, Firm Registration No. 015975S having registered with Institute of Chartered Accountants of India vide FRN 015975S be and are hereby appointed as the Statutory Auditors of the Company for a term of Five years commencing from the Conclusion of this meeting till the conclusion of 38th Annual General Meeting to be held in the Financial Year 2027 (Financial Years 2022-23 to 2026-2027) on a remuneration as fixed by the Board of Directors.”

Special Business

3. Ratification of the Remuneration to Cost Auditors.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of Audit Committee, the remuneration payable to M/s. Nageswara Rao & Co, Cost Accountants in practice (Registration No. 000332), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial year ended 31st March, 2023, amounting to Rs. 75,000/- (Rupees Seventy Five Thousand only) plus GST and reimbursement of out of pocket expenses be and is hereby ratified.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.12.2022

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs has permitted the holding of the Annual General Meeting through video conferencing (VC) or other audio-visual means (OAVM), without the physical presence of the Members at a common venue, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021 and Circular No. 02/2022 dated 05th May 2022 and all other relevant circulars issued from time to time.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** 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.

3. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

4. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses email id, ECS mandate etc.

in case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034, by enclosing a photocopy of blank cancelled cheque of your bank account.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. XL Softech Systems Limited, #3, Sagar society, Road no. 2, Banjara Hills, Hyderabad-500034 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA / Company.

7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares

9. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

10. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.

12 In compliance with MCA Circulars and SEBI Circulars, Notice of the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website at www.sathavahana.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at "<http://www.evotingindia.com>" www.evotingindia.com.

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

13. The Register of Members and Transfer Books of the Company will be closed from Saturday 24th day of December 2022, to Friday 30th day of December 2022 (both days inclusive) for the purpose of the 33rd AGM of the company.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice

Instructions for E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1 As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular no. 02/2022 dated May 05, 2022, The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. 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(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. 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 to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.sathavahana.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is

also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021 and Circular No. 02/2022 dated 05th May 2022.

INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING:

(i) The voting period begins on Tuesday, 27th December, 2022 at 09:00 hrs and ends on Thursday, 30th December 2022 at 17:00hrs. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 23rd December 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Resolution professional has appointed D. Hanumanta Raju & Co, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

(iii) Pursuant SEBI/HO/CFD/CMD/CIR/P/202 to SEBI Circular No. 0/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) 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: https://eservices.nsd.com 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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & 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. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in demat form

(iv) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

(iv) The shareholders should log on to the e-voting website www.evotingindia.com.

(v) Click on “Shareholders” module.

(vi) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - My easi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vii) Next enter the Image Verification as displayed and Click on Login.

(viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or Contact Company/RTA.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth(DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

(ix) If you are a first time user follow the steps given below:

(x) After entering these details appropriately, click on “SUBMIT” tab.

(xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on

which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for the relevant Company, i.e., Sathavahana Ispat Limited on which you choose to vote.

(xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL”, and accordingly modify your vote.

(xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Shareholders can also cast their vote using CDSL's mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING ON THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Company Secretary at cs@sathavahana.com.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to the Company Secretary at cs@sathavahana.com or to RTA at xlfield@gmail.com

3. The Secretarial Department shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER

1. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are advised to join the Meeting through Laptops / IPads for better experience.
3. Further, shareholders 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/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from 16th December, 2022 (09:00 a.m. IST) to 22nd December, 2022 (05.00 p.m. IST), mentioning their name, demat account number/folio number; email id, mobile number at cs@sathavahana.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from 16th December, 2022 (09:00 a.m. IST) to 22nd December, 2022 (05.00 p.m. IST), mentioning their name, demat account number/folio number; email id, mobile number at cs@sathavahana.com. These queries will be replied suitably by the Company vide email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

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 shareholders, who are 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 available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.
5. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

6. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

7. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

8. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

9. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

10. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sathavahana.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr.Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General Instructions:

I. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 23rd December, 2022.

II. The Scrutinizer, after scrutinising the votes cast through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman (Resolution Professional). The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.sathavahana.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

III. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY/ SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM 2:**

M/s. Majeti & Co, Chartered Accountants, Hyderabad, (Firm Registration No. 015975S), were appointed as Statutory Auditors of the Company at the 28th Annual General Meeting ('AGM') for a period of 5 years, up to the conclusion of 33rd AGM. The first term of appointment M/s. Majeti & Co Chartered Accountants shall expire at the conclusion of the current AGM. M/s. Majeti & Co Chartered Accountants, being eligible for reappointment offer themselves for reappointment. Hence, it is recommended for reappointment of M/s. Majeti & Co Chartered Accountants, (Firm Registration No. 004671S) as Statutory Auditors of the Company. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. Majeti & Co Chartered Accountants as the Statutory Auditors of the Company for the term of five consecutive years, who shall hold office from the conclusion of this AGM till the conclusion of the 38th AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution

ITEM 3:

Pursuant to the recommendation of the Audit Committee, the Board of Directors, approved the re-appointment of M/s. Nageswara Rao & Co, Cost Accountants in practice (Registration No. 000332), as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial year ended 31st March, 2023, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) plus GST and reimbursement of out of pocket expenses.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending 31st March, 2023.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 2 of the Notice.

The Resolution professional, in the interest of the Company, recommends the Ordinary Resolution set out at Item no.3 of the Notice for approval by the shareholders.

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.12.2022

Sd/-
Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

DIRECTORS' REPORT

To
The Members,
SATHAVAHANA ISPAT LIMITED,

The Resolution Professional presents to the Members the 33rd Annual Report of the Company for the year ended 31st March, 2022, which includes the Directors' Report ("Annual Report").

FINANCIAL RESULTS:

Financial performance of the Company for the financial year 2021-22:

(Rupees in Lakhs)

Sl.No	Particulars	Year Ended 31.03.2022	Year ended 31.03.2021
1	Gross revenue from operations	2819.41	2676.09
2	Other income	371.17	1063.89
3	Operating profit/ (loss) Before finance costs and depreciation	709.96	(246.67)
4	Finance costs	8928.09	28123.17
5	Depreciation and amortization	4048.97	4230.53
6	Profit / (loss) before tax	(12267.10)	(32600.37)
7	Exceptional Item	0	0
8	Tax expense	0	0
9	Net Profit / (loss) after tax	(12267.10)	(32600.36)
10	Earnings /(loss)per Equity Share-Basic	(24.10)	(64.05)
11	Earnings/(loss)per Equity Share-Diluted	(24.10)	(64.05)

The performance during the year was impacted adversely due to factors beyond the control of the Company. The performance suffered due to working capital constraints and the consequent financial stress which resulted in underutilization of capacities.

The gross revenue of Rs. 2819.41 Lacs as compared to previous year's revenue of Rs. 2676.09 Lacs. The year ended with loss of Rs. 12267.10 Lacs as against loss of Rs. 32600.36 Lacs in the previous year. Accordingly, the loss per share accounted for at Rs. 24.10 as compared to loss per share of Rs. 64.05 in the previous year.

INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

National Company Law Tribunal (NCLT) has initiated Corporate Insolvency Resolution Process (CIRP) in respect of Sathavahana Ispat Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 28th July, 2021.

In this connection, Mr. Golla RamaKantha Rao (IP Registration No. IBBI/IPA-003/IP-N000310/2020-21/13364) has been appointed as an Interim Resolution Professional (IRP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

The Committee of Creditors ('COC') in its first meeting held on 31/08/2021 appointed Mr. Bhuvan Madan (IBBI/IPA-001/IP-P01004/2017-2018/11655) as Resolution Professional (RP) pursuant to an order of the Honorable National Company Law Tribunal; Hyderabad Bench ('NCLT') dated 08th September, 2021 to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

During this period, the NCLT has prescribed moratorium period for prohibiting all of the following namely:

I. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority.

II. Transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein.

III. Any action to foreclose recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of financial assets and enforcement of security interest act, 2002.

IV. The recovery of any property by owner or lessor where such property is occupied by or in the possession of the corporate debtor.

As per Section 17 of the Insolvency and Bankruptcy Code from the date of appointment of the interim Resolution Professional –

a) the management affairs of the company shall vest in the resolution professional.

b) the power of the board of directors company shall stand suspended and be exercised by the Resolution Professional.

c) the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the interim resolution professional.

d) the financial institutions maintaining accounts of the company shall act on the instructions of the interim resolution professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business during the Financial Year 2021-22

DIVIDEND AND GENERAL RESERVE:

Your Company has not recommended any dividend for the year 2021-22 due to loss incurred during the year and carry forward loss from earlier years. Company cannot declare dividend until the carry forward loss is fully set off against the profits as provided in the Companies Act, 2013.

Your Company also has not proposed to transfer any amount to General Reserve in view of the carry forward loss.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3) (c) of the Companies Act 2013 with respect to Directors' Responsibility Statement, your Directors hereby state and confirm that:

- i) In the preparation of Annual Accounts for the Financial Year 2021-22 the applicable Indian Accounting Standards (Ind-As) had been followed with proper explanation relating to material departures;
- ii) The Accounting Policies selected were applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2022 and of the Loss of the Company for the year ended on that date;
- iii) 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) The Annual Accounts have been prepared on a going concern basis;
- v) Internal financial controls to be followed by the Company have been laid down and that such Internal Financial Controls are adequate and were operating effectively; and
- vi) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL RETURN:

Copy of Annual Return for the Financial Year 2021-22 shall be available on the website of the Company at www.sathavahana.com.

AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of the Act, applicable Rules framed there under read with the listing regulations. The primary objective of the committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

Committee comprises of Chairman - Shri K. Thanu Pillai, Independent Director and two other Independent Director members -Shri Syed Anis Hussain, and Shri S.N.Rao. The Committee met 2(two) times during the year. Details of terms of reference of the Committee, number and dates of meetings held and attendance of Members during the year are part of the Corporate Governance Report.

Audited Accounts of the Company for the financial year ended 31st March 2022 were approved on 16th May, 2022

CORPORATE GOVERNANCE:

Pursuant to Listing Regulations 2015 the Company is required to comply with the Code of Corporate Governance for the financial year under review. Accordingly, the Reports on Corporate Governance and Management Discussion and Analysis together with Auditors' Report on compliance of Code of Corporate Governance are attached to this Report and forms part of the Annual Report. These Reports are to be read in conjunction with this Directors' Report.

Policy on selection and appointment of Directors, Composition and category of Directors, attendance of each Director at meetings, Number of other Directorships held by each Director, Number of Board meetings held and dates on which held, Board meetings process, familiarisation programme of each Independent Directors, Board's evaluation process are discussed in the Report on Corporate Governance which forms part of this Report.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Board of Directors confirms that based on the declarations given by all the Independent Directors in pursuance of provisions of Section 149(7) of the Companies Act 2013, all the independent Directors meet the criteria of independence as provided in Section 149(6) of the Companies Act 2013.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

There have been no changes in the office of directors or key managerial personnel during the year. However, Mr. VSRK Hanuman has tendered his resignation from the post of the Chief Financial Officer of the Company w.e.f 16th May, 2022

MEETINGS:

During the year, two meetings of Board of Directors were held as more particularly disclosed in the attached report of Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The Number and dates of meeting held by the Board and its Committees, attendance of Directors is given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

PERFORMANCE EVALUATION:

Since National Company Law Tribunal (NCLT) has initiated Corporate Insolvency Resolution Process (CIRP) in respect of Sathavahana Ispat Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 28th July, 2021. There no performance evaluation done by the Board as all the powers of the Board are suspended As such, since September 15, 2021, has been under the control and management of Mr. Bhuvan Madan, the Resolution Professional.

AUDITORS AND AUDIT REPORT:

The tenor of present Auditors M/s. Majeti & Co., Chartered Accountants, Hyderabad has been fixed for period of five years at the Annual General Meeting held on 29.09.2017 from conclusion of 29th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, subject to ratification of appointment at every subsequent Annual General Meeting. However, the Ministry of Corporate Affairs, Government of India, has vide Companies (Amendment) Act 2017 notified vide notification dated 07.05.2018 and as such ratification of appointment of statutory auditors is not required at the subsequent Annual General Meetings which in other words means that appointment made initially continues to be effective until the expiry of five years from the date of their appointment.

Accordingly no ratifications of appointment of statutory auditors is proposed in the ensuing Annual General Meeting.

The term of appointment of the existing Auditors M/s Majeti & Co., Chartered Accountants, Hyderabad, expire at the conclusion of the 33rd AGM. As per the provisions of Section 139 of the Companies Act, they are eligible to be re-appointed and have expressed their willingness to be appointed as the Statutory Auditors of the Company.

Accordingly, Board of Directors of the Company propose their appointment for second term of 5 Years. Further the Notice convening the AGM contains a resolution for approval of members for reappointment of Statutory Auditors to hold office from the Conclusion of 33rd Annual General meeting till Conclusion of 38th Annual General Meeting.

With respect to the Independent Auditors' Report for the year ended 31st March 2022 which forms part of the Annual Report containing emphasis of matters and qualifications your Board of Directors state that the management replies to the same are as under:

1. As mentioned in Note No. 33 to the IND AS financial statements, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, ("Code") and the company's obligation towards current borrowings was Rs. 1,74,714.10 Lakhs significantly exceeded its available cash and cash equivalents and other financial assets as on the date of balance sheet. The company's financial results and funds availability were adversely affected due to continuing shut down of the ferrous plant since 12th June 2017, very limited operations in the coke oven plant and power plant resulted in a Net Loss of Rs.12,267.10 Lakhs for the year ended resulting into accumulated losses of Rs.1,18,316.26 Lakhs and erosion of its Net worth as at March 31, 2022. These conditions give rise to material uncertainty over the ability of the Company to continue as a going concern.

Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. However, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of the preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code. Necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable at this stage.

The financial statements have been prepared on going concern basis based on the reason as described above. In the absence of forecast plans made available to us, presently not ascertainable about company's ability to repay its borrowings, trade payables, statutory liabilities, other payables and arrangement of funds to resume its operations. We are unable to obtain sufficient and appropriate audit evidence to conclude the company will remain in operation into the foreseeable future and whether the use of the going concern assumption to prepare the financial statements is appropriate

Managements Reply:

As of March 31, 2022, the Company, M/s Sathavahana Ispat Limited, is currently undergoing corporate insolvency resolution process ("CIRP") pursuant to the order dated July 28, 2021, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT"), in C.P. No.17/9/HDB/2020 filed by one M/s Thirumala Logistics, an operational creditor of the Company. Vide the same order, one Mr. Golla Ramakantha Rao, an Insolvency Professional, was appointed as the Interim Resolution Professional. Pursuant to order dated September 08, 2021, passed by the Hon'ble NCLT, Mr. Bhuvan Madan, an Insolvency Professional, was appointed as the Resolution Professional to conduct the CIRP and to manage

the affairs of the Company. The copy of the said order was received by Mr. Bhuvan Madan, the Resolution Professional on September 15, 2021. As such, since September 15, 2021, has been under the control and management of Mr. Bhuvan Madan, the Resolution Professional. The CIRP of the Company is at advanced stage with the Resolution Plans being under consideration of the COC. Though, the Resolution Plans have been voted upon by the Committee of Creditors of the Company in their meeting held on March 17, 2021 which continued on March 20, 2022, however, pursuant to the order dated March 07, 2022, passed in I.A. No.791 of 2021 filed by one Operational Creditor, the outcome of the voting on the Resolution Plans has been put on hold. Accordingly, the Company continues to be under CIRP under the aegis of Mr. Bhuvan Madan, the Resolution Professional. Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP and Resolution plan was considered by COC which was put on hold on account of reasons specified in above. Accordingly, the financial statements are continued to be prepared on going concern basis

2. We have been informed by the Resolution Professional that certain information including the Minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as per the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosure, if any, that may arise if we have been provided access to those information

Managements Reply:

That certain information relating to CIRP including the minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as a part of the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors (CoC) and NCLT. However, the stock exchange continues to remain informed about key outcomes of the meetings of the CoC

3. We draw your attention to Note no 42 to the Ind AS Financial statements, As per Indian Accounting Standard 36 on Impairment of Assets, the Company is required to determine impairment in respect of Property, Plant and equipment and capital work in progress as per the methodology prescribed under the said Standard on account of shut down of the ferrous plant and very limited operations in the coke oven plant since 12th June 2017. However, the Management of the Company has not done impairment testing for the reasons explained in the above note. However, In the absence of documents related to working for impairment of the Property, Plant and equipment and capital work in progress as per Ind AS 36, the impact of impairment, if any, on the Ind AS financial statements is not ascertainable.

Managements Reply:

The Company's current level of operations in Metallurgical Coke division at Nineteen percent capacity and no operations at Ferrous division, may not be an indication of the future performance of the Company. As the company has awarded Repair and Maintenance Contract to Jindal Saw Limited to upkeep the Property plant and Equipment. Accordingly, Impairment testing under Ind AS has not been performed while presenting these results.

4. Management has not performed the stock verification during the year end due to the reasons described in the said note 5(f), In the absence of physical verification of stock, we have not been able to obtain sufficient, appropriate audit evidence over the existence of inventory of Rs.1555.82 Lakhs as of March 31, 2022

Managements Reply:

Resolution Professional has taken control over both plants and reviewed the position of inventory before handing over the same to Jindal Saw limited for Repair and Maintained work

5. We draw attention to Note 40 to the Ind AS Financial statements, regarding non-moving inventories Since shut down of the operations at factory located at Haresamudram amounting to Rs.1458.67 Lakhs (As at 31st March 2021: Rs.1985.98 lakhs). Management believes that no adjustments to the carrying value of the inventories is required as those are regularly monitored, maintained and in usable/ saleable condition. As per Indian Accounting Standard - 2 'Inventories' are to be Valued at the lower of cost and net realisable value. Pending corroborative evidence to assess the net realisable value, we are unable to comment on the realisable value of these Inventories together with consequential impact.

Managements Reply:

Management regularly monitored, maintained and ensured same in usable/ saleable condition and assessed the stated value was fully recoverable and no provision is required as on the date of balance sheet.

6. We draw your attention to Note no 44 to the Ind AS Financial statements, pursuant to commencement of CIRP under the code, there are various claims submitted by the financial creditors, operational creditors, employees and other creditor to the RP. The books balances appears will be recasted upon successful implementation of resolution plan. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been recognised in respect of excess or short claims or non-receipts of claims for above-mentioned creditors

Managements Reply:

Resolution Professional has invited the Claims through the Public Announcement and Various Creditors such as financial, operational and other have submitted and reconciled the same with Books of accounts based on the documents provided by the claimant which has been verified. And the Final version of claims summary has been uploaded on the company website.

7. We draw attention to note No 30 to the financial statements where in dues to the micro and small enterprises was disclosed as Rs Nil. We are unable to verify the accuracy of the same due to the lack of related information with the company.

Managements Reply:

The above point is self-explanatory

8. We draw attention to Note No 37 to the Ind AS Financial statements, where in management has considered outstanding trade receivables of Rs. 3,486.76 Lakhs (March 31,2021 Rs. 3481.82 Lakhs) capital advances of Rs.174.01 Lakhs (March 31,2021 Rs. 174.01 Lakhs), supplier advances Rs. 607.63 lakhs (March 31,2021 Rs. 595.27 Lakhs) and other financial assets Rs. 156.42 lakhs (March 31,2021 Rs. 157.02Lakhs), respectively due for a period of more than one year as good and recoverable as at March 31, 2022, for which no provision has been made in the books of account. For reasons said in the aforesaid note, and due to confirmations being not available and pending reconciliation adjustments we are unable to comment on the recoverability of these receivables and its consequential effect on these financial statements.

Managements Reply:

The management assess the recoverability of trade receivables and other balances on regular basis and believes there was no uncertainty at present on recoverability these receivables and legal cases were preferred where required to ensure recoverability. Provision will be based on outcome of the legal cases until then the dues are considered good.

9. We draw attention to Note No 24(c) to the Ind AS Financial statements, where in management written of Rs 1163.77 lakhs during the year as bad debts. We are unable to get sufficient explanation and appropriate evidence to comment about the amount written off as bad debts

Managements Reply:

Rs. 1163.77 lakhs written off as bad debts during Q4 2021-22, after due deliberations with customer and assessment of the recoverability

10. We draw attention to Note no 38 to the Ind AS Financial statements, Statutory dues related to Income tax, Employee's provident fund, Employee state insurance act and professional tax, amounting to Rs. 1460.92 Lakhs (March 31,2021 Rs. 1105.80 Lakhs) have become overdue and remain unpaid, interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

Managements Reply:

Claims have been received from various governments authorities admitted / partial admitted or rejected based upon the verification conducted by Resolution Professional and can be settled in accordance with Resolution plan approved by NCLT

11. Non compliance with Companies Act

- a) The company has not taken approval for related party transactions related to Pre CIRP period which are required as per section 177 and 188 of the Act due to the reason specified in note 31(a) to Ind AS Financial Statements.*
- b) The company had paid donations to charitable trust amounting to Rs.11.02 Lakhs without obtaining prior permission in general meeting as required under section 181 of the Companies Act, 2013.*
- c) During the year Internal audit was not carried out as per the requirement of section 138 of the Act.*
- d) As the company is in default of making payments to secured creditors, prior approval from secured creditors is required pursuant to Part II of Schedule V to section II(B) of the Companies Act, which is not obtained by the company. Accordingly, the provision of section 197 read with Schedule V has not complied. (Refer Note 31 to the Ind AS financial statements for payments of remuneration to directors)*

penalty if any in respect of above non-compliances has remained unascertained and unaccounted for.

Managements Reply:

Related Party transactions occurred during April 01, 2021 to July 28, 2021 were not obtained approval from Board due to post initiation of CIRP.

b to d are self explanatory and are Statements of Fact

12. We draw your attention to Note 41 to the Ind AS Financial statements regarding overdue payables aggregating to Rs.224.15 lakhs as at March 31, 2022 (As at 31st March 2021:- Rs.222.45 lakhs), included in 'Creditor for capital works', which is outstanding to a non-resident company for more than three years, and for which the Company is yet to obtain approval from the Authorised Dealer or Reserve Bank of India (RBI) to remit the aforesaid amounts. Any penalties that may be levied by RBI in the aforesaid liabilities in the financial statements are presently not ascertainable.

Managements Reply:

The Company is required to obtain approvals from consent authorities to condone such delay in payment of foreign currencies, which is presently not obtained and the Company intends to take the necessary approvals in this regard, pending which any penalties that may be levied by consent authorities and impact in the aforesaid liabilities in the financial statements are not presently ascertainable

13. As per the recognition principles mentioned in Indian Accounting Standard (Ind AS) 37, provision shall be recognised when company has a present obligation (legal or constructive) as a result of a past event, which is to be measured by the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. On 20 September 2021 the company entered into a contract for 'Repairs & Maintenance of Manufacturing Facilities' at a contract Price of Rs 26600 lakhs and related work was commenced by the contractor. The company has not accounted any provision for expenses till date of Balance sheet due to the reasons described in note no.24(d) In the absence of any best estimate of the provision to be accounted, we are unable to comment about its consequential effect if any on these financial results.

Managements Reply:

The above remark is self explanatory

14. As Mentioned in note no 13(i) to the Ind AS Financial Statements, all borrowings were assigned by the Banks and Financial Institutions to J C Flower Asset Reconstruction Company Limited along with all rights and privileges. The company has not accounted for accrued interest amounting to Rs.21091.17 lakhs from August 2021 to date of balance sheet, which is noncompliance of Indian Accounting Standard (Ind AS) 109 Financial Instruments.

Managements Reply:

Pursuant to the public announcement, financial creditor have filed their claim of Rs. 174714.00 Lakhs as on insolvency commencement date which has been duly verified and reconciled for the purpose of admission of claims on account of provisions of IBC. Hence no provisions for interest was created

15. The Company has taken advances from customers which were outstanding for more than one year amounting to Rs.88.14 Lakhs in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the Company is in violation of the same. Except for compliance with the aforesaid amount, The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

Managements Reply:

These amounts are not taken in the nature of deposits and due to financial crisis that the Company has been undergoing, Company could not repay the same and as the CIRP has been commenced all the amounts shall form part of claims

COST AUDITORS AND COST AUDIT REPORT:

Company appointed M/s. Nageswara Rao & Co, Hyderabad, Practicing Cost Accountants (Firm's Registration Number 000332), as Cost Auditors for the financial year 2021-22.

The Board of Directors based on the recommendations of the Audit Committee, has appointed M/s. Nageswara Rao & Co, Practicing Cost Accountants (Firm's Registration Number : 000332) as Cost Auditors for conducting Cost Audit of the Cost Records of the Company for the year 2022-23.

In pursuance of the provisions of Section 148 and other applicable provisions, if any, of the Companies Act 2013, read with Companies (Audit and Auditors) Rules 2014 the remuneration payable for conducting the Cost Audit for the year ending 31st March 2023 to M/s. Nageswara Rao & Co, Practicing Cost Accountants is being placed before the Members in the ensuing Annual General Meeting for their ratification and approval.

INTERNAL AUDITORS:

The Board of Directors based on the recommendation of the Audit Committee have appointed ASK & CO, Chartered Accountants, as internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

M/s. D. Hanumanta Raju & Co., Practicing Company Secretaries, Hyderabad who have been appointed as Secretarial Auditor for the financial year 2021-22 have conducted the Audit of the Secretarial Records and submitted their Report in MR-3 which is annexed to this Report (Annexure-IV).

The Secretarial Audit Report for the financial year ended 31st March 2022, contains the following observations.

- a) *The Company is yet to file Form MGT-14 towards the approval of Director's Report for the Financial Year 2020-21.*

- b) *The Company is yet to file Form MGT-15 for Annual General Meeting held on 28.12.2021 and reconvened Annual General Meeting held on 31.01.2022.*
- c) *The Company is yet to file Form IEPF-2 for change in the nodal officer.*
- d) *The Company is yet to file Form MGT-14 for Annual General Meeting held on 28.12.2021 and reconvened Annual General Meeting held on 31.01.2022 through video Conferencing/ other audio visual means.*
- e) *The Company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Un-claimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.*
- f) *The Company has not obtained prior approval of the secured creditors for the re-appointment of key managerial personnel and payment of remuneration to them as required under Part II of Schedule V of the Companies Act, 2013, Hence Section 197 read with Schedule- V is not complied with.*
- g) *The Company has taken advances from customers which were outstanding for more than one year amounting to Rs. 88.14 Lakhs in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the company is in violation of the same.*
- h) *The Company has not obtained approval for related party transactions as required under provisions of Section 177 and 188 of the Companies Act, 2013.*
- i) *The Company had paid donations to Charitable trust amounting to Rs. 11.02 Lakhs without obtaining prior permission in general meeting as required under Provisions of Section 181 of the Companies Act, 2013.*
- j) *During the year under review, the Company has not carried out Internal Audit as required under Section 138 of the Companies Act, 2013.*
- k) *The company has not filled the vacancy of Company Secretary in the Company till date as required under Section 203 of Companies Act, 2013 read with Rule 8 of Chapter XIII of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- l) *The Company has submitted Statement of Investor Complaints as required under Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 27 (Twenty Seven) days.*
- m) *The Company has not intimated to the stock exchanges about the meeting of the board of directors in which financial results will be approved for the quarter ended as on 30.06.2021 as required under Regulation 29 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- n) *The Company has submitted Shareholding Pattern as required under Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 27(Twenty Seven) days.*
- o) *The Company has submitted financial results for the quarter ended 30.06.2021 as required under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a delay of 60 (Sixty) days.*

- p) *The Company has not disclosed to the Stock Exchanges about the details of default on payment of interest / installment obligations on loans from Banks/ Financial Institutions for the quarter ended as on 31.12.2021 as required under circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21.11.2019.*
- q) *As required under Regulation 74(5) of Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018, the Company has submitted the compliance certificate for quarter ended 30.06.2021 to stock exchanges on 27.07.2021 with a delay of 7(Seven) days.*
- r) *As per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company was required to give intimation to stock exchanges about material events within 24 (Twenty Four) hours but it was observed that;*
- *The Company has delayed by 1 (One) day in intimating the stock exchanges about the National Company Law Tribunal (NCLT) Orders dated 07.08.2021 for initiating Corporate Insolvency Resolution Process (CIRP) against the Company.*
 - *The Company has not disclosed to the stock exchanges the List of Creditors which is required to be displayed by Corporate Debtor.*
 - *The Company has delayed by 6 (Six) days in intimating the stock exchanges about the NCLT Order dated 08.09.2021 towards appointment of Resolution Professional.*
 - *The Company has not intimated the Prior and Post-Facto Information of meeting of Committee of Creditors held after the initiation of CIRP against the Company and the Key decisions made therein*
- s) *The Website of the Company is not updated with respect to publishing Annual Return as per Section 92 of the Companies Act, 2013 and Annual General Meeting Transcripts as required under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- t) *The Company has submitted Reconciliation of share capital audit report as required under Regulation 76 of Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 18 (Eighteen) days.*

Management Reply:

Since the Company is in CIRP Process and due to change in the person responsible in ensuring the Compliances, Company has been irregular in filing various forms with MCA and meeting the timelines provided under SEBI(LODR) Regulations and other compliances incidental thereto

TRANSFER OF UNCLAIMED DIVIDEND AMOUNTS TO IEPF:

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 and / or Section 124(5) of the Companies Act 2013, previously declared dividends, which remained unclaimed for a period of seven years, have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956 and / or Section 125 of the Companies Act, 2013.

DIRECTORS, EMPLOYEES AND THEIR REMUNERATION:

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with sub rule (2) to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014, as amended, are not required to be provided as there were no employees drawing remuneration more than the stipulated limits. Details of Remuneration Policy and payment of remuneration to all Directors / Key Managerial Personnel / other managerial employees is given in the Report on Corporate Governance under the head Nomination and Remuneration Committee which forms part of this Report. Managing Director and other Whole Time Directors have not received any remuneration or commission from holding or subsidiary companies as the Company do not have such companies. In the opinion of the Board the level and composition of remuneration to Directors, Key Managerial Personnel and other managerial employees is reasonable and sufficient to attract, retain and motivate the people who could run the Company efficiently.

The Board affirms that the remuneration paid is in accordance with Remuneration Policy of the Company. The copy of Nomination and Remuneration policy is also posted in the investors section of the company's website www.sathavahana.com. The relationship between performance and remuneration is clear and meets appropriate benchmarks and that the remuneration criteria succinctly balances between fixed and variable pay wherever set reflecting short and long term performance objectives appropriate to the working of the Company and its goals. Disclosures required to be made pursuant to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014 are attached to this report (Annexure-II).

DEMATERIALISATION OF EQUITY SHARES:

The Agreements entered into by the Company with the two Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of Shares are in force and the Company's Shares are in dematerialised mode under ISIN No. INE176C01016. The Securities and Exchange of India (SEBI) in its circular dated 20.04.2018 has stated that the equity shares have to compulsorily convert into dematerialization before 5th December 2018 the same was further extended to 1st April 2019. and thereafter dematerialized equity shares are only eligible for transfers with the exception of transmissions. In view of the significant benefits that accrue on dematerialisation of securities, Members may avail the facility.

LISTING OF SHARES ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on BSE Ltd (formerly The Bombay Stock Exchange Limited) Scrip Code: 526093 and The National Stock Exchange of India Limited (NSE) Scrip Code: SATHAISPAT and are regularly traded.

The listing fee to above Stock Exchanges has not paid in financial year 2022-23.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and out go required to be disclosed under Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules 2014, is given in the Annexure forming part of this Report (Annexure-I).

DEPOSITS:

Your Company has not accepted any fixed deposits nor does the Company have any outstanding deposits under section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 as on the date of Balance Sheet.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY:

The Board engaged itself with the task of Risk Management by preparing, implementing and monitoring the risk management plan of the Company. The Board apart from ensuring the effectiveness of risk management covering internal financial risks and controls also reviews the same on regular basis. Major risks identified are monitored on a regular basis by the Board.

INTERNAL FINANCIAL CONTROL AND SYSTEMS AND THEIR ADEQUACY:

The Company has put in place Internal Financial Controls that will ensure the policies and procedures of the Company are followed regularly so that the business of the Company is conducted in orderly and efficient manner. The Internal Financial Controls are applied inter alia to test various aspects in the conduct of business including adherence to Company's policies, safeguarding Company's assets, prevention and detection of frauds and errors or irregularities, the accuracy and completeness of the accounting records and timely preparation of reliable financial information and the financial statements. In the opinion of the Board such Internal Financial Controls are adequate and were operating effectively. During the year such Internal Financial Controls have been tested and no reportable weaknesses in the design and operations were observed. With respect to the Independent Auditors' Report for the year ended 31st March 2022 which forms part of the Annual Report containing qualification on the Internal Financial Controls your Board of Directors state that the management replies to the same are contained in Note No.36 to the financial statements which is self-explanatory.

RELATED PARTY TRANSACTIONS:

In Compliance with the provision of the Act and the Listing Regulations, each related party transaction is placed before the Audit Committee for prior approval/noting.

There are no material related party transactions entered into by the Company falling within the meaning of Section 188(1) of the Companies Act 2013. Other related party transactions, contracts or arrangements entered into by the Company are in the ordinary course of business and at arm's length price. The details of these contracts or arrangements or transactions as required to be disclosed in terms of Section 134(3) (h) are provided in Form AOC-2 which forms part of this Report (Annexure-III) and accompanying Financial Statements.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not granted loans, guarantees or made investments in or to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act 2013. The Company has not extended any loans to the employees for purchase of its shares. Other investments made by the Company are given in the accompanying Financial Statements which are in the ordinary course of business.

CORPORATE SOCIAL RESPONSIBILITY:

The details with respect to Corporate Social Responsibility of the Company as required to be disclosed in terms of provisions of Section 135 read with Section 134(3) (o) and Rule 9 of Companies (Accounts) Rules 2014 are given in the Report on Corporate Governance attached to and forming part of this Report. During the year the Company, in terms of provisions of sub section 5 to Section 135 of the Companies Act 2013, is not required to earmark any fund for Corporate Social Responsibility activities in view of the losses.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has well-defined Vigil Mechanism policy in place to provide a formal mechanism for all Directors, employees, business associates and vendors of the Company to approach Chairman of the Audit Committee.

During the year under review, none of the Directors/employees/ business associates / vendors was denied access to Chairman of Audit Committee.

REPORTING OF FRAUD:

The auditors of the Company have not reported any fraud as specified under section 143(12) of the Act.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has zero tolerance towards sexual harassment at the workplace. It has well defined policy in compliance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. An internal Committee is in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy. The Company has not received any complaint of sexual harassment during the F.Y. 2021-2022.

MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of Sathavahana Ispat Limited stands suspended and the same are being exercised by Mr. Bhuvan Madan. The management of the affairs of Sathavahana Ispat Limited has been vested with Mr. Bhuvan Madan.

Except for the above mentioned, there are no other material changes and commitments affecting the financial position of the company occurred between the end of financial year of the company to which the financial statements relate and the date of the report.

ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS:

The application filed by the M/s. Thirumala Logistics against the company under Sec. 9 of The Insolvency Bankruptcy Code 2016, has been approved by the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 28th July, 2021. The Committee of Creditors meeting was conducted and a Resolution Professional was appointed.

Consequent to an order of the Honourable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 28th July, 2021, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Sathavahana Ispat Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mr. Bhuvan Madan, Resolution Professional.

Further there are no other significant material orders passed by the Regulators which would impact the going concern status of the Company and its future operations.

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

Your Company does not have any Subsidiaries or Associates or Joint ventures.

ACKNOWLEDGMENTS:

Your Company take this opportunity to express their grateful thanks to Canara Bank, State Bank of India (formerly State Bank of Hyderabad), Union Bank of India, Shareholders, Central and State Governments and valued suppliers and customers for their co-operation and support. The Company also places on record its appreciation of the valuable services rendered by the employees at all levels of the Company.

For Sathavahana Ispat Limited

Place: Hyderabad

Date: 08.12.2022

Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

ANNEXURE-I TO DIRECTORS' REPORT
ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given as below.

A. CONSERVATION OF ENERGY:
i. The steps taken or impact on conservation of energy:

The operations of the Company are not power intensive. However it is very careful in using the power to reduce the cost of maintenance and conserve the resources.

ii. Steps taken by the Company for utilizing alternate sources of energy:

The company has setup captive power generation plant. There are no requirements for utilizing of alternate sources of energy.

iii. The capital investment on energy conservation equipment's:

The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption : NIL

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

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished

(a) The details of technology imported : No technology imported during the last 3 years

(b) The year of import : NA

(c) Whether the technology been fully absorbed : NA

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : NA

(iv) The expenditure incurred on Research and Development : NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings and outgo: (on receipts and payments basis) (Rs. In Lacs)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.12.2022

Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

)

Annexure-II
Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2021-22.

Sl.no.	Name of Director/ KMP and Designation	Remuneration of Director KMP for the Financial year 2021-22*	% Increase in Remuneration in the Financial year 2021-22	Ratio of the remuneration of each Director to the Median remuneration of the employee
1	A. Naresh Kumar (Managing Director)	21,95,000	Nil	9.34
2	A.S. Rao (Executive Vice Chairman)	18,80,000	Nil	8..60
3	Ramana Kumar Davuluri (Director Operations)	27,41,172	Nil	4.18
4	VSRK Hanuman (Chief Financial Officer)	37,20,000	Nil	5.60

* Remuneration paid is for part of the year for part of the year till the admission of company under CIRP

ii) The median remuneration of employees' of the Company during the financial year:

The median remuneration of employees' of the Company during the financial year was Rs. 6,55,230/- p.a

iii) The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees in the financial year ending March 31, 2022 – This cannot be compared as the number of employee in the previous year was 149 and current employee strength is 11 only

iv) The number of permanent employees on the rolls of Company as at March 31, 2022:

There were 11 permanent employees on the rolls of Company as on 31st March, 2022

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional

circumstances for increase in the managerial remuneration: This cannot be compared as the number of employee in the previous year was 149 and current employee strength is 11 only

There are no other employees drawing Rs. 8.50 Lacs per month or Rs. 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.

There are no employees in the service of the Company covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Company affirm that the remuneration is as per the remuneration policy of the Company.

VI) The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with sub rule (2) to Rule 5 to the Companies (Appointment & Remuneration) Rules, 2014, as amended policy available in the investors section of the company's website www.sathavahana.com.

For Sathavahana Ispat Limited

Place: Hyderabad

Date: 08.12.2022

Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

ANNEXURE-III TO DIRECTORS' REPORT
FORM NO. AOC-2
Particulars of Contracts / Arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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 There are no contracts/arrangements entered into by the Company with related parties referred to in Sub- Section (1) of Section 188 of the Companies Act, 2013 which are not at arms' length basis.

2. Contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which were at arm's length basis and in normal course of business:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount in Rs.
Shri A. Naresh Kumar (Managing Director, son of A.S. Rao Executive Director)	Lease Rent	ongoing	N.A	30.06.2021	Rs.5,83,200/-
A, Ashok Kumar, brother of A .Naresh Kumar(M.D)	Lease Rent	ongoing	N.A	30.06.2021	Rs.3,88,800/-
Mutya Bai, mother of A. Naresh Kumar(M.D)	Lease Rent	ongoing	N.A	30.06.2021	Rs.9,62,400/-

For Sathavahana Ispat Limited

Place: Hyderabad
Date: 08.12.2022

Bhuvan Madan
Resolution Professional
(IBBI/IPA-001/IP-P01004/2017-2018/11655)

ANNEXURE-IV TO DIRECTORS' REPORT

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

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

To,
The Members of,
SATHAVAHANA ISPAT LTD

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SATHAVAHANA ISPAT LTD** having **CIN: L27109TG1989PLC010654** and having its registered office situated at Flat 505, 5th Floor, Block -1, Divyashakti Complex, Ameerpet, Hyderabad, Telangana – 500 016 (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022, 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.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, 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, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period of audit);**
 - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period of audit);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **(Not applicable to the Company during the period of audit);**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period of audit)**
 - h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the period under review)**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other Laws specifically applicable to the company include:
- i. Electricity Act, 2003
 - ii. The Karnataka Electricity (Taxation on Consumption) Act, 1959
 - iii. The Boilers Act, 1923
 - iv. The Contract Labour (Regulation And Abolition) Act, 1970
 - v. Mines and Minerals (Development and Regulations) Act, 1957
 - vi. The Bureau of Indian Standards Act, 1986
 - vii. Andhra Pradesh Electricity Duty Act, 1939
 - viii. The Karnataka Forest Act, 1963

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above *except the following*:

- a) *The Company is yet to file Form MGT-14 towards the approval of Director's Report for the Financial Year 2020-21.*
- b) *The Company is yet to file Form MGT-15 for Annual General Meeting held on 28.12.2021 and reconvened Annual General Meeting held on 31.01.2022.*

- c) *The Company is yet to file Form IEPF-2 for change in the nodal officer.*
- d) *The Company is yet to file Form MGT-14 for Annual General Meeting held on 28.12.2021 and reconvened Annual General Meeting held on 31.01.2022 through video Conferencing/ other audio visual means.*
- e) *The Company is yet to file Form IEPF-4 for statement of transfer of shares in respect of Un-claimed dividend for seven years to IEPF authority as required under Section 124 (6) of Companies Act, 2013.*
- f) *The Company has not obtained prior approval of the secured creditors for the re-appointment of key managerial personnel and payment of remuneration to them as required under Part II of Schedule V of the Companies Act, 2013, Hence Section 197 read with Schedule- V is not complied with.*
- g) *The Company has taken advances from customers which were outstanding for more than one year amounting to Rs. 88.14 Lakhs in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the company is in violation of the same.*
- h) *The Company has not obtained approval for related party transactions as required under provisions of Section 177 and 188 of the Companies Act, 2013.*
- i) *The Company had paid donations to Charitable trust amounting to Rs. 11.02 Lakhs without obtaining prior permission in general meeting as required under Provisions of Section 181 of the Companies Act, 2013.*
- j) *During the year under review, the Company has not carried out Internal Audit as required under Section 138 of the Companies Act, 2013.*
- k) *The company has not filled the vacancy of Company Secretary in the Company till date as required under Section 203 of Companies Act, 2013 read with Rule 8 of Chapter XIII of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 (1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- l) *The Company has submitted Statement of Investor Complaints as required under Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 27 (Twenty Seven) days.*
- m) *The Company has not intimated to the stock exchanges about the meeting of the board of directors in which financial results will be approved for the quarter ended as on 30.06.2021 as required under Regulation 29 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- n) *The Company has submitted Shareholding Pattern as required under Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 27(Twenty Seven) days.*
- o) *The Company has submitted financial results for the quarter ended 30.06.2021 as required under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with a delay of 60 (Sixty) days.*
- p) *The Company has not disclosed to the Stock Exchanges about the details of default on payment of interest / installment obligations on loans from Banks/ Financial Institutions for the*

quarter ended as on 31.12.2021 as required under circular SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21.11.2019.

- q) As required under Regulation 74(5) of Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018, the Company has submitted the compliance certificate for quarter ended 30.06.2021 to stock exchanges on 27.07.2021 with a delay of 7(Seven) days.
- r) As per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company was required to give intimation to stock exchanges about material events within 24 (Twenty Four) hours but it was observed that;
- The Company has delayed by 1 (One) day in intimating the stock exchanges about the National Company Law Tribunal (NCLT) Orders dated 07.08.2021 for initiating Corporate Insolvency Resolution Process (CIRP) against the Company.
 - The Company has not disclosed to the stock exchanges the List of Creditors which is required to be displayed by Corporate Debtor.
 - The Company has delayed by 6 (Six) days in intimating the stock exchanges about the NCLT Order dated 08.09.2021 towards appointment of Resolution Professional.
 - The Company has not intimated the Prior and Post-Facto Information of meeting of Committee of Creditors held after the initiation of CIRP against the Company and the Key decisions made therein
- s) The Website of the Company is not updated with respect to publishing Annual Return as per Section 92 of the Companies Act, 2013 and Annual General Meeting Transcripts as required under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- t) The Company has submitted Reconciliation of share capital audit report as required under Regulation 76 of Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018 for the quarter ended 30.09.2021 to the stock exchanges with a delay of 18 (Eighteen) days.

We further report that till the date of Initiation of CIRP against the Company:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that during the period under review:

1. During the period under review, Operational Creditor has filed a petition against the Company for initiation of CIRP that has been admitted by the Honourable National Company Law Tribunal, Hyderabad Bench ("**NCLT**") vide its order dated 28th July, 2021 declaring moratorium inter- alia for recovery proceedings against the Company. The order of moratorium shall have effect from 28th July, 2021 in accordance with Section 31 (1) of the Insolvency and Bankruptcy Code, 2016 ("the Code"). Further, pursuant to the said order of "NCLT", Mr. Golla Ramakantha Rao was appointed as Interim Resolution Professional and Committee of Creditors ("**CoC**") was constituted and the First "CoC" meeting was convened by him on 31st August, 2021. Further to it the Honourable NCLT has passed another order dated 08.09.2021 wherein the Honourable NCLT has appointed Mr. Bhuvan Madan as the Resolution Professional to Conduct CIRP and to manage the affairs of the Company.

In view of the Ongoing CIRP against the Company, the powers of the board of directors have been suspended and the powers are now vested/controlled and managed with Mr. Bhuvan Madan as the Resolution Professional appointed as per the provisions of the Insolvency and Bankruptcy Code, 2016.

2. The Company has not deposited Substantial Amount of Statutory dues related to Income tax, Employees Provident Fund, Employees State Insurance Act, Gratuity, and Professional tax, which has become overdue and remained unpaid as on the event date.
3. BSE Limited (BSE) has imposed a fine of Rs. 3,22,140/- (including GST) for Non-Compliance with respect to appointment of qualified Company Secretary as Compliance Officer as per Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters ended on 31.12.2021, 31.03.2022 & 30.09.2022.
4. BSE Limited (BSE) has imposed a fine of Rs. 31,860/- (including GST) for late Submission of the statement on investor complaints under Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any circular issued in respect of Redressal of investor grievances for the quarter ended 30.09.2021.
5. BSE Limited (BSE) has imposed a penalty of Rs. 3,03,850/- (including GST) inclusive of interest for Non-Payment of Annual Listing Fees as per Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. BSE Limited (BSE) has imposed a fine of Rs. 4,22,440/- (including GST) for Non-Submission of the Annual Secretarial Compliance Report for the financial year ended 31.03.2022 as prescribed under Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any circular issued.
7. BSE Limited (BSE) has imposed a fine of Rs.11,800/- (including GST) for non-intimation of board meeting in which financial results will be approved for the quarter ended 30.06.2021 as per Regulation 29(2) & 29(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. BSE Limited (BSE) has imposed a fine of Rs. 2,17,120/- (including GST) for late Submission of Shareholding pattern as per Regulation 31 of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 for the quarters ended 30.09.2021 & 30.06.2022.

9. BSE Limited (BSE) has imposed a fine of Rs. 3,59,900/- (including GST) for late Submission of financial results as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarters ended 30.06.2021 & 30.06.2022.
10. BSE Limited (BSE) has imposed a fine of Rs.16,75,600/- (including GST) for non-Submission of financial results within the period prescribed as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31.12.2021.
11. Jindal Saw Limited has become successful Resolution Applicant in the 10th meeting Committee of Creditors and the plan submitted by them was submitted to Hon'ble NCLT. During the review of the plan, Technical member of Hon'ble NCLT had raised observations and recalled for the revised plan.

Place: Hyderabad
Date: 03.12.2022

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122; CP NO: 7824
UDIN: F007122D002601846
PR. No. 699/2020

This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

'Annexure A'

To,
The Members,
SATHAVAHANA ISPAT LIMITED

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

Place: Hyderabad
Date: 03.12.2022

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122; CP NO: 7824
UDIN: F007122D002601846
PR. No. 699/2020

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Part C of schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Directors present the Company's report on Corporate Governance for the year ended 31st March, 2022.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance is more than a set of processes and compliances at Sathavahana Ispat Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.

Corporate Governance is about commitment to values and ethical business conduct. It is about how an organization is managed. Therefore, situation, performance, ownership and governance of the Company are equally important with respect to the structure, activities and policies of the organization. Consequently, the organization is able to attract investors and enhance the trust and confidence of the stakeholders.

Sathavahana Ispat Limited's ("Sathavahana / the Company") compliance with the Corporate Governance guidelines as stipulated by the stock exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] is described in this section. The Company believes that sound Corporate Governance is critical to enhance and retain investor's trust. Sathavahana respects minority rights in its business decisions.

The Company's Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law.
- Be transparent and maintain high degree of disclosure levels.
- Communicate externally, in a truthful manner, about how the Company is run internally.

Sathavahana is committed to good Corporate Governance practices. Consistent with this commitment, Sathavahana seeks to achieve a high level of responsibility and accountability in its internal systems and policies. Sathavahana respects the inalienable rights of the shareholders to information on the performance of the Company. The Company ensures, among others, the accountability of the Board of Directors and the importance of its decisions to all its participants' viz., customers, employees, investors, regulatory bodies etc.

All details mentioned in this Report are as at 31st March, 2022. Material changes and events between the end of the financial year and date of the report are provided where ever required.

The Company has professionals on its Board of Directors who are actively involved in the deliberation of the Board. However, the Company was admitted into Corporate Insolvency Resolution Process (CIRP) by National Company Law Tribunal (NCLT) vide order dated July 28, 2021 under Section 31(1) of the Insolvency and Bankruptcy Code, 2016 and the powers of the existing Board of Directors of the Company are suspended from the date of the order as per Section 17 of the IBC and vested with Resolution Professional. Further, pursuant to the order of NCLT, committee of creditors ("CoC") were formed and First COC meeting was held on August 31, 2021 and appointed Mr. Bhuvan Madan as Resolution Professional in place of Mr. Golla Ramakantha Rao. The same has been confirmed by the NCLT. Since the Powers of the Board of Directors are vested with the Resolution Professional the management of the affairs of the Company will be under the overall control, supervision and guidance of the Resolution professional from the date of the order till the completion of Corporate Insolvency Resolution Process.

The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional. The Status of the Board of Directors and Committees are as on the date of the NCLT order.

As per Securities and Exchange Board of India Notification dated 31st May, 2018 on SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, The provisions as Specified in regulations 17, 18, 19, 20 and 21 shall not be applicable during the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC).

2. BOARD OF DIRECTORS

A report on Corporate Governance is set out in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Collectively referred as SEBI (LODR) Regulations)

The Board of Directors as on 31st March, 2022 consists of Eight Directors of which three are Executive and five are Non-executive Directors and among these two are Promoter Directors; One Executive Director and five are Independent Directors. The Independent Directors constitute 62.50% of the Board's strength. Again, Non-executive Directors constitute 62.50% of the board's strength. The Chairman of the Board is Non-executive, Independent Director.

Composition and category of Directors prior to admission in IBC was as follows:

Category	Name of the Director
1. Executive Directors	
1. a) Promoters	1.SHIVAJI RAO ADUSUMILLI
	2.NARESH KUMAR ADUSUMILLI
1. b) Non promoters	3.RAMANA KUMAR DAVULURI
2. Non- Executive Directors	
	1. THANU KOLAPPA PILLAI
	2. SYED ANIS HUSSAIN
a) Independent Directors	3. SRINIVAS NARAYANA RAO
	4. LATHA PAMULA
	5. KIRAN KUMAR YEDA

Non-Executive Directors are Independent Directors within the meaning of Section 2 read with Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as provided in Section 149 of the Companies Act 2013 and Regulation 16(1) (b) of the Listing Regulations as amended. The tenure of Independent Directors is five years from the date of their appointment.

Attendance of each Director at the Board of Directors meetings and last Annual General Meeting:

Name of the Director	Board Meeting		Attendance at last AGM
	Held	Attended	
Shri Shivaji Rao Adusumilli	2	2	Yes
Shri Naresh Kumar Adusumilli	2	2	Yes
Shri Ramana Kumar Davuluri	2	2	Yes
Shri Thanu Kolappa Pillai	2	2	Yes
Shri Syed Anis Hussain	2	2	Yes
Shri Srinivas Narayana Rao	2	2	No
Shri Latha Pamula	2	2	Yes
Shri Yeda Kiran Kumar	2	2	Yes

Number of Board of Directorships in Other Companies, Board Committees he/she is a member or chairperson

Name of the Director	Other Company Directorships		Board Committees	
	Director	Chairman	Member	Chairman
Shri Shivaji Rao Adusumilli	3	None	None	None
Shri Naresh Kumar Adusumilli	5	None	None	None
Shri Ramana Kumar Davuluri	-	None	None	None
Shri Thanu Kolappa Pillai	5	None	2	2
Shri Syed Anis Hussain	1	None	1	1
Shri Srinivas Narayana Rao	2	None	None	None
Shri Latha Pamula	1	None	None	None
Shri Yeda Kiran Kumar	6	None	None	None

None of the Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors.

Shri A.S. Rao, Executive Vice Chairman and Shri A. Naresh Kumar, Managing Director related to each other being father and son respectively. Save and except the above none of the other Directors on the Board or their respective relatives are not related to each other.

None of the Independent Non-Executive Directors has any pecuniary relationship or transactions with the Company, its promoters or its senior management which in the judgment of Board may affect the independence of the Director except receiving sitting fees for attending board/Committee meetings.

Number of board meetings held, dates on which held:

During the year the Company has held two Board of Directors meetings. The dates on which these meetings held were: 11th June 2021 and 30th June 2021.

Board meetings Process:

The Agenda for the board meetings is circulated in advance which will contain the information and notes as required to be presented under the Companies Act, 2013 and Listing Regulations 2015. Further information and clarifications sought for on the agenda items are provided before the meeting. Those

items that could not be included in the agenda are tabled at the meetings. The Board exercises its powers subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Company, Listing Regulations 2015 and other applicable statutory provisions. The Board considers and reviews the agenda items while taking note of the action taken by the Company / management and authorizing the Company / management by way of resolutions wherever required.

Skill matrix of the Board

The following is the list of core skills / expertise /competencies identified by the Board of Directors that are required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.
6. A chart or a matrix setting out the skills/expertise/ competence of the Board of Directors

Core skills/ Expertise / Competencies	A.Naresh Kumar	K.Thanu Pillai	A.S.Rao	Syed Anis Hussain	Ramana Kumar Davuluri	S.N.Rao	Latha pamula	Yeda kiran kumar
Governance and Board service	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Understanding	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry/Sector Knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategy development and implementation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal/Regulatory Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Familiarization Programme of Independent Directors:

At every meeting of the Board of Directors, the Whole Time Directors, over and above the agenda items, give an updating to the Independent Directors on the various technical, financial and general business aspects affecting the Company's business. The departmental heads from various departments were also called in to explain to the Independent Directors technical, financial, commercial, legal aspects affecting the Company's business. The Independent Directors meeting and familiarisation programme did not took

place during the FY 2021-22 as the Company has been admitted under IBC, powers of the Board are suspended and the management is controlled by the Insolvency resolution professional.

Policy on selection and appointment of Directors:

Selection and appointment of Directors triggers whenever there is a casual vacancy in the Board or when the Board is of the opinion that it be strengthened to bring in diversity and expertise to the Board or to comply with any regulatory directions or with terms and conditions of the agreements.

Nomination and Remuneration Committee is entrusted with the task of identifying suitable persons by personal contacts or data bases. The selection criteria generally based on personal virtues, qualifications, skills, talent and ability to analyse and judge the issues, dynamism and leadership, experience and expertise in technical, finance, commercial, human resources management etc. After selection of a suitable person, the Nomination and Remuneration Committee considers the appointment on the Board and then recommends the candidature to the Board. The appointment of Director generally is done at the General Meetings unless situation warrants immediate appointment.

Nomination and Remuneration Committee ensures that the appointees meet the criteria of independence as provided in Section 149 of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations. The tenure of appointment of Independent Directors is generally five years and the office held by Independent Directors is not liable for retirement of Directors by rotation. In the appointment of Whole Time Directors, the Committee also ensures that the appointees meet the criteria as provided in the Companies Act 2013 and Regulation 17 of the Listing Regulations and the tenure of each appointment is generally three to five years. The office held by Whole Time Directors with the exception of office held by Managing Director, is liable for retirement of Directors by rotation.

3. AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of the Companies Act 2013, applicable Rules framed thereunder read with the listing regulations. The primary objective of the committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting.

Committee comprises of Chairman - Shri K.Thanu Pillai, Independent Director and two other Independent Director members - Shri Syed Anis Hussain, and Shri S.N.Rao.

Company Secretary acts as Secretary to the Audit Committee. Representatives of Statutory Auditors and representatives of Internal Auditor are invited to be present at the meetings of the Committee. The Audit Committee meets the requirements of both section 177 of the Companies Act 2013 and Regulation 18 of the Listing Regulations 2015.

The Committee has all the powers, duties and obligations conferred upon and vested in it in terms of Section 177 of the Companies Act, 2013 as amended from time to time and also such additional powers, functions / features, duties, obligations and discretions as is contained in Regulation 18 of the Listing Regulations as amended from time to time and / or any other powers, duties and obligations that may be given or assigned from time to time by the Board of Directors and the said Committee shall submit its reports, recommendations etc., to the Board of Directors on all matters.

Terms of reference of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified Opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud of irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses;

5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and

6. Statement of deviations:

a] Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

b] Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee met 2(two) times during the year, The dates on which these meetings held were 11th June, 2021 and 30th June 2021.

The following is the attendance of members at these meetings:

Name of the Director	Held	Attended
Shri Thanu Kolappa Pillai	2	2
Shri Syed Anis Hussain	2	2
Shri Srinivas Narayana Rao	2	2

The Audit Committee at its meeting held on 30th June 2022 has considered and approved the Audited Accounts of the Company for the financial year ended 31st March 2022. The Audited Accounts for the financial year ended 31st March 2022, as approved and recommended by the Audit Committee, do not require any explanations from the Board.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Section 178 of the Companies Act, 2013 comprising of Three Independent Directors including Chairman.

Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Nomination and Remuneration Committee are as under:

The committee comprises of the following members:

Name of the Director	Held	Attended
Shri Thanu Kolappa Pillai	1	1
Shri Syed Anis Hussain	1	1
Shri Srinivas Narayana Rao	1	1

Meetings during the year:

During the Financial year 2021-22, the Nomination and Remuneration Committee met 1 (One) times during the year, The meeting held on 30th June 2021.

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board. Devising a policy on Board diversity;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board the reappointment and removal;
4. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria;
5. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e. salary, benefits, bonus, stock options, pensions, etc;
6. Recommendation of fee / compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
7. Payment / revision of remuneration payable to Managerial Personnel.
8. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

9. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.

10. Any other functions / powers / duties as may be entrusted by the Board from time to time.

The key objectives of this Policy includes:

(i) Guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

(ii) Specifying the manner for effective evaluation of the performance of members of the Board, the Board as a whole and Committees thereof, and review its implementation and compliance.

(iii) Recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel & Senior Management.

The committee under the guidance of Board has formulated the criteria and frame work for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Remunerations of Directors

I. Non executive directors of the Company do not have any pecuniary relationship or transactions with in the company.

A. Remuneration paid during the year to Executive Directors

Name of the Director	Salary	Benefits	Commission	Total
Shri A. Naresh Kumar	20,90,000	1,04,842	-	21,98,842
Shri A.S. Rao	18,80,000	-	-	18,80,000
Shri Ramana Kumar Davuluri	16,45,080	1,82,368	-	18,27,448
Total	50,64,232	2,91,210	-	59,06,290

B. Sitting fees paid during the year to Non- Executive Directors

Name of the Director	As a Director Attending Board meeting	As a Director attending Committee meeting	Total
Shri K. Thanu Pillai	24,000	21,000	45,000
Shri Syed Anis Hussain	24,000	21,000	45,000
Shri S.N Rao	24,000	21,000	45,000
Smt Latha Pamula	24,000	NA	24,000
Shri Yeda Kiran Kumar	24,000	NA	24,000
Total	1,20,000	63,000	1,83,000

5. STAKE HOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee is responsible for addressing the investor complaints and grievances. The Committee meets on a periodic basis to address the investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of other documents etc. Details of grievances of the investors are provided in the "Shareholders' Information" section of this Annual Report. The committee has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee comprises Shri Syed Anis Hussain, Shri A.S.Rao and Shri A. Naresh Kumar as its members and is headed by Shri Syed Anis Hussain as Chairperson.

The terms of reference of the Stakeholder's grievance Committee are as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year the Committee has met 1 times. The necessary quorum was present in all the meetings. Share transfers in dematerialisation mode pending on 31st March 2022 were nil.

The company has registered itself under SEBI Compliant Redressal System (SCORES) for faster and transparent processing of Investor Grievance. The details of Complaints receive and resolved during the year is as follows:

1	Pending at the beginning of the year	0
2	Received during the year	0
3	Disposed of during the year	0
4	Remaining unresolved at the end of the year	0

During the year under review, investors' grievances received were nil and no complaints were outstanding as on 31st March 2022.

6. CODE OF BUSINESS CONDUCT AND ETHICS

In line with the avowed policy on Corporate Governance, the Company has evolved a Code of Business Conduct and Ethics (hereafter referred to as "the Code") applicable to all Directors and senior management of the Company and the same was adopted by the Board of Directors at its meeting held on 29th April 2006. The Code is appended to this Annual Report as an exhibit elsewhere. A link is available in Company's website at www.sathavahana.com under investors' column. The Code has since been circulated to all the Directors and members of senior management and their compliance reports for the financial year 2021-22 have been obtained by the Company.

Statement furnished by the Managing Director as to the compliance of the terms of the Code by the Company is given below:

"COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS BY THE COMPANY"

I hereby declare and confirm that the Company has complied with the terms of Code of Business Conduct and Ethics evolved by the Company and has obtained the statements of compliance from all the members of the Board of Directors and senior management of the Company for the financial year 2021- 22 and further confirm that there are no incidences of violation of the code.

(Bhuvan Madan)

Resolution Professional of Sathavahana Ispat Limited
IP Registration No. IBBI/IPA-001/IP-P01004/2017-18/11655

7. CEO/CFO CERTIFICATION:

The Company has obtained a certificate from the MD/CFO as required by Regulation 17(8) (Part B of Schedule II) of the SEBI (LODR) Regulations, 2015 and the same forms part of this report as "Annexure A".

8. CERTIFICATE FROM PRACTICING COMPANY SECRETARY THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH AUTHORITY:

A Certificate that none of the directors on the Board of the Company have been debarred or disqualified from being appointed as continuing as directors of the companies by the Board/Ministry of corporate affairs or any such statutory authority: **Not applicable since the Company is admitted under CIRP and powers of the Board are suspended**

9. GENERAL BODY MEETINGS:

Year	Type of Meeting	Venue	Date	Time
2018-19	30 th AGM	Sri Sagi Rama Krishna Raju Community Hall, Madhuranagar, Hyderabad - 500 038	30.09.2019	3.00 PM
2019-20	31 st AGM	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	29.12.2020	3.00 PM
2020-21	32 nd AGM	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	29.12.2021	3.00 PM

During the year under review, the Company has not called for any Extraordinary General Meeting.

The following Resolutions were passed with requisite majority as Special Resolutions at the respective Annual General Meetings:

AGM	Special Resolution
30 th AGM	<ol style="list-style-type: none"> 1. Re-appointment of Shri A. Naresh Kumar as Managing Director 2. Appointment of Shri Ramana Kumar Davuluri as Executive Director (Operations)
31 st AGM	<ol style="list-style-type: none"> 1. Approval of remuneration of Mr. A.S. Rao, Executive Vice Chairman in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment.
32 nd AGM	No Special Resolutions

10. POSTAL BALLOTS: NA

11. DISCLOSURES:

A. Related Party Transactions (RPT)

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company as contained under Section 188 of Companies Act, 2013. Suitable disclosures as required by the Indian Accounting Standards [IND AS24] have been made in the notes to the Financial Statements.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT are disseminated on the Company's website at: (www.sathavahana.com) The details of transactions with related parties were placed before the Audit Committee and the Committee has reviewed the same for the year ended 31st March, 2022. The details of RPT are disclosed in Note No. 31 of Notes on Financial Statements to the Accounts in the Annual Report and also in Form AOC-2 attached with the Boards' Report.

B. Corporate Social Responsibility:

The Company has constituted Corporate Social Responsibility Committee (in short "CSR Committee") to discharge Corporate Social Responsibility as provided in Section 135 of the Company Act, 2013 and the Listing Regulations. The Committee comprises two Independent Directors viz., Shri S.N. Rao, Shri Syed Anis Hussain and two Non-independent Directors viz., Shri A.S. Rao, Shri A. Naresh Kumar as members.

The members of the Committee shall elect one from amongst themselves as Chairperson at every meeting of the Committee.

CSR committee has all the powers, duties and obligations conferred upon and vested in it in terms of Section 135 of the Companies Act, 2013 as amended from time to time and Rules, Notifications, circulars issued under the said Act and also such additional powers, functions / features, duties, obligations and discretions as is contained in the Listing Regulations as amended from time to time and / or any other powers, duties and obligations that may be given or assigned from time to time by the Board of Directors and the said Committee shall submit its reports, recommendations etc., to the Board of Directors on all matters.

The Corporate Social Responsibility shall be discharged by the CSR Committee in consultation with the Board of Directors. The CSR Committee shall meet as often as required.

The CSR Committee shall prepare Annual CSR plan at the beginning of each financial year in line with provisions read with Schedule VII of the Companies Act, 2013 and the CSR Rules and which shall be referred to the Board for its approval. The CSR activities shall be those covered under the Companies Act, 2013 apart from any such activity which in the opinion of the CSR Committee is desirable and in the interest of society and public at large.

The Budget for CSR activities shall be a minimum amount as computed under the provisions of Section 135 of the Companies Act, 2013 and the Rules thereunder if any and the Board shall be the authority to increase / decrease the budget subject to fulfilling the statutory requirements.

The CSR Committee shall submit its reports, recommendations etc., to the Board of Directors on all Corporate Social Responsibility matters.

The policy shall be subject to review and amendment as and when required and the Board of Directors is the authority for such review and amendment.

During the year, the Company in terms of provisions of sub section 5 to Section 135 of the Companies Act 2013 is not required to earmark any fund for Corporate Social Responsibility activities in view of the losses reported by the Company.

C. Whistle Blower Mechanism

The Company has constituted a Whistle Blower Committee within the Audit Committee with Shri K.Thanu Pillai as Chairperson and Shri Syed Anis Hussain and Shri S.N.Rao as members. The Committee oversees the implementation of Whistle Blower / Vigil Mechanism and is empowered to take all necessary steps, decisions required in connection with whistle Blower system. The Whistle Blower Mechanism is available to all the stakeholders of the Company and assures adequate safeguards against victimization to the Whistle Blowers. The Chairperson can be reached at info@sathavahana.com.

The Whistle Blower Mechanism details are also provided on Company's website www.sathavahana.com in investors' column.

D. Nirbhaya Committee

The Company has constituted a Committee by name "Nirbhaya Committee" as required under the provisions of Companies Act 2013 and the Listing Regulations for monitoring and ensuring the safety and security of women employees with Shri A.S. Rao, Shri A. Naresh Kumar and Shri S.N. Rao as members. The members of the Committee shall elect a Chairman from amongst themselves for every meeting of the Committee. The Committee is empowered to take all steps, decisions required in connection with safety and security of women employees and to delegate all or any of the power hereby conferred. The Committee has not met during the year as there were no agenda to be discussed.

E. The Company do not have any holding and subsidiary Company to be reported. The accompanying Financial Statements are on standalone basis.

F. Details of non-compliance by the Company:

Since the Company is in CIRP Process and due to change in the person responsible in ensuring the Compliances, Company has been irregular in filing various forms with MCA and meeting the timelines provided under SEBI(LODR) Regulations and other compliances incidental thereto

G. Accounting treatment:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

H. Risk Management:

The Board engaged itself with the task of Risk Management by preparing, implementing and monitoring the risk management plan of the Company. The Board apart from ensuring the effectiveness of risk management covering internal financial risks and controls also reviews the same on regular basis. Major risks identified by the Board are monitored on a regular basis.

The Policy on “Risk management & minimization procedures” is available is available on the Company website www.sathavahana.com.

(12) Other Disclosures:

a) There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., having potential conflict with the interests of the Company at large.

b) Details on non-compliance by the Company, penalties and strictures imposed on the Company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

year	Reason for penalty	Authority	Amount Rs.
2019-20	Regulation 6(1) of SEBI (LODR) Regulations, 2015	BSE	7,080
	Regulation 6(1) of SEBI (LODR) Regulations, 2015	NSE	7,080
2020-21			
2021-22	Regulation 13(3)	BSE	27,000
	Regulation 31	BSE	54,000
	Regulation 31	BSE	1,30,000
	Regulation 33	BSE	2,90,000
	Regulation 33	BSE	15,000
	Regulation 24A	BSE	4,22,400

c) The company has formulated and adopted formal whistle blower / vigil mechanism policy and the same is hosted on the company's website and no concerned person has been denied access to Audit Committee.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements: The Company has complied with the mandatory requirements and has adopted a few non-mandatory

requirements as specified under Regulations of Listing Regulations, which are reviewed by the management from time to time.

e) Disclosure of commodity price risks and commodity hedging activities. NA

f) Total fees for all services paid by the listed entity to the statutory auditor for the year Rs. 19,82,047/-

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

1	Pending at the beginning of the year	Nil
2	Received during the year	Nil
3	Disposed of during the year	Nil

13. Compliance with Non Mandatory Requirements

The Board - The Chairman of the Company is Non Executive Director.

Shareholders Rights - As per requirements, the financial results were made available on the Company's website www.sathavahana.com. The same is available at the sites of the stock exchanges where the shares of company are listed.

Audit Qualifications - There were qualifications by the Auditors on the financial statements of the Company. The same is appropriately dealt in the Notes to the financial statements (refer Note 36-42).

Reporting of Internal Auditor - Internal Auditor regularly attends the meetings of Audit Committee to report the findings in Internal Audit to the Audit Committee members.

14. MEANS OF COMMUNICATION:

Half yearly and quarterly results are normally published in the newspapers viz., The Financial Express (English daily) and the Andhra prabaha (Telugu daily) or Nava Telangana (Telugu daily) on approval of the financial results by the Board of Directors. The Company immediately after announcement of financial results sends to the Stock Exchanges. Annual reports are also being sent to the Stock Exchanges where the shares of the Company are listed. The financial results and annual reports would also be made available on Company's website www.sathavahana.com in the investor's column.

Financial Results are sent regularly to Stock Exchanges where the shares of Company listed, financial institutions and banks upon their publication.

15. Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to regulate and monitor insider trading by designated person and has formulated a code on insider trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The Company has adopted an 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders ' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the SEBI (PIT) Amendment Regulations, 2018. This Code is displayed on the Company's website viz. www.sathavahana.com.

16. Additional Disclosures:

The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to Subsidiary of listed entity	NA
25	Obligation with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b)to (1)	Website Disclosures	Yes

17 GENERAL SHAREHOLDERS INFORMATION:

a) AGM: 33rd Annual General Meeting

Day and Date: Friday and 30th December, 2022

Time: 03.00 PM

Venue: NA

Financial Year: 01.04.2021 to 31.03.2022

b) Date of Book Closure:

Dates	24 th December 2022 to 30 th December, 2022 (Both Days inclusive)
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c) Listing on Stock Exchanges, Stock Code, Demat Code:

Name of the Stock exchange	Stock code
BSE Limited	526093
National Stock Exchange of India Limited	SATHAISPAT
ISIN Code for electronic trading and dematerialisation in NSDL / CDSL	INE 176C01016

The fee to the above Stock Exchanges has been paid up to financial year 2021-22

d) Market price data: high/low price on BSE during each month in last financial year 2021-22:

Month	High	Low	Month	High	Low
April	2.96	2.82	October	3.71	2.85
May	2.96	2.96	November	3.89	3.53
June	3.10	2.96	December	3.52	3.20
July	3.10	3.10	January	3.75	3.41
August	3.10	3.10	February	3.75	3.57
September	3.25	3.09	March	3.41	3.07

Market price data: high/low price on NSE during each month in last financial year 2021-22:

Month	High	Low	Month	High	Low
April	3.3	3.15	October	3.35	3.25
May	3.35	3.25	November	3.35	3.25
June	3.35	3.25	December	3.35	3.25
July	3.35	3.25	January	3.35	3.25
August	3.35	3.25	February	3.35	3.25
September	3.35	3.25	March	3.35	3.25

f) Registrar and Transfer Agents: The Company has appointed M/s. XL Softech Systems Limited, who are acting as share transfer agents for physical transfers as well as for electronic transfers effective from 1st April 2006 and their address is as under:

M/s. XL Softech Systems Limited,
 #3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500 034
 email: xlfield@gmail.com

g) Share transfer system:

The Company's Shares are under compulsory dematerialisation category and transfers in electronic mode are affected on line by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Further the Securities and Exchange of India (SEBI) in its circular dated 20.04.2018 mandated that dematerialized equity shares are only eligible for transfers with the exception of transmissions. Hence all shareholders are requested to get the shares dematerialized for the purpose of transfers.

Distribution of shareholding as on 31.03 2022:

No of Shares		No of Shareholders		Shareholding	
From	To	Nos	% to total	Nos.	% to total
1	5000	9873	76.76	20518910	4.03
5001	10000	1337	10.39	11682140	2.30
10001	20000	642	5.00	10150800	1.99
20001	30000	285	2.22	7486690	1.47
30001	40000	116	0.90	4188870	0.82
40001	50001	143	1.11	6812190	1.34
50001	100000	217	1.69	16774130	3.30
100001 and above		248	1.93	431286270	84.75
Total		12862	100.00	509000000	100.00

h) Dematerialisation of shares:

The Company's shares are in compulsory dematerialisation category w.e.f. 26.02.2001 with ISIN No. INE176C01016. The Company has established electronic connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar and transfer agents M/s. XL Softech Systems Limited, #3, Sagar Society, Road No.2, Banjara Hills, HYDERABAD – 500034. So far 49748723 shares constituting 97.74% of paid -up share capitals have been converted into fungible form up to 31st March 2022. The Company's Equity Shares are regularly traded in dematerialised form on BSE (Stock Code: 526093) and NSE (stock code: SATHAISPAT).

i) Reconciliation of Share Capital audit:

Reconciliation of Share Capital audit was carried out on quarterly basis by a qualified Practicing Company Secretary to reconcile the Equity Share Capital held in dematerialised form with both Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in Physical Form. The Share Capital Audit Reports confirm that the number of Equity Shares as per the Issued and Paid-up Equity Share Capital is in agreement with the number of Equity Shares held in aggregate in physical form and dematerialised form with NSDL and CDSL. No Equity Shares were held in any suspense account.

j) Issue of GDRs/ADRs/Warrants:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments which are outstanding as on March 31, 2022. The Share Warrants issued in the past were fully converted into Equity Shares within the time frame allowed for such conversion.

k) Plant Locations:

1.Haresamudram Village, Bommanahal Mandal, Ananthapuram District, Andhra pradesh	2. Kudithini Village, Korugodu Road, Bellary District, Karnataka
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l) Address for correspondence:

Registered Office:

505, 5th Floor, Block - 1, Divyashakti Complex,
Ameerpet, Hyderabad - 500 016 Telangana.

m) Company's Corporate Identity Number (CIN):

L27109TG1989PLC010654

The Report on Corporate Governance and accompanying Management Discussion and Analysis is prepared in compliance with requirements of Listing Regulations 2015 and forms part of Directors' Report and as such is to be read in conjunction with the Directors' Report.

For Sathavahana Ispat Limited

Sd/-

Bhuvan Madan

Place: Hyderabad

Date : 08.12.2022

Resolution Professional of Sathavahana Ispat Limited
IP Registration No. IBBI/IPA-001/IP-P01004/2017-18/11655

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other statutory requirements. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgment relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

2. INDUSTRY STRUCTURE:

The Company is engaged in the manufacture and sale of Pig Iron; Ductile Iron Pipes and Metallurgical Coke - an input material for Pig Iron, thus operates in the iron and steel industry, which is considered as core sector.

The Company is also into Power generation. The Company is using Mini Blast Furnace Technology. The Company operates Blast Furnace with technology sourced from Sino-Steel for Pig Iron making. The Company uses the Anshan technology, sourced from P.R.China for Metallurgical Coke making. The technology for Ductile Iron Pipe making was Chinese Academy of Agriculture Mechanisation Sciences (CAAMS), China. Pig Iron is of two grades – basic grade and foundry grade. Basic grade is used in the manufacture of Steel and whereas foundry grade is used for making castings. Basic grade is produced mainly by the Integrated Steel Plants (ISPs) for captive consumption in the manufacture of steel and exports. Part of the production is also diverted to the domestic market. Foundry grade is mainly used for castings and is produced by the Mini Blast Furnace units. The Company is into Pig Iron manufacture since inception. A major portion of Pig Iron manufactured is captive consumed in the manufacture of Ductile Iron Pipes.

3. ECONOMIC OVERVIEW

Global Economy

As the Ukraine conflict impacts the global GDP, India is projected to grow by 6.4 per cent in 2022, slower than the last year's 8.8 per cent but still the fastest-growing major economy, with higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment, according to a UN report.

The UN Department of Economic and Social Affairs said in its World Economic Situation and Prospects (WESP) report released on Wednesday that the war in Ukraine has upended the fragile economic recovery from the pandemic, triggering a devastating humanitarian crisis in Europe, increasing food and commodity prices and globally exacerbating inflationary pressures.

The global economy is now projected to grow by only 3.1 per cent in 2022, down from the 4.0 per cent growth forecast released in January 2022. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent during 2021-22 with sharp rises in food and energy prices.

The report said that the outlook in South Asia has deteriorated in recent months, against the backdrop of the ongoing conflict in Ukraine, and higher commodity prices and potential negative spillover effects from monetary tightening in the United States.

The regional economic output is projected to expand by 5.5 per cent in 2022, which is 0.4 percentage points lower than the forecast released in January. India, the largest economy in the region, is expected to grow by 6.4 per cent in 2022, well below the 8.8 per cent growth in 2021, as higher inflationary pressures and uneven recovery of the labour market will curb private consumption and investment.

For the fiscal year 2023, India's growth is forecast to be 6 per cent.

India's projected growth for 2022 is 6.4 per cent, a downward adjustment of 0.3 per cent from January. We expect Indian recovery to remain strong in the near term, in the next year and two, but again we cannot completely discount the downside risk that would come from external channels. So that risk is still there, he said.

4. OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Pig Iron, a major product of the Company, is primarily used for manufacturing a variety of grey iron and ductile iron castings by foundries for a host of industries like automotive, agriculture, pump, valve, compressor, railways, defence, wind mills, heavy machinery etc. Besides this, the Company also manufactures basic grade PI in small quantities which is consumed by secondary steel makers. Both these industries - casting as well as steel, are expected to grow at good pace in the coming financial year, driven by Government of India initiatives.

Being in the intermediate stage in the industry there is an opportunity for both backward integration and forward integration. The Company has set up a Coke Oven facility with Co-generation of Power at a Greenfield site—as a first phase of backward integration. The Company has also set up Sinter Plant as a backward integration and Ductile Iron Pipe plant as forward integration at its Pig Iron making plant.

Company sources Coking Coal, a key input material, by importing from outside India and thus suffers from import Constraints. However, the Company has identified reliable suppliers, which minimises the import constraints. The Company has set up a Metallurgical Coke making facility with latest technology at a Greenfield project site to minimize the impact of import of Metallurgical Coke.

As the customs duties on Pig Iron imports are lowered from time to time there is an import threat to that extent. However, given the importers' profile of Pig Iron who are mainly foundries and are in an unorganised sector, the import threat is minimal. Moreover, with the surge in global demand for Iron and Steel and increase in raw material prices, the availability of Iron and Steel at competitive price is remote. Negligible imports during the last couple of years are an ample indication of zero risk of the threat.

Threats to continuing growth arises from the fact that the Indian economy cannot remain isolated from the global changes, especially actions by countries like US and China. Growing protectionist measures and geopolitical tensions can adversely impact the world economy including India. Moreover, the forward integration into Ductile Iron Pipe making would further minimise such threat.

Global slowdown in the steel industry may lead to lower exports of Pig Iron and therefore result in surplus availability in the domestic market. Further, with expansion of large integrated steel plants, there could be a mismatch between iron making and steel making capacities especially during the commissioning and ramp-up period resulting in surplus of PI. Activation of these factors may put pressure on the Pig Iron prices and impact margins. Similarly, global coal/ coke prices have shown increased volatility in the last three years and are still vulnerable to changes driven by the Chinese steel industry or supply conditions in Australia.

The Company's business is mainly commodity business. The financial health of the unit will be affected by adverse changes in the industry and commodity markets. Company implemented facilities involving both forward integration and backward integration and thus the risk would be minimized

5. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The gross revenue of Rs. 2819.41 Lacs as compared to previous year's revenue of Rs. 2676.09 Lacs. The year ended with loss of Rs. 12267.10 Lacs as against loss of Rs. 32600.36 Lacs in the previous year. Accordingly, the loss per share accounted for at Rs. 24.10 as compared to loss per share of Rs. 64.05 in the previous year.

6. OUTLOOK:

For the Financial Year 2022-23 the Demand of DI Pipes is likely to be muted owing to seasonal factors. During the Covid-19 situation, safe and hygienic water supply is most important for the Government. Ductile Iron pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. The company is hopeful that Central and State Governments will continue to give priority and remain committed in respect of on-going and future water supply, sewerage and irrigation projects in the country.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Systems commensurate with the size and nature of its business. Internal Control Systems are supplemented by internal audits carried out regularly by outside independent qualified auditors. The Audit Committee interacts with the statutory and internal auditors. The Management also regularly reviews the operational efficiencies, utilisation of fiscal resources and compliance with laws so as to ensure optimum utilisation of resources, achieve better efficiencies and comply with the laws of land.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Financial Statements for the year under review have been prepared on a going concern basis and in compliance with provisions of the Companies Act 2013 and by following the generally accepted accounting principles in India and the applicable mandatory Ind AS Accounting Standards notified by the Government under section 133 of the Companies which the Company adopted being first time adoption with transition dated 01st April 2016. The operational performance vis-à-vis financial performance is as under:

The gross revenue of Rs. 2819.41 Lacs as compared to previous year's revenue of Rs. 2676.09 Lacs. The year ended with loss of Rs. 12267.10 Lacs as against loss of Rs. 32600.36 Lacs in the previous year. Accordingly, the loss per share accounted for at Rs. 24.10 as compared to loss per share of Rs. 64.05 in the previous year.

9. Human Resources and Industrial Relations:

Employees are the valuable assets and the strength of an organisation in its growth, prosperity and development. Your Company has a team of qualified and dedicated personnel who have contributed to the growth and progress of the Company.

The employees are imparted training on site and are encouraged to participate in the decision-making process.

The management acknowledges the contributions made by each employee at all levels and records its appreciation for the co-operation extended, but for which the present growth would not have been possible.

10. CAUTIONARY STATEMENT:

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

Annexure-A

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification

We, Naresh Kumar Adusumilli, Managing Director and V.S.R.K.Hanuman, Chief Financial Officer of Sathavahana Ispat Limited, to the best of our knowledge and belief hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2021 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 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 volatile of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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.

Yours faithfully,

Place: Hyderabad
Date: 16.05.2022

(A. Naresh Kumar)
Managing Director

(VSRK Hanuman)
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT
To The Members of SATHAVAHANA ISPAT LIMITED
Report on the Audit of the Financial Statements

Disclaimer Opinion

We were engaged to audit the accompanying financial statements of **SATHAVAHANA ISPAT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

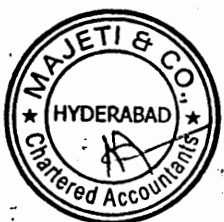
Basis for Disclaimer Opinion

i. About Going Concern

As mentioned in Note No. 33 to the IND AS financial statements, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, ("Code") and the company's obligation towards current borrowings was Rs. 1,74,714.10 Lakhs significantly exceeded its available cash and cash equivalents and other financial assets as on the date of balance sheet. The company's financial results and funds availability were adversely affected due to continuing shut down of the ferrous plant since 12th June 2017, very limited operations in the coke oven plant and power plant resulted in a Net Loss of Rs.12,267.10 Lakhs for the year ended resulting into accumulated losses of Rs.1,18,316.26 Lakhs and erosion of its Net worth as at March 31, 2022. These conditions give rise to material uncertainty over the ability of the Company to continue as a going concern.

Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP. Accordingly, the financial statements are continued to be prepared on going concern basis. However, there exists a material uncertainty about the ability of the Company to continue as a "Going Concern". The same is dependent upon the resolution plan to be approved by NCLT. The appropriateness of the preparation of financial statements on going concern basis is critically dependent upon CIRP as specified in the Code. Necessary adjustments required on the carrying amount of assets and liabilities are not ascertainable at this stage.

The financial statements have been prepared on going concern basis based on the reason as described above. In the absence of forecast plans made available to us, presently not ascertainable about company's ability to repay its borrowings, trade payables, statutory liabilities, other payables and arrangement of funds to resume its operations. We are unable to obtain sufficient and appropriate audit evidence to conclude the company will remain in operation into the foreseeable future and whether the use of the going concern assumption to prepare the financial statements is appropriate.



ii. **Minutes of committee of creditors**

We have been informed by the Resolution Professional that certain information including the Minutes of meetings of the Committee of Creditors and the outcome of certain procedures carried out as per the CIRP are confidential in nature and could not be shared with anyone other than the Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible financial impact, presentation and disclosure, if any, that may arise if we have been provided access to those information.

iii. **Impairment of Property plan and equipment, capital work in progress**

We draw your attention to Note no 42 to the Ind AS Financial statements, As per Indian Accounting Standard 36 on Impairment of Assets, the Company is required to determine impairment in respect of Property, Plant and equipment and capital work in progress as per the methodology prescribed under the said Standard on account of shut down of the ferrous plant and very limited operations in the coke oven plant since 12th June 2017. However, the Management of the Company has not done impairment testing for the reasons explained in the above note. However, In the absence of documents related to working for impairment of the Property, Plant and equipment and capital work in progress as per Ind AS 36, the impact of impairment, if any, on the Ind AS financial statements is not ascertainable.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2021.

iv. **Inventories**

- a) Management has not performed the stock verification during the year end due to the reasons described in the said note 8(ii). In the absence of physical verification of stock, we have not able to obtain sufficient, appropriate audit evidence over the existence of inventory of Rs.1555.82 Lakhs as at March 31, 2022.
- b) We draw attention to Note 40 to the Ind AS Financial statements, regarding non-moving inventories Since shut down of the operations at factory located at Haresamudram amounting to Rs.1458.67 Lakhs (As at 31st March 2021: Rs.1985.98 lakhs). Management believes that no adjustments to the carrying value of the inventories is required as those are regularly monitored, maintained and in usable/ saleable condition. As per Indian Accounting Standard - 2 'Inventories' are to be Valued at the lower of cost and net realisable value. Pending corroborative evidence to assess the net realisable value, we are unable to comment on the realisable value of these Inventories together with consequential impact.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2021.

v. **Claims against the company**

- a) We draw your attention to Note no 44 to the Ind AS Financial statements, pursuant to commencement of CIRP under the code, there are various claims submitted by the financial creditors, operational creditors, employees and other creditor to the RP. The books balances appears will be recasted upon successful implementation of resolution plan. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been recognised in respect of excess or short claims or non-receipts of claims for above- mentioned creditors.



- b) We draw attention to note No 30 to the financial statements where in dues to the micro and small enterprises was disclosed as Rs Nil. We are unable to verify the accuracy of the same due to the lack of related information with the company.

vi. **Long outstanding unconfirmed trade receivables, capital and supplier advances and other financial assets**

- a) We draw attention to Note No 37 to the Ind AS Financial statements, where in management has considered outstanding trade receivables of Rs. 3,486.76 Lakhs (March 31,2021 Rs. 3481.82 Lakhs) capital advances of Rs.174.01 Lakhs (March 31,2021 Rs. 174.01 Lakhs), supplier advances Rs. 607.63 lakhs (March 31,2021 Rs. 595.27 Lakhs) and other financial assets Rs. 156.42 lakhs (March 31,2021 Rs. 157.02Lakhs), respectively due for a period of more than one year as good and recoverable as at March 31, 2022, for which no provision has been made in the books of account. For reasons said in the aforesaid note, and due to confirmations being not available and pending reconciliation adjustments we are unable to comment on the recoverability of these receivables and its consequential effect on these financial statements.
- b) We draw attention to Note No 24(c) to the Ind AS Financial statements, where in management written of Rs 1163.77 lakhs during the year as bad debts. We are unable to get sufficient explanation and appropriate evidence to comment about the amount written off as bad debts.

vii. **Non-Payment of statutory dues**

We draw attention to Note no 38 to the Ind AS Financial statements, Statutory dues related to Income tax, Employee's provident fund, Employee state insurance act and professional tax, amounting to Rs. 1460.92 Lakhs (March 31,2021 Rs. 1105.80 Lakhs) have become overdue and remain unpaid, interest, penalty if any in respect of the same has remained unascertained and unaccounted for.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2021.

viii. **Noncompliance with Foreign exchange management act 1999**

We draw your attention to Note 41 to the Ind AS Financial statements regarding overdue payables aggregating to Rs.224.15 lakhs as at March 31, 2022 (As at 31st March 2021:- Rs.222.45 lakhs), included in 'Creditor for capital works', which is outstanding to a non-resident company for more than three years, and for which the Company is yet to obtain approval from the Authorised Dealer or Reserve Bank of India (RBI) to remit the aforesaid amounts. Any penalties that may be levied by RBI in the aforesaid liabilities in the financial statements are presently not ascertainable.

This matter was also qualified in our report on the financial statements for the year ended March 31, 2021.



ix. Noncompliance with Companies act 2013

- a) The company has not taken approval for related party transactions related to Pre CIRP period which are required as per section 177 and 188 of the Act due to the reason specified in note 31(a) to Ind AS Financial Statements.
- b) The company had paid donations to charitable trust amounting to Rs.11.02 Lakhs without obtaining prior permission in general meeting as required under section 181 of the Companies Act, 2013.
- c) During the year Internal audit was not carried out as per the requirement of section 138 of the Act.
penalty if any in respect of above non-compliances has remained unascertained and unaccounted for.

x. Un accounted expenditure

As per the recognition principles mentioned in Indian Accounting Standard (Ind AS) 37, provision shall be recognised when company has a present obligation (legal or constructive) as a result of a past event, which is to be measured by the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. On 20 September 2021 the company entered into a contract for 'Repairs & Maintenance of Manufacturing Facilities' at a contract Price of Rs 26600 lakhs and related work was commenced by the contractor. The company has not accounted any provision for expenses till date of Balance sheet due to the reasons described in note no.24(d) In the absence of any best estimate of the provision to be accounted, we are unable to comment about its consequential effect if any on these financial results.

The same is not in compliance with requirement of Ind AS 37 appropriate recognition, measurement and disclosure of provisions

xi. Non recognition of interest on borrowings

As Mentioned in note no 13(i) to the Ind AS Financial Statements, all borrowings were assigned by the Banks and Financial Institutions to J C Flower Asset Reconstruction Company Limited along with all rights and privileges. The company has not accounted for accrued interest amounting to Rs.21091.17 lakhs from August 2021 to date of balance sheet, which is noncompliance of Indian Accounting Standard (Ind AS) 109 Financial Instruments.

In view of the matters stated above from para i to para xi, of 'Basis for Disclaimer of Opinion', we are unable to obtain sufficient appropriate audit evidence regarding the ability of the company as going concern for the foreseeable future after the CIRP process and the extent of the loss allowance/impairment or potential liability to be recognised, if any, and the consequential impact on the IND AS financial statements as at and for the year ended March 31, 2022. Accordingly, we form a basis of disclaimer of opinion.

Responsibilities of Management and Those charged with Governance for the Financial Statements

As of March 31, 2022, the Company, M/s Sathavahana Ispat Limited, is currently undergoing corporate insolvency resolution process ("CIRP") pursuant to the order dated July 28, 2021, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT"), in C.P. No.17/9/HDB/2020 filed by one M/s Thirumala Logistics, an operational creditor of the Company.



Vide the same order, one Mr. Golla Ramakantha Rao, an Insolvency Professional, was appointed as the Interim Resolution Professional. Pursuant to order dated September 08, 2021, passed by the Hon'ble NCLT, Mr. Bhuvan Madan, an Insolvency Professional, was appointed as the Resolution Professional to conduct the CIRP and to manage the affairs of the Company. The copy of the said order was received by Mr. Bhuvan Madan, the Resolution Professional on September 15, 2021.

As such, since September 15, 2021, has been under the control and management of Mr. Bhuvan Madan, the Resolution Professional.

In view of the ongoing Corporate Insolvency Resolution Process ("CIRP") as Board has been suspended and these powers are now vested with Mr. Bhuvan Madan in the capacity as the Resolution Professional as per the Provisions of the Insolvency and bankruptcy Code, 2016 ("the Code")

In view of ongoing Corporate Insolvency Resolution Process (CIRP), The Resolution Professional (RP) is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters, related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Under section 20 of the Code, it is incumbent upon Resolution Professional to manage the operations of the Company as a going concern upon initiation of CIRP and the financial statements which have been prepared on going concern basis.

The Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the entity's financial statements in accordance with Standards on Auditing issued by ICAI and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. However, as described in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit;
- b) Due to the effects/possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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 and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Due to the effects/possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) The matter described in the Basis for Disclaimer of Opinion section and going concern matter described in the material uncertainty related to going concern may have an adverse effect on the functioning of the Company.
- f) As at March 31,2022 there are no directors on the company's board. Accordingly reporting on compliance of section 164(2) of the Act is not applicable.
- g) The reservation relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Disclaimer Opinion paragraph;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses Disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
As the company is in default of making payments to secured creditors, prior approval from secured creditors is required pursuant to Part II of Schedule V to section II(B) of the Companies Act, which is not obtained by the company. Accordingly, the provision of section 197 read with Schedule V has not complied. (Refer Note 31 to the Ind AS financial statements for payments of remuneration to directors)
- j) 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 financial statements -(Refer Note No 29a to the 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 were no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



Place: Hyderabad
Date: May 16, 2022

For MAJETI & CO
Chartered Accountants
Firm's Registration No: 015975S

A handwritten signature in black ink that reads "M. Kiran Kumar Majeti".

Kiran Kumar Majeti
Partner
Membership No: 220354
UDIN: 22220354AJASNG1525

Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i In Respect of the Company's Property Plant and Equipment and Intangible Assets:
- a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
 - B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - b) The Property, plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items on rotation basis which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- However, The Property, Plant and Equipment of the company have not been physically verified by the Management during the current and previous two years. Accordingly, the discrepancies if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account.
- c) The title deeds of immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.
 - d) The company has not revalued any its Property, Plant and Equipment and Intangible Assets during the year.
 - e) No Proceeding have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii
- a) No physical verification of the inventory has been conducted by the management during the year. Accordingly, the discrepancies if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account.
 - b) As per information and explanation by the management total debt to the Banks and financial institutions was assigned to the company J C Flower asset reconstruction company limited ("JSFARC") on 23 June 2021. Hence reporting under clause 3 (ii)(b) is not applicable.
- iii The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under 3(iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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- v *The Company has taken advances from customers which were outstanding for more than one year amounting to Rs.88.14Lakhs in terms of Section 73 of Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014, (Rule 2(1)(xii)(a)), such advances are liable to be treated as deposits and hence the Company is in violation of the same. Except for compliance with the aforesaid amount, The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.*
- vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, Goods and Services Tax and cess and other material statutory dues, as applicable with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31,2022 and outstanding a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Outstanding More than six months Amount (Rs. In Lakh)	Total Amount (Rs. In Lakh)	Period to which it relates	Due date	Date of Payment
Income Tax Act, 1961	Tax Deducted at source	354.15	402.16	April 2021 to March 2022	on 7 th day of next month	Not Yet Paid
Income Tax Act, 1961	Tax Collected at source	1.35	3.31	April 2021 to March 2022	on 7 th day of next month	Not Yet Paid
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	498.94	506.10	July 2017 to March 2022	on 15 th of next month	Not Yet Paid



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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Employee state Insurance Act	Employee State Insurance	112.52	113.30	March 2017 to March 2022	on 15 th of next month	Not Yet Paid
Andhra Pradesh Tax on Professions, Trades, Callings and Employments Act, 1987	Professional Tax	13.72	13.82	April 2017 to March 2022	on 10 th of next Month	Not Yet Paid
Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976	Professional Tax	6.03	6.34	April 2017 to March 2022	on 10 th of next Month	Not Yet Paid
Telangana Tax on Profession, Trades, Callings and Employment Act, 1987	Professional Tax	1.92	2.04	February 2018 to March 2022	on 10 th of next Month	Not Yet Paid
Payment of Gratuity Act, 1972	Gratuity	0.57	413.85	March 2016 to March 2022	Immediate	Not Yet Paid

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, duty of customs, as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956	Sales Tax	23.30	2005-06	Sales Tax Appellate Tribunal, Visakhapatnam
Income Tax Act, 1961	Interest on Dividend Distribution Tax	13.79	2009-10	Deputy Commissioner of Income Tax, Hyderabad



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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Central Excise Act, 1944	Excise duty and penalty	284.75	September 2011- March 2015	The Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Customs Act, 1962	Customs duty and penalty	1047.96	2012-13	The Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Customs Act, 1962	for availment of CENVAT credit on common input services for manufacture of dutiable and exempted goods	62.11	2015-16	The Customs, Excise and Service Tax Appellate Tribunal, Hyderabad
Central Sales Tax, 1956	Disallows of exemption granted	1000.74	2010-11	Appeal Pending H'ble AP VAT Appellare Tribunal, Visakhapatnam.
Andhra Pradesh Value Added tax Act, 2005	Penalty on Late Payment	4.47	March 2017 to May 2017	High court of Andhra Pradesh, Amaravati
Central Sales Tax, 1956	Penalty on Late payment	20.05	March 2017 to May 2017	High court of Andhra Pradesh, Amaravati
Central Sales Tax, 1956	Non-submission of C-Forms	29.64	2015-16	Appeal Pending Before H'ble App. Dep. Commissioner (CT), Tirupathi
Central Sales Tax, 1956	Non-submission of C- Forms	37.40	2016-17	Appeal Pending Before H'ble App. Dep. Commissioner (CT), Tirupathi
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Dues of Entry Tax	2.54	2014-15 to 2016-17	Appeal Pending Before H'ble Appellate Tribunal Visakhapatanam
Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001	Dues of Entry Tax	22.60	2012-13 & 2013-14	High court of Andhra Pradesh, Amaravati



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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Central Sales Tax, 1956	Non-submission of C-Forms	3.89	2012-13	Commercial Taxes Officer- Enforcement, Bellary
Central Sales Tax, 1956	Non-submission of C- Forms & Turnover differences	101.25	2015-16	Commercial Tax Officer, Bellary Audit-2,
Central Sales Tax, 1956	Non-submission of C- Forms	3.60	2017-18	Commercial Tax Officer, Bellary Audit-2,
Central Sales Tax, 1956	Non-submission of C- Forms	33.42	2016-17	Commercial Tax Officer, Bellary Audit-2,
CST Act, 1956	assessment for non-submission of statutory forms	30.76	2017-18	Commercial Tax Officer
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Damages on late payment	6.90	October 2017 to June 2018	Regional commissioner -II/ Regional Office, Ballari.
Employees' State Insurance Act, 1948	Interest on non-payment	5.78	May 2017 to October 2017	Sub Regional Office, Tirupati
Customs Act 1962	Alleged short payment of customs duty on imports	328.70	2005-06	Assistant Commissioner of Customs, Contract Cell, NCH, Mumbai
Income Tax Act 1961	Demand under Sec. 143(3) and 234D	1.57	2018-19	Assistant Commissioner of Income Tax, Circle - 3(1), Hyderabad
TNGST Act,	difference in turnover	0.42	2003-04	Dy. Commissioner (CT), Coimbatore Division

viii According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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- ix a) According to the records of the Company examined by us and the information and explanation given to us, the Company don't have any loan with Banks or financial institution as on the balance sheet date. However, the company has defaulted the payments of loans to bank which was sold by bank in a swiss challenge process to an Asset Reconstructing company with same stipulations applicable to banks.

Term Loans	Nature of dues	Amount of default (Rs.in Lakhs)	Period of default and remains unpaid as at balance sheet date
From Banks (Period of default from original date of default till Assignment to ARC)			
State Bank of India	Principal	25,581.35	1-1544 days
	Interest	25,225.20	1-1543 days
Canara Bank of India	Principal	33,441.22	59-1543 days
	Interest	26,298.93	59-1602 days
Union Bank of India (Andhra Bank)	Principal	25,978.55	1-1544 days
	Interest	18,094.73	1-1543 days
From Financial Institution			
IFCI Limited	Principal	8,171.19	60-1513 days
	Interest	8,998.60	60-1513 days
From Asset Reconstructing company (From Assigned date to date of Balance sheet)			
JC Flowers Asset Reconstructing company	Principal	93,172.31	1 to 281 days
	Interest	81,541.79	1 to 281 days

(Also Refer note 43 to the Ind AS Financial Statements)

- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful Defaulter by any bank or financial institution or government or any government authority.
- c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year.
- d) According to the information and explanations given to us, and the procedures performed- by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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- f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause 3(x)(b) is not applicable.
- xi a) we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Hence reporting under clause 3(xii)(a), (b), (c) are not applicable.
- xiii Due to possible effects of the Matter described in 'Basis of Disclaimer of opinion' section and due to non-availability of requisite documents we are unable to comment on the compliance with section 177 and 188 of the companies Act, 2013. (Refer Note No 31 for Related party Disclosure as per Ind AS 24)
- xiv a) In our opinion and based on our examination, though the company is required to have an internal audit system under section 138 of the Act, it does not have the same established for the year.
- b) The Company did not have an internal audit system during the year. Accordingly, we are unable to report under this clause.
- xv The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Page 8 of 8

- xvi a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company
- d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii The Company has incurred any cash loss of Rs.8170.07 Lakhs during the financial year and the Rs.29,295.72 Lakhs immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix On the basis of the financial ratios (Refer 'Note 36 to the Ind AS Financial Statements), ageing and expected dates of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements, in our opinion and according to the information and explanations given to us, Material uncertainty exists as on the date of audit report that company's capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due with in a period of one year from the balance sheet date.
- xx The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company



Place: Hyderabad
Date: May 16, 2022

For MAJETI & CO

Firm Registration Number: 015975S
Chartered Accountants


Kiran Kumar Majeti

Partner
Membership Number: 220354
UDIN No: 22220354AJASNG1525

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

We were engaged to audit the internal financial controls over financial reporting of **SATHAVAHANA ISPAT LIMITED** ("the Company") as of March 31, 2022, in conjunction with our audit of the 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". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. In view of ongoing Corporate Insolvency Resolution Process (CIRP), The Resolution Professional (RP) is responsible for the matters stated above.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit conducted 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.

Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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



Basis for Disclaimer opinion

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022. We have been informed that all the payment vouchers post CIRP period have been duly approved which have been verified by us on test basis. Since we have not been provided with risk control matrix, process notes etc, except payment authorisations we are unable to comment on it.

Disclaimer of Opinion

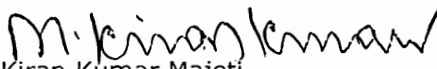
Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS financial statements of the Company for the year ended March 31, 2022, and the disclaimer has affected our opinion on the said Ind AS financial statements of the Company, and we have issued a disclaimer of opinion on the Ind AS financial statements of the Company.



Place: Hyderabad
Date: May 16, 2022

For MAJETI & CO
Chartered Accountants
Firm 's Registration No: 015975S


Kiran Kumar Majeti
Partner
Membership No: 220354
UDIN No: 22220354AJASNG1525

SATHAVAHANA ISPAT LIMITED
Balance sheet as at March 31,2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(i)	60,012.01	64,078.38
(b) Capital work-in-progress	3(i)	3,343.19	3,343.19
(c) Right -of- use asset	3(ii)	331.43	331.43
(d) Intangible assets	4	-	-
(e) Financial assets			
(i) Investments	5	23.23	19.73
(ii) Other financial assets	6	210.31	210.21
(f) Other non-current assets	7(i)	865.77	868.67
Total Non-current assets		64,785.94	68,851.61
II Current assets			
(a) Inventories	8	1,555.82	2,136.31
(b) Financial assets			
(i) Trade receivables	9	4,010.91	3,773.26
(ii) Cash and cash equivalents	10	117.44	33.84
(iii) Bank balances other than (ii) above	11	0.62	227.54
(c) Other current assets	7(ii)	1,474.81	1,909.51
Total Current assets		7,159.60	8,080.46
TOTAL ASSETS		71,945.54	76,932.07
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	12	5,090.00	5,090.00
(b) Other equity		(1,18,316.26)	(1,05,996.20)
Total Equity		(1,13,226.26)	(1,00,906.20)
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(i)	-	-
(b) Provisions	14(i)	129.90	172.28
Total Non-current liabilities		129.90	172.28
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(ii)	1,74,714.10	1,66,203.64
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note-30)		-	-
- dues to others		5,949.44	6,766.00
(iii) Other financial liabilities	15	2,760.03	2,940.44
(b) Other current liabilities	16	1,567.80	1,729.31
(c) Provisions	14(ii)	50.53	26.60
Total current liabilities		1,85,041.90	1,77,665.99
Total liabilities		1,85,171.80	1,77,838.27
TOTAL EQUITY AND LIABILITIES		71,945.54	76,932.07

The accompanying notes are an integral part of the financial statements
As per our report of even date

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 0159755

M. Kiran Kumar
Kiran Kumar Majeti
Partner
Membership Number: 220354



For and on behalf of the Sathavahana Ispat Limited

Bhuvan Madan
(BHUVAN MADAN)
Resolution Professional

IBBI/IPA-001/IP-P01004/2017-18/11655

A. Naresh Kumar
A. Naresh Kumar
Managing Director of suspended
board

V.S.R.K Hanuman
V.S.R.K Hanuman
Chief Financial Officer

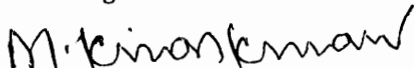
Hyderabad
16-05-2022

SATHAVAHANA ISPAT LIMITED
Statement of Profit and Loss for the Year Ended March 31,2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the Year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	17	2,819.41	2,676.09
II Other income	18	1,534.94	1,063.88
III Total Income (I+II)		4,354.35	3,739.97
IV Expenses			
(a) Cost of raw materials consumed	19	302.51	804.46
(b) Changes in inventories of finished goods, work-in-progress and scrap	20	128.43	659.50
(c) Employee benefits expense	21	602.45	1,105.49
(d) Finance costs	22	8,928.09	28,123.17
(e) Depreciation and amortization expense	23	4,048.97	4,230.53
(f) Other expenses	24	2,611.00	1,417.19
Total Expenses (IV)		16,621.45	36,340.34
V Loss before tax (V-IV)		(12,267.10)	(32,600.37)
VI Tax expense			
(a) Current tax	25	-	-
(b) Deferred tax	25	-	-
Total tax expense (VI)		-	-
VIII Loss for the year (V-VI)		(12,267.10)	(32,600.37)
IX Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plan		(52.96)	61.13
Income tax relating to above		-	-
Other Comprehensive Income for the year (IX)		(52.96)	61.13
X Total Comprehensive Income for the year (VII+IX)		(12,320.06)	(32,539.24)
XI Loss per share (Par value of Rs.10 each)			
- Basic and Diluted	34	(24.10)	(64.05)

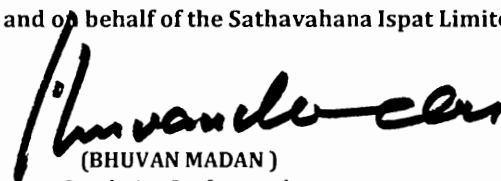
The accompanying notes are an integral part of the financial statements
As per our report of even date

For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S

Kiran Kumar Majeti
Partner
Membership Number: 220354




Hyderabad
16-05-2022

For and on behalf of the Sathavahana Ispat Limited


(BHUVAN MADAN)
Resolution Professional

IBBI/IPA-001/IP-P01004/2017-18/11655


A. Naresh Kumar
Managing Director of suspended
board


V.S.R.K Hanuman
Chief Financial Officer

SATHAVAHANA ISPAT LIMITED
Statement of Cash Flow for the Year Ended March 31,2022

(All amounts in INR lakhs, unless otherwise stated)

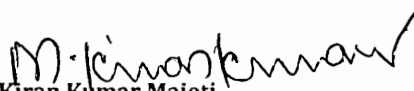
Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:		
(Loss) before tax	(12,267.10)	(32,600.37)
Adjustments for:		
Depreciation and amortisation expense	4,048.97	4,230.53
Unrealised foreign exchange (gain)/loss (net)	1.70	(5.71)
Interest income from financial assets at amortised cost	(1.65)	(9.64)
Dividend income classified as investing activities	(0.06)	-
Finance cost	8,928.09	28,123.17
Net (gain)/loss arising on investments mandatorily measured at Fair value through profit and loss	(3.49)	(7.58)
Bad debts written off	1,163.77	-
Credit balances written back	-	(607.94)
Debit balance written off	44.91	1.80
Loss on sale of Property, Plant and Equipment	4.94	-
Provision no longer required written back	(1,163.77)	(306.45)
Operating Profit/ (Loss) before working capital changes	756.31	(1,182.19)
Adjustments for:		
Trade receivables and other assets	171.38	907.18
Inventories	580.49	968.37
Trade payables, other liabilities and provisions	(1,563.05)	(825.14)
Cash generated from operating activities	(54.87)	(131.78)
Income tax (paid) /Refund	(16.44)	101.65
Net cash inflow / (outflow) from operating activities	(71.31)	(30.13)
Cash flows from investing activities:		
Purchase of property, plant and equipment, Intangibles and capital work-in-progress	(0.27)	(51.37)
Sale Proceeds from property, plant and equipment	12.73	-
Restricted Balances with Banks	226.92	(194.40)
Interest received	1.65	7.70
Dividend received	0.06	-
Net cash inflow from investing activities	241.09	(238.07)
Cash flows from financing activities:		
Proceeds/(repayment) of long-term borrowings (net)	(7.76)	(18.45)
Proceeds/(repayment) of short-term borrowings (net)	-	16,671.11
Finance costs	-78.41	(16,678.16)
Net cash (outflow) from financing activities	(86.17)	(25.50)
Net (decrease)/ increase in cash and cash equivalents	83.61	(293.70)
Cash and cash equivalents at the beginning of the year	33.84	327.54
Cash and cash equivalents at the end of the year	117.45	33.84

Notes:

- The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)-"Statement of Cash Flows".
- Previous year figures have been regrouped /reclassified to conform to current year classification.
- Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The accompanying notes are an integral part of the financial statements
As per our report of even date


For MAJETI & CO.
Chartered Accountants
Firm's registration number: 015975S


Kiran Kumar Majeti
Partner
Membership number: 220354

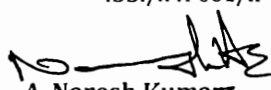


Hyderabad

For and on behalf of the Sathavahana Ispat Limited


(BHUVAN MADAN)
Resolution Professional

IBBI/IPA-001/IP-P01004/2017-18/11655


A. Naresh Kumar
Managing Director of suspended
board


V.S.R.K Hanuman
Chief Financial Officer

SATHAVAHANA ISPAT LIMITED
Statement of changes in equity for the Year Ended March 31,2022

(All amounts in INR lakhs, unless otherwise stated)

a. Equity share capital

Equity shares of Rs.10/- each issued, subscribed and fully paid up.	Number of shares	Amount
As at April 01, 2020	5,09,00,000	5,090.00
Changes in equity share capital	-	-
As at March 31, 2021	5,09,00,000	5,090.00
Changes in equity share capital	-	-
As at March 31, 2022	5,09,00,000	5,090.00

b. Other Equity

Particulars	Reserves & surplus				Items of other Comprehensive Income	Total Other Equity
	Capital Reserve	Securities Premium	General reserve	Retained earnings		
Balance as at April 1,2020	0.63	9,300.00	10,020.00	(93,292.71)	515.12	(73,456.96)
Loss for the year	-	-	-	(32,600.37)	0.00	(32,600.37)
-Remeasurements of defined benefit plan obligations, net of income tax	-	-	-	-	61.13	61.13
Total comprehensive income for the year	-	-	-	(32,600.37)	61.13	(32,539.24)
Balance as at March 31, 2021	0.63	9,300.00	10,020.00	(1,25,893.08)	576.25	(1,05,996.20)
Balance as at April 1, 2021	0.63	9,300.00	10,020.00	(1,25,893.08)	576.25	(1,05,996.20)
Loss for the year	-	-	-	(12,267.10)	0.00	(12,267.10)
-Remeasurements of defined benefit plan obligations, net of income tax	-	-	-	-	(52.96)	(52.96)
Total comprehensive income for the year	-	-	-	(12,267.10)	(52.96)	(12,320.06)
Balance as at March 31, 2022	0.63	9,300.00	10,020.00	(1,38,160.18)	523.29	(1,18,316.26)

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

Capital Reserve:

This reserve represents share application money received from allottees and forfeiture due to non payment with in due date as per terms of issue.

Securities premium reserve:

This reserve represents the premium on issue of equity shares and can be utilised in accordance with the provisions of the Companies Act, 2013

General Reserve:

General reserve is used for strengthening the financial position and meeting future contingencies and losses and in accordance with the provisions of the Companies Act, 2013 .

Retained Earnings:

Retained earnings represents the cumulative profits/losses of the Company and effects of remeasurement of defined benefit plan obligations. It includes land revaluation amount of Rs. 5535.93Lakh on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 015975S

M. Kiran Kumar

Kiran Kumar Majeti

Partner

Membership Number: 220354

Hyderabad
16-05-2022



For and on behalf of the Sathavahana Ispat Limited

Bhuvan Madan

(BHUVAN MADAN)

Resolution Professional

IBBI/IPA-001/IP-P01004/2017-18/11655

A. Naresh Kumar
A. Naresh Kumar
Managing Director of suspended board

V.S.R.K Hanuman
V.S.R.K Hanuman
Chief Financial Officer

SATHAVAHANA ISPAT LIMITED

Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 (i): Property, plant and equipment (own assets):

	Freehold Land	Freehold Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Data processing Equipment	Total	Capital work-in-progress
As at March 31, 2021									
Gross carrying amount									
Opening Gross carrying amount	5,673.16	9,300.61	92,827.68	89.59	900.54	178.80	101.37	1,09,071.75	3,343.19
Additions	-	-	-	-	-	-	0.34	0.34	-
Closing gross carrying amount	5,673.16	9,300.61	92,827.68	89.59	900.54	178.80	101.71	1,09,072.09	3,343.19
Accumulated depreciation									
Opening accumulated depreciation	-	2,167.75	37,597.11	64.51	681.79	160.36	91.66	40,763.18	-
Depreciation charge during the year	-	247.35	3,913.13	5.46	58.51	4.33	1.75	4,230.53	-
Closing accumulated depreciation	-	2,415.10	41,510.24	69.97	740.30	164.69	93.41	44,993.71	-
Net carrying amount	5,673.16	6,885.51	51,317.44	19.62	160.24	14.11	8.30	64,078.38	3,343.19
As at March 31, 2022									
Gross carrying amount									
Opening Gross carrying amount	5,673.16	9,300.61	92,827.68	89.59	900.54	178.80	101.71	1,09,072.09	3,343.19
Additions	-	-	-	-	-	0.15	0.12	0.27	-
Deletions	-	-	(67.16)	-	(90.01)	-	-	(157.17)	-
Closing gross carrying amount	5,673.16	9,300.61	92,760.52	89.59	810.53	178.95	101.83	1,08,915.19	3,343.19
Accumulated depreciation									
Opening accumulated depreciation	-	2,415.10	41,510.24	69.97	740.30	164.69	93.41	44,993.71	-
Depreciation charge during the year	-	247.35	3,738.00	5.27	55.07	2.12	1.16	4,048.97	-
Deletions	-	-	(54.89)	-	(81.61)	-	-	(139.50)	-
Closing accumulated depreciation	0.00	2,662.45	45,193.35	75.24	710.76	166.81	94.57	48,903.18	-
Net carrying amount	5,673.16	6,638.16	47,567.17	14.35	99.77	12.14	7.26	60,012.01	3,343.19

Note:

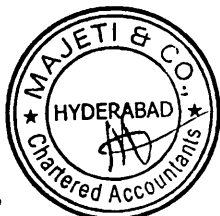
- a) Capital work in progress mainly consist of cost incurred for the New Boiler at Kudithini Plant located in Karnataka on which company already spent Substantial portion of budget of the total cost and pending capitalisation due to present tight cash flows faced by the company.
- b) Refer Note 35 for information on property, plant and equipment pledged as security by the company.
- c) The title deeds are held in the name of the company.

d) (i) Capital Work-in-Progress Aging - As At March 31, 2022

	Amounts in Capital Work-in-Progress for				
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 years	Total
(a) Projects In Progress	-	-	-	-	-
(b) Projects temporarily Suspended	-	-	13.48	3,329.71	3,343.19
	-	-	13.48	3,329.71	3,343.19

d) (ii): Capital Work-In-Progress Aging - As At March 31, 2021

	Amounts in Capital Work-In-Progress for				
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 years	Total
(a) Projects in Progress	-	-	-	-	-
(b) Projects temporarily Suspended	-	13.48	255.71	3,074.00	3,343.19
	-	13.48	255.71	3,074.00	3,343.19



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 3(ii): Right -of-use asset

	As at March 31, 2022	As at March 31, 2021
Land		
Reclassification on account of adoption of IND AS 116	331.43	331.43
Depreciation	-	-
Total	331.43	331.43

Note: Under the agreement with the KIADB, the title to the leased land vest with the lessor, and the Company shall take title to leased land at the end stipulated period subject to conditions provided in lease agreement and the company is expected to fulfil the conditions stipulated in the agreement.

Note 4: Intangible assets (Acquired):

	Computer Software
As at March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	10.98
Additions	-
Closing gross carrying amount	10.98
Accumulated amortisation	
Opening accumulated amortisation	10.98
Amortisation charge during the year	-
Closing accumulated amortisation	10.98
Closing net carrying amount	-
As at March 31, 2022	
Gross carrying amount	
Opening Gross carrying amount	10.98
Additions	-
Closing gross carrying amount	10.98
Accumulated amortisation	
Opening accumulated amortisation	10.98
Amortisation charge during the year	-
Closing accumulated amortisation	10.98
Closing net carrying amount	-

Note 5: Non-Current Investments:

	As at March 31, 2022	As at March 31, 2021
(Quoted, fully paid up)		
Investment in equity instruments (at FVTPL)		
IDBI Bank Ltd		
10,720 (March 31, 2021 -10,720) Equity shares of Rs.10/- each, fully paid (formerly Industrial Development Bank of India)	4.59	4.13
IFCI Ltd		
10,000 (March 31, 2021 -10,000) Equity shares of Rs.10/- each, fully paid State Bank of India	1.11	1.20
1,980 (March 31, 2021 -1,980) Equity shares of Rs.10/- each, fully paid (formerly State Bank of Travancore)	9.77	7.21
Total (equity instruments)	15.47	12.54
(Unquoted, fully paid up)		
Investment in Mutual Funds (at FVTPL)		
SBI Mutual Fund		
5,000 (March 31, 2021 -5,000) Units of Rs.10/- each, fully paid	3.01	2.59
Canara Robeco Mutual Fund		
22,673 (March 31, 2021: 22,673) Units of Rs.10/- each, fully paid	4.75	4.60
Total (Mutual Funds)	7.76	7.19
Total Non-current investments	23.23	19.73
Aggregate amount and market value of unquoted investments	7.76	7.19
Aggregate amount and market value of quoted investments	15.47	12.54
Aggregate amount of Impairment in value of Investments	-	-



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 6: Other non-current financial assets:

	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good		
Deposits with public bodies and others (Refer Note-37)	210.31	210.21
Total other non-current financial assets	210.31	210.21

Note 7 : Other assets:

i) Non-current

	As at March 31, 2022	As at March 31, 2021
(Unsecured)		
Capital advances		
- Considered good (Refer Note-37)	174.01	174.01
- Considered doubtful	97.55	97.55
Less: Provision for doubtful advances	(97.55)	(97.55)
Advances other than capital advances:		
Taxes paid under protest against legal cases		
- Considered good	403.50	422.65
- Considered doubtful	54.02	54.02
Less: Provision for doubtful deposits	(54.02)	(54.02)
Pre-paid expenses	15.93	16.12
Prepaid taxes (Net of provision for taxation)	272.33	255.89
Total other non-current assets	865.77	868.67

ii) Current:

	As at March 31, 2022	As at March 31, 2021
(Unsecured)		
Advances other than capital advances:		
Security Deposits		
- Considered good	4.28	6.01
- Considered doubtful	1.73	1.73
Less: Provision for doubtful deposits	(1.73)	(1.73)
Balance with government authorities		
- Considered good	690.90	1,081.45
Prepaid expenses	5.54	13.30
Advances to suppliers (Refer Note-37)	709.96	750.63
Other advances and receivable		
- Considered good	64.13	58.12
- Considered doubtful	16.82	16.82
Less: Provision for doubtful deposits	(16.82)	(16.82)
Total other current assets	1,474.81	1,909.51



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 8: Inventories (Valued at cost and net realisable value whichever is lower):

	As at March 31, 2022	As at March 31, 2021
Raw materials	280.16	465.59
Work-in-progress	427.47	427.47
Finished goods	162.33	290.77
Stores and spares	684.37	950.99
Scrap (at net realisable value)	1.49	1.49
Total Inventories (Refer Note-40)	1,555.82	2,136.31

i) Refer Note 35 for information on Inventories pledged as security by the company.

ii) Resolution Professional has taken control over both plants and reviewed the position of Inventory before handing over the same to Jindal Saw Limited for Repair and Maintains work.

Note 9: Trade receivables:

	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Refer Note- 37)	5,081.95	6,008.07
Less: Expected credit loss (Refer note 27(A)(a))	(1,071.04)	(2,234.81)
Total trade receivables	4,010.91	3,773.26

(I) : Break-up of security details:

	As at March 31, 2022	As at March 31, 2021
Considered good- Secured	-	-
Considered good- Unsecured	4,010.91	3,773.26
Which have significant increase in credit risk	1,071.04	2,234.81
Credit impaired	-	-
Total	5,081.95	6,008.07
Expected credit loss (Refer note 27 (A))	(1,071.04)	(2,234.81)
Total trade receivables	4,010.91	3,773.26

ii) Refer Note 35 for information on trade receivables pledged as security by the company.

(III) Trade Receivable Ageing Schedule as on 31-03-2022

Particulars	<6 M	6M - 1 Year	1-2 years	2-3 Years	> 3 Years	Total
Undisputed						
Considered good	301.82	222.33	119.66	61.37	3,293.29	3,998.47
Considered Doubtful	-	-	-	-	620.06	620.06
Disputed						
Considered good	-	-	-	-	12.44	12.44
Considered Doubtful	-	-	-	-	450.98	450.98
Total Receivable	301.82	222.33	119.66	61.37	4,376.77	5,081.95

Trade Receivable Ageing Schedule as on 31-03-2021

Particulars	<6 M	6M - 1 Year	1-2 years	2-3 Years	> 3 Years	Total
Undisputed						
Considered good	280.32	11.12	175.84	961.39	2,331.56	3,760.23
Considered Doubtful	-	-	-	-	1,783.82	1,783.82
Disputed						
Considered good	-	-	-	-	13.03	13.03
Considered Doubtful	-	-	-	-	450.99	450.99
Total Receivable	280.32	11.12	175.84	961.39	4,579.40	6,008.07

Note 10: Cash and cash equivalents:

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
-in current accounts	15.93	33.58
Deposits with maturity less than three months	100.00	-
Cash on hand	1.51	0.26
Total cash and cash equivalents	117.44	33.84

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 11: Bank balances other than cash and cash equivalents:

	As at March 31, 2022	As at March 31, 2021
Deposits with Banks	0.62	33.14
Restricted Balances with Banks	-	194.40
Total Bank balances other than cash and cash equivalents	0.62	227.54

Note: Restricted balances are the balances in Escrow account with banks. Currently management submitted withdrawal requests which are pending before banks, management estimates no provision required to be accounted for against these balances. In line with Indian Accounting standard (Ind AS- 7) read with Schedule III -Division II, these balances are reclassified as other Bank balances from previous year classification of cash and cash equivalents.



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note12 : Equity share capital

Authorised equity share capital:

	Number of shares	Amount
As at April 01, 2020	6,00,00,000	6,000.00
Change during the year	-	-
As at March 31, 2021	6,00,00,000	6,000.00
Change during the year	-	-
As at March 31, 2022	6,00,00,000	6,000.00

(i) Reconciliation of number of shares outstanding:

Issued, Subscribed and Paid up Equity Share capital	Number of shares	Amount
As at April 01, 2020	5,09,00,000	5,090.00
Change during the year	-	-
As at March 31, 2021	5,09,00,000	5,090.00
Change during the year	-	-
As at March 31, 2022	5,09,00,000	5,090.00

ii) Terms/rights attached to equity shares :

The company has only one class of equity shares having a par value of Rs.10 per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) Details of shareholders holding more than 5% equity shares in the company:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Smt A . Mutya Bai	47,56,831	9.35%	47,56,831	9.35%
Shri A . Ashok Kumar	33,19,110	6.52%	33,19,110	6.52%
Shri A. Naresh Kumar	37,29,105	7.33%	37,29,105	7.33%
Ganapati Adusumilli Fininvest Private Limited	42,00,000	8.25%	42,00,000	8.25%
Ganapathi Holdings Pte Limited	25,20,000	4.95%	25,20,000	4.95%
KCP Holdings PTE Limited	28,00,000	5.50%	28,00,000	5.50%
One Earth Capital Limited	55,76,316	10.96%	55,76,316	10.96%

As per records of the Company, the above shareholding represents legal ownership of shares.

(iv) Disclosure of Shareholding of Promoters - As at March 31, 2022

Promotor name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
A.S Rao	14,24,000	2.80%	-	14,24,000	2.80%	-
Smt A . Mutya Bai	47,56,831	9.35%	-	47,56,831	9.35%	-
A . Ashok Kumar	33,19,110	6.52%	-	33,19,110	6.52%	-
A. Naresh Kumar	37,29,105	7.33%	-	37,29,105	7.33%	0.42%
Deepa N Adusumilli	1,29,100	0.25%	-	1,29,100	0.25%	-
P Ajay Kumar	67,190	0.13%	-	67,190	0.13%	-
Ganapati Adusumilli Fininvest Private Limited	42,00,000	8.25%	-	42,00,000	8.25%	-
Ganapathi Holdings Pte Limited	25,20,000	4.95%	-	25,20,000	4.95%	-

As per records of the Company, the above shareholding represents legal ownership of shares.



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
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Note 13: Borrowings

(i): Non-current

	As at March 31, 2022	As at March 31, 2021
(Secured- At Amortised Cost)		
Term Loans:		
i. From Banks	-	29,877.27
ii. From IFCI Limited	-	8,141.95
iii. From Banks- Vehicle loans	-	7.76
Total	-	38,026.98
Less: Current maturities of long-term debt	-	38,026.98
Less: Unamortised upfront fees and other borrowing Cost	-	-
Total Non-current borrowings	-	-

(ii): Current

	As at March 31, 2022	As at March 31, 2021
Secured-Payable on demand		
Working capital loans from banks	-	96,621.58
From Others	1,74,714.10	-
Interest accrued		
Due for payment	-	31,073.23
Not due for payment	-	504.87
Current maturities of long-term borrowings	-	38,026.98
Less: Unamortised upfront fees and other borrowing Cost	-	-23.02
Total current borrowings	1,74,714.10	1,66,203.64

Secured borrowings and assets pledged as security

i) Based on the letter dated June 23, 2021 by the Canara Bank (lead banker of Consortium), Three lender Banks (Out of Four (4) in consortium) of the Company namely, Canara Bank ('CB'), State Bank of India ('SBI') and Union Bank of India [(earlier Andhra Bank) ('UBI')] [collectively hereinafter referred as 'Banks'] and IFCI non banking financial company have assigned their debt provided to the Company to J C Flower Asset Reconstruction Company Limited ("JCFARC"), the anchor bidder in Swiss challenge process. Therefore, J C Flower ARC shall now have all the rights and privileges on the debt earlier owed by the Company to the Banks.

Accordingly, following are security details and interest rates as applicable to elsewhere consortium lenders transferred to "JCFARC"

ii. Borrowings from Financial Creditor are secured by first mortgage and charge on entire fixed assets, both present and future, and second charge on current assets and guaranteed by two Promoter Directors of the Company. The Principal and Interest amount on these loans are repayable on demand basis as they become due for payment as per the terms and conditions applicable to Banks and Financial Institutions. The interest rates (including Penal Interest) vary from 14.95 % to 20.50 % p.a.

iii. The above borrowings and interest due thereon have not been paid as on balance sheet date are stated below.

iv. Refer note 35 for information on financial and non-financial assets pledged as security for the above borrowings.

Defaults in repayment of Borrowings and Interest thereon which are paid and unpaid as at balance sheet date:

	As at March 31, 2022		As at March 31, 2021	
	Period of default	Amount of default	Period of default	Amount of default
Defaults- Unpaid as at year end				
From State Bank of India				
-Principal	-	-	1-1462 Days	7,782.96
-Interest	-	-	1-1461 Days	7,967.32
From Andhra Bank				
-Principal	-	-	1-1462 Days	7,116.44
-Interest	-	-	1-1461 Days	6,464.04
From Canara Bank				
-Principal	-	-	59-1461 Days	9,764.03
-Interest	-	-	59-1520 Days	8,559.86
From IFCI Limited				
-Principal	-	-	60-1431 Days	8,141.95
-Interest	-	-	60-1431 Days	8,082.01
Working Capital Borrowings				
Canara Bank	-	-		37,420.15
State bank of India	-	-		30,311.39
Andhra Bank	-	-		28,890.04
From J C Flower Asset Reconstruction Company Limited				
-Principal	1-281 Days *	93,172.31		-
-Interest	1-281 Days *	81,541.79		-
Total		1,74,714.10		1,60,500.19

(* from the date of Assignment of debt from elsewhere bankers to JCFARC i.e., for June 23, 2021)



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 14: Provisions:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligations		
(i) Non- Current		
Gratuity (Refer Note :21(a)(ii))	114.17	149.59
Leave encashment	15.73	22.69
Total	129.90	172.28
(ii) Current		
Gratuity (Refer Note :21(a)(ii))	42.96	20.24
Leave encashment	7.57	6.36
Total	50.53	26.60

Note 15: Other current financial liabilities:

	As at March 31, 2022	As at March 31, 2021
Current		
Creditors for other liabilities		
Creditors for capital works (Refer Note: 41)	366.30	356.75
Employee benefits payable	850.63	928.65
Creditors for expenses	1,543.10	1,655.04
Total other financial liabilities	2,760.03	2,940.44

Note 16: Other current liabilities:

	As at March 31, 2022	As at March 31, 2021
Statutory liabilities (Refer note 38)	1,460.92	1,105.80
Advance from customers (Refer Note 39)	106.88	623.51
Total other current liabilities	1,567.80	1,729.31



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 17: Revenue from operations:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Sale of products	672.97	1,864.74
Sale of services	2,094.17	811.35
	2,767.14	2,676.09
Other operating revenue:		
Sale of scrap out of manufacturing process	52.27	-
Total revenue from operations	2,819.41	2,676.09

Reconciliation of revenue recognised with the contract price:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Contract price	2,906.98	2,750.82
Less: Reductions towards variable consideration components	(87.57)	(74.73)
Total revenue from operations	2,819.41	2,676.09

Note: The reduction towards variable consideration comprises of volume discounts and other charges.

Information about major customers:

One customer represents 10% or more of the Company's total revenue during the year ended March 31, 2022 and Four customers represents 10% or more of the Company's total revenue during the year ended March 31, 2021.

Note 18: Other income:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Interest income from financial assets at amortised cost	1.65	9.64
Dividend income from investments mandatorily measured at FVTPL	0.06	-
Net gain on foreign currency transactions and translations	-	5.71
Net (gain)/loss arising on investments mandatorily measured at Fair value through profit and loss	3.49	7.58
Sale of stores and consumables	249.06	-
Sale of other scrap	98.80	70.57
Credit balances written back	-	607.94
Provision no longer required written back	1,163.77	306.45
Other non-operating income	18.11	55.99
Total other income	1,534.94	1,063.88

Note 19: Cost of raw materials consumed:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock	465.59	743.40
Add: Purchases	117.08	526.65
Less: Closing Stock	280.16	465.59
Total cost of raw materials consumed	302.51	804.46

Note 20: Changes in inventories of finished goods, work-in-progress and scrap:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance:		
Finished goods	290.76	722.05
Work-in-progress	427.47	655.68
Scrap	1.49	1.49
	719.72	1,379.22
Closing Balance:		
Finished goods	162.33	290.76
Work-in-progress	427.47	427.47
Scrap	1.49	1.49
	591.29	719.72
Total changes in inventories of finished goods, work-in-progress and scrap	128.43	659.50



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 21: Employee benefits expense:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus and other allowances	497.68	726.91
Contribution to provident fund and other funds	14.51	22.13
Contribution to ESI	3.32	5.25
Staff welfare expenses	86.94	351.20
Total employee benefits expense	602.45	1,105.49

Note 21(a):

(i) Defined Contribution plans:

Employer's Contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Employer's Contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the rate of 4.75%. The Contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. this Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	14.51	22.13
Employer's Contribution to ESI	3.32	5.25

(ii) Defined Benefits plans:

(i) Post-employment obligations- Gratuity:

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day's salary multiplied for the number of years of service. The gratuity plan is an unfunded plan. The company's liability with regard to this plan is determined based on actuarial valuation.

A) Reconciliation of opening and closing balances of defined benefit obligation:

	Gratuity (Unfunded)	
	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation at beginning of the year	169.83	207.82
Current Service Cost	8.75	10.20
Past Service Cost	-	-
Interest Cost	8.79	13.87
Actuarial (Gain)	52.96	(61.12)
Benefits Paid	(83.21)	(0.94)
Defined Benefit Obligation at year end	157.12	169.83

B) Expenses recognised during the year:

	Gratuity (Unfunded)	
	As at March 31, 2022	As at March 31, 2021
In Income Statement		
Current Service Cost	8.75	10.20
Interest Cost	8.79	13.87
Net Cost	17.54	24.07
In Other Comprehensive Income		
Actuarial (Gain) / Loss	52.96	(61.12)
Net (Income) / Expense For the period Recognised in OCI	52.96	(61.12)



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Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2022	As at March 31, 2021
Discount rate	7.28%	6.86%
Salary growth rate	5%	5%
Withdrawal Rate	1%-10%	1%-10%
Retirement Age	58 Years	58 Years
Adjusted Average Future Services	9.91	11.37
Mortality Table(IALM)	2012-14	2012-14

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation	157.12	169.83
Discount rate:		
Increase : +1%	149.27	158.63
Decrease: -1%	165.90	182.48
Salary Growth rate:		
Increase : +1%	166.88	182.25
Decrease: -1%	148.25	158.27
Withdrawal rate:		
Increase : +1%	158.13	171.17
Decrease: -1%	156.02	168.32

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions:

The weighted average duration of the defined benefit obligation is 6.33 years (March 31,2021 : 10.61 Years). The expected cash flows over the next years is as follows:

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation-gratuity		
Less than a year	42.96	20.24
Between 2-5 years	57.76	49.23
Over 6 years	76.21	109.64

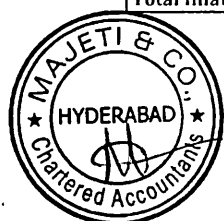
Risk Management

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 22: Finance costs:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Interest and finance charges on financial liabilities carried at amortized cost	8,928.09	28,123.17
Total finance costs (Refer Note: 43)	8,928.09	28,123.17



SATHAVAHANA ISPAT LIMITED

Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 23: Depreciation and amortisation expense:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	4,048.97	4,230.53
Amortization of intangible assets	-	-
Total depreciation and amortisation expense	4,048.97	4,230.53

Note 24: Other expenses:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	155.28	346.72
Consumption of stores and spare parts	18.57	113.09
Cost of Spares sold	249.06	-
Rent	31.31	38.69
Repairs (Refer note 24(d))		
- Buildings	0.80	4.61
- Machinery	129.48	315.93
- Others	5.22	4.30
Insurance	37.34	62.79
Rates and taxes, excluding taxes on income	125.21	44.68
Legal and Professional charges	200.25	125.68
Corporate Insolvency professional Fees	61.35	-
Payments to Auditors (Refer note 24 (a))	20.82	18.63
Directors sitting fee	1.83	4.83
Printing and stationery	2.11	1.67
Communication expenses	4.07	4.86
Travelling and conveyance	34.35	27.79
Vehicle maintenance	19.91	11.24
Bad debts written off (Refer Note 24(c))	1,163.77	0.00
Carriage and freight	11.02	6.85
Bank Charges	39.88	19.55
Commission on sales	0.80	1.70
Net loss on foreign exchange fluctuations	1.70	-
Equipment hire charges	50.57	69.44
Debit Balances written off	44.91	1.80
Security expenses	101.19	98.09
Loss on sale of Property, Plant and Equipment	4.94	-
Miscellaneous expenses	95.26	94.25
Total other expenses	2,611.00	1,417.19

Note 24(a): Details of payments to auditors:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Payment to auditors		
As auditor		
Statutory Audit & Quarterly Reviews	12.75	12.00
In other capacities		
For Certifications	5.45	1.60
For GST Attestation services	2.50	5.00
Re-imburement of expenses	0.12	0.03
Total payments to auditors	20.82	18.63

Note 24(b): Corporate Social Responsibility (CSR):

In terms of provisions of sub section 5 to section 135 of the Companies Act, 2013 the company is not required to earmark any fund for corporate social responsibility activities in view of past losses.

Note 24(c): Bad Debts

Rs. 1163.77 lakhs written off as bad debts during Q4 2021-22, after due deliberations with customer and assessment of the recoverability by the Resolution professional and management.

Note 24(d): Repairs & Maintains contract

As per the terms of the contract amount become due upon submission final invoice by the R&M Contractor and also subject to satisfactory performance of the Plant and Equipment as per the contract.



SATHAVAHANA ISPAT LIMITED

Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 25: Income tax expense:

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	For the Year ended March 31, 2022	For the year ended March 31, 2021
(a) Income tax expense		
Current tax on profits for the year	-	-
Deferred tax	-	-
Income tax expense	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
(Loss) from operations before tax	(12,267.10)	(32,600.37)
Tax at the Indian tax rate of 31.2% (2019-20 -31.2%)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
Expenses not allowed for tax purpose	-	-
Tax effect due to non-taxable income	-	-
Income tax expenses	-	-

Deferred Tax:

In the absence of reasonable certainty Company has recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability. In the absence of probable tax profits against which the same can be utilised. Company is incurring losses since four years and doesn't expect the future taxable income in the near future.

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax liability	13,219.44	13,225.17
Deferred tax asset	(13,219.44)	(13,225.17)
Net Deferred tax Liability /(Asset)	-	-

Movement in Deferred tax assets:

	Property, plant and equipment	Fair valuation of land	Other deferred tax liabilities	Tax losses	Other deferred tax assets	Total
As at March 31, 2020	10,504.75	1,217.32	121.38	(4,484.38)	(7,359.07)	-
Charged/(credited):						
- to profit or loss	1,492.08	3.84	(114.20)	2,132.24	(3,513.96)	-
- to other comprehensive income						
As at March 31, 2021	11,996.83	1,221.16	7.18	(2,352.14)	(10,873.03)	-
Charged/(credited):						
- to profit or loss	(3.67)	5.12	(7.18)	(9,642.33)	9,648.06	-
- to other comprehensive income						
As at March 31, 2022	11,993.16	1,226.28	-	(11,994.47)	(1,224.97)	-

Unused tax losses and unused tax credits for the purposes of deferred tax :

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	As at March 31, 2022	As at March 31, 2021
Unused tax losses	34,332.08	21,456.01
Unabsorbed tax depreciation	62,488.27	57,635.71
Mat credit entitlement	58.74	58.74
	96,879.09	79,150.46
Potential tax benefit @ 31.20 %	30,226.27	24,694.94

The following table details the expiry of the unused tax losses:

	As at March 31, 2022	As at March 31, 2021
Unused tax losses	-	-
Less than 5 years	-	-
Less than 6 years	-	12,816.93
Less than 7 years	-	1,823.01
Less than 8 years	34,332.08	6,816.07
	34,332.08	21,456.01

Note:

- In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation laws (Amendment) Act, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit and carry forwarded loss. The Company has not opted for this option after evaluating the same and continues to recognise the
- Unabsorbed tax depreciation does not have any expiry period under the Income Tax Act, 1961.
- Mat Credit Entitlement will be carried forward up to the Assessment year 2025-26 under the Income Tax Act, 1961.



SATHAVAHANA ISPAT LIMITED**Notes to the Financial statements**

(All amounts in INR lakhs, unless otherwise stated)

Financial Instruments and Risk Management:**Note 26: Fair value Hierarchy:**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Note:

(i) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Categories of financial instruments:

Particulars	Notes	Level	As at March 31, 2022		As at March 31, 2021	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets:						
a) Measured at amortised cost (AC)						
Cash and cash equivalents	10	3	117.44	117.44	33.84	33.84
Other bank balances	11	3	0.62	0.62	227.54	227.54
Trade receivables	9	3	4,010.91	4,010.91	3,773.26	3,773.26
Other financial assets	6	3	210.31	210.31	210.21	210.21
Total financial assets at AC			4,339.28	4,339.28	4,244.85	4,244.85
b) Measured at Fair value through Profit and loss (FVTPL)						
Non Current Investments	5					
a) Unquoted mutual funds		2	7.76	7.76	7.19	7.19
b) Investment in equity instruments		1	15.47	15.47	12.54	12.54
Total Financial assets at FVTPL			23.23	23.23	19.73	19.73
B. Financial liabilities:						
a) Measured at amortised cost (AC)						
Trade payables		3	5,949.44	5,949.44	6,766.00	6,766.00
Borrowings	13	3	1,74,714.10	1,74,714.10	1,66,203.64	1,66,203.64
Other financial liabilities	15	3	2,760.03	2,760.03	2,940.44	2,940.44
Total financial liabilities at AC			1,83,423.57	1,83,423.57	1,75,910.08	1,75,910.08

Note 27: Financial Risk Management:

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate) which may adversely impact the fair value of its financial instruments.

(A) Credit Risk:

Credit risk is the risk or potential of loss that may occur due to failure of counterparty to meet the obligation on agreed terms and conditions of the financial contract. Credit risk arises from financial assets such as cash and cash equivalents, trade receivables and other financial assets. Management of the Company monitors exposure to credit risk on an ongoing basis at various levels.

a) Trade receivables:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively based on historical data and payment statistics. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as mention in table in note no 26.



SATHAVAHANA ISPAT LIMITED**Notes to the Financial statements**

(All amounts in INR lakhs, unless otherwise stated)

Following are the Expected credit loss (Calculated at lifetime expected credit losses for the year) for trade receivables under simplified approach:

Particulars	As at March 31, 2022	As at March 31, 2021
Expected credit loss		
Opening Balance	2,234.81	2,234.81
Provision made/(reversed) during the year	-1,163.77	-
Closing Balance	1,071.04	2,234.81

b) Cash and cash equivalents and other financial assets:

All cash equivalents and other bank balances are carried at fair value. Cash and cash equivalents are deposited with Banks that management believes are of high credit quality and accordingly, minimal credit risk exists.

B) Liquidity Risk

- (a) Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always 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.
- (b) However, in view of various unfavourable factors as set out in Note 33, the Company has been experiencing stressed liquidity condition. In order to overcome such situation, the resolutional professional has been taking measures to ensure that the Company's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Company's operations. As discussed in the aforesaid note resolutional professional believes about the approval of Resolution Plan.

Year ended March 31, 2022

Particulars	<1 Year	1-3 Years	> 3 Years	Total
Financial liabilities:				
Long term borrowings	-	-	-	-
Short term borrowings	1,74,714.10	-	-	1,74,714.10
Trade Payables	5,949.44	-	-	5,949.44
Other financial liabilities	2,760.03	-	-	2,760.03
Total financial liabilities	1,83,423.57	-	-	1,83,423.57

Year ended March 31, 2021

Particulars	<1 Year	1-3 Years	> 3 Years	Total
Financial liabilities:				
Long term borrowings	38,003.96	-	-	38,003.96
Short term borrowings	1,28,199.68	-	-	1,28,199.68
Trade Payables	6,766.00	-	-	6,766.00
Other financial liabilities	2,940.44	-	-	2,940.44
Total financial liabilities	1,75,910.08	-	-	1,75,910.08

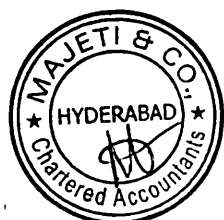
(C) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL Investments.

• Interest Rate Risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company policy is to obtain favourable interest rates available. The Company is significantly exposed to interest rate risks that relates primarily to interest bearing financial liabilities.

The order dated 28 July 2021 imposes moratorium, in accordance with Section 14 of the Code, and no interest is serviced during the CIRP period on the loan outstanding as of the CIRP commencement date. Interest rate risk will be commence in accordance with term of approved resolutions plan by NCLT. Current the company has not interest risk.



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

• **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The exposure of entity to foreign currency risk is very limited on account of limited transactions in foreign currency which is not material.

i) Foreign Currency Risk - Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The analysis is based on the assumption that the Foreign Currency has increased/(decreased) by 2.5% with all other variables held constant.

Unhedged foreign currency exposure as at the reporting date:	As at	As at
	March 31, 2022	March 31, 2021
Currency	Payable for supply and services	Payable for supply and services
USD (In number)	3,01,545	3,01,545
Equivalent Amount in Indian Currency	224.15	222.45

2.5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

Particulars	As at	As at
	March 31, 2022	March 31, 2021
USD	5.60	5.56

(D) Other price risk

Impact of COVID-19

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2022.

The impact of the pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Commodity Risk

Commodity price risk is the threat that a change in the price of a production input will adversely impact a producer who uses that input. Factors that can affect commodity prices include political and regulatory changes, seasonal variations, weather, technology and market conditions.

The company has commodity price risk, primarily related to the purchases of coal, iron ore and the management monitors its purchases closely to optimise the price. However, in case of power segment the management do not bear significant exposure to earnings risk, as such changes are included in the rate-recovery mechanisms with the customers.

Our company is basically engaged in Ductile Iron Pipe Market and the company's turnover depends on the market risk of price volatility of the these products. The prices of the Ductile Iron pipe are determined by the market factors. The revenue/price of the DI Pipe products of the company are basically impacted by the cost of raw material inputs, production cost, and international and regional market conditions. Any positive and negative changes in any of the above factors can increase and reduce the revenue of the company generated from such products.



SATHAVAHANA ISPAT LIMITED

Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 28: Capital Management:

The fundamental goal of capital management are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and - maintain an optimal capital structure to reduce the cost of capital. For the purpose of company's capital management, capital includes issued capital and all other equity reserves.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

However in view of certain adverse factors and challenges being faced by the Company over past few years as explained in Note 33, the net worth of the Company has been eroded and the Resolution Professional has initiated certain measures/been actively engaging with the JCFARC for evaluation of Resolution Plan and thereby continuing to operate as a going concern subject to approval of Resolution plan by NCLT. The Company has not declared any dividend since financial year 2010-11.

The Company monitors the capital structure on the basis of total debt to equity ratio :

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debt	1,74,596	1,65,965
Total Equity	(1,13,226)	(1,00,906)
Total Capital (Net Debt+ Total Equity)	61,370	65,059

Gearing ratio (Net Debt to total capital Ratio)

Negative Negative

Net debt is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
A) Total borrowings		
Non-current borrowings	-	-
Current borrowings	1,74,714.10	96,621.58
Current Maturity of long term debt	-	38,026.98
Interest Accrued	-	31,578.10
Total(A)	1,74,714.10	1,66,226.66
B) Cash and cash equivalents	117.44	33.84
Bank balances other than cash and cash equivalents	0.62	227.54
Total(B)	118.06	261.38
C) Net Debt (A-B)	1,74,596.04	1,65,965.28

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Note 29 (a): Contingent Liabilities :

	As at March 31, 2022	As at March 31, 2021
i) Claims against the company not acknowledged as debt	861.63	861.63
ii) Capital Commitments	26,600.00	-
iii) Taxes and duty demands contested by the company:		
Central excise	504.13	254.00
Commercial Taxes	1,363.01	140.31
Income tax	15.36	13.79
Customs	1,415.74	1,087.04
ESIC	5.78	5.78
EPFO	6.90	6.90
Sub Total (iii)	3,310.92	1,507.82
Total (i+ii+iii)	4,172.55	2,369.45

Note: It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Note 29 (b): Additional regulatory Information required by Schedule III:

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Willful defaulter

The company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act' 2013 or Companies Act' 1956

(iv) Compliance with number of layer of companies

The Company does not have any subsidiaries. Hence, this clause is not applicable.

(v) Compliance with approved scheme(s) of managements

The company has not entered into any scheme of arrangement(s) which has an accounting impact on current or Previous financial Year

(vi) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year

(viii) Valuation of PPE and Intangible Assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

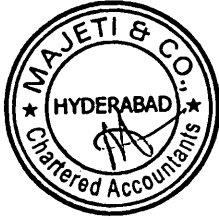


SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
 (All amounts in INR lakhs, unless otherwise stated)

Note 30(a) : Payables to Micro, Small & Medium Enterprises:

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the Company:

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid as on 31st March	NIL	NIL
Interest due thereon as on 31st March	NIL	NIL
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	NIL	NIL
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	NIL	NIL
Interest accrued and remaining unpaid as at 31st March	NIL	NIL
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	NIL	NIL



SATHIAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

30(b): Trade Payables aging schedule As at March 31, 2022

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	568	64.07	328.29	1,865.27	2,825.13
(iii) Disputed Dues						
MSME	-	-	-	-	100.64	100.64
Others	-	-	746.03	1,633.82	643.82	3,023.67
Total	-	567.50	810.10	1,962.11	2,609.73	5,949.44

30(b): Trade Payables aging schedule As at March 31, 2021

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	814	990.86	126.89	1,709.52	3,641.71
(iii) Disputed Dues						
MSME	-	-	-	13.49	87.14	100.63
Others	-	601.08	1,778.76	14.45	629.37	3,023.66
Total	-	1,415.52	2,769.62	154.83	2,426.03	6,766.00

Note :The list of undertakings covered under MSMED was not available with the Company. Hence auditors has disclaimer in this regard/matter.

Note 31: Related Party Transactions:

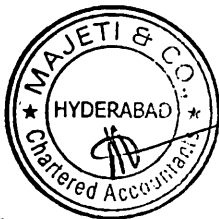
a) In relation to related Party transactions occurred during April 01, 2021 to July 28, 2021 were not obtained approval from Board of Directors as required under section 177 & 188 of the Companies Act, 2013 due to suspension of the board and company is subjected to CIRP Process as described in note no.33

Key Management personnel (KMP) : Naresh Kumar Adusumilli (Managing Director)
(Up to Commencement of CIRP i.e., 28th July 2021) : Kolappa Thanu Pillai (Chairman)
: Adusumilli Sivaji Rao (Executive Vice Chairman)
: Srinivas Narayana Rao (Independent Director)
: Syed Anis Hussain (Independent Director)
: Pamula Latha (Independent women director)
: Sri Kiran Kumar Yeda (Independent Director)
: Ramana Kumar (Executive director)

(b) Relative of Key Management personnel : A. Mutya Bai
: A. Ashok Kumar

(c) Transactions with Related Parties:

	As at March 31, 2022		As at March 31, 2021	
	Amount	Outstanding Receivable / (payable)	Amount	Outstanding Receivable / (payable)
Pre CIRP (Refer Note below) April 01, 2021 to July 31, 2021				
Key Management Personnel:				
Managerial Remuneration and Short term employee benefits	112.29	(1.71)	146.81	(74.65)
Sitting Fees paid	1.83	-	4.83	-
Lease Rent	3.89	-	5.83	(2.70)
Assignment of Key Man Insurance	-	-	220.95	-
Sale of Vehicles	4.58	-	-	-
Rent Deposit	-	12.15	-	12.15
Relatives of Key Management Personnel:				
Lease Rent	5.41	(53.98)	14.24	(84.64)
Rent Deposit	-	19.89	-	19.89
Payment on account of Shares amount forfeited by IFCI	29.23	-	-	-
Advance (on account of pledged shares forfeited by IFCI)	-	-	-	(29.23)
Post CIRP (August 01, 2021 to March 31, 2022)				
Key Management Personnel:				
Managerial Remuneration and Short term employee benefits	33.94	(25.96)	-	-
Lease Rent	1.94	-	-	-
Relatives of Key Management Personnel:				
Lease Rent	4.35	-	-	-



SATHIAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

(d) Information Regarding Significant Transactions
(Generally in excess of 10% of the total transaction value of the same type)

	As at March 31, 2022	As at March 31, 2021
Pre CIRP (Refer Note below) April 01, 2021 to July 31, 2021		
Managerial Remuneration and Short term employee benefits:		
- Naresh Kumar Adusumilli	21.95	60.00
- Shivaji Rao Adusumilli	18.80	59.40
- Ramana Kumar	9.14	27.41
- Hunuma VSRK	62.40	-
Sale of Vehicles		
- Naresh Kumar Adusumilli	2.68	-
- Shivaji Rao Adusumilli	0.42	-
- A. Mutya Bai	1.09	-
- A. Ashok Kumar	0.39	-
Key Man Insurance assignment		
- Naresh Kumar Adusumilli	-	220.95
Sitting Fees paid:		
- Kolappa Thanu Pillai	0.45	1.14
- Syed Anis Hussain	0.45	1.23
- Srinivas Narayana Rao	0.45	1.14
- Pamula Latha	0.24	0.60
- Sri Kiran Kumar Yeda	0.24	0.72
Lease Rent :		
- Naresh Kumar Adusumilli	3.89	5.83
- A. Ashok Kumar	2.72	5.38
- A. Mutya Bai	2.69	8.87
Post CIRP (August 01, 2021 to March 31, 2022)		
Key Management Personnel:		
- Ramana Kumar	9.14	-
- Hunuma VSRK	24.80	-
Lease Rent :		
- Naresh Kumar Adusumilli	1.94	-
- A. Ashok Kumar	1.81	-
- A. Mutya Bai	2.54	-

(e) Remuneration to Key Managerial personnel:

The remuneration of key managerial personnel is determined as per the limits prescribed under Schedule V of the Companies Act, 2013 in case of inadequate profits.

(f) Terms and Conditions:

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.
- (ii) All outstanding balances are unsecured and repayable in cash.



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements

(All amounts in INR lakhs, unless otherwise stated)

Note 32: Disclosure as required under INDAS 108 - Operating Segments :

Operating Segments:

1. Ferrous Products, which includes Pig Iron & Ductile Iron Pipes
2. Metallurgical Coke with Co-generation Power

Identification of Segments:

The Resolution Professional has been identified as being Chief Operating Decision Maker (CODM). The CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products for which discrete financial information is available.

Segment revenue and results :

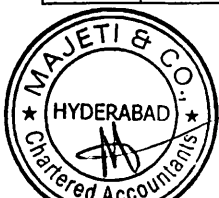
The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities:

Assets used by the operating segment and mainly consist of property plant and equipment, trade receivable, cash and cash equivalents and inventories. Segment Liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

Segment Revenue, Results, Segment Assets And Segment Liabilities:

		As at March 31, 2022	As at March 31, 2021
1	Segment Revenue:		
	Ferrous Products	517.20	0.00
	Metallurgical Coke with Co-generation Power	2,311.43	2,715.61
	Total	2,828.63	2,715.61
	Less: Inter Segment Revenue	9.22	39.52
	Sales/Revenue From Operations	2,819.41	2,676.09
2	Segment Results:		
	Ferrous Products	(2,708.04)	(2,778.18)
	Metallurgical Coke with Co-generation Power	(686.21)	(1,766.44)
	Total	(3,394.25)	(4,544.62)
	Less : Other un-allocable expenditure	(53.59)	(57.78)
	Total Segment results before interest and tax	(3,340.66)	(4,486.84)
	Finance Costs (Net)	8,926.44	28,113.53
	Loss before exceptional item and tax	(12,267.10)	(32,600.37)
	Exceptional item	-	-
	Loss before tax	(12,267.10)	(32,600.37)
	Tax	-	-
	(Loss) after tax	(12,267.10)	(32,600.37)
	Other Comprehensive Income (Net of Tax)	(52.96)	61.13
	Total Other Comprehensive Income	(12,320.06)	(32,539.24)
3	Segment Assets:		
	Ferrous Products	30,887.36	50,195.90
	Metallurgical Coke with Co-generation Power	40,762.58	26,460.54
	Total	71,649.94	76,656.44
	Segment Liabilities:		
	Ferrous Products	1,40,155.43	1,29,756.20
	Metallurgical Coke with Co-generation Power	45,016.33	48,082.07
	Total	1,85,171.76	1,77,838.27
	Unallocated (Net)	295.56	275.63
	Total	(1,13,226.26)	(1,00,906.20)



SATHAVAHANA ISPAT LIMITED**Notes to the Financial statements**

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Going Concern: (In response to Disclaimer in audit report)

a) As of March 31, 2022, the Company, M/s Sathavahana Ispat Limited, is currently undergoing corporate insolvency resolution process ("CIRP") pursuant to the order dated July 28, 2021, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT"), in C.P. No.17/9/HDB/2020 filed by one M/s Thirumala Logistics, an operational creditor of the Company. Vide the same order, one Mr. Golla Ramakantha Rao, an Insolvency Professional, was appointed as the Interim Resolution Professional.

Pursuant to order dated September 08, 2021, passed by the Hon'ble NCLT, Mr. Bhuvan Madan, an Insolvency Professional, was appointed as the Resolution Professional to conduct the CIRP and to manage the affairs of the Company. The copy of the said order was received by Mr. Bhuvan Madan, the Resolution Professional on September 15, 2021.

As such, since September 15, 2021, has been under the control and management of Mr. Bhuvan Madan, the Resolution Professional.

The CIRP of the Company is at advanced stage with the Resolution Plans being under consideration of the COC. Though, the Resolution Plans have been voted upon by the Committee of Creditors of the Company in their meeting held on March 17, 2021 which continued on March 20, 2022, however, pursuant to the order dated March 07, 2022, passed in I.A. No.791 of 2021 filed by one Operational Creditor, the outcome of the voting on the Resolution Plans has been put on hold.

Accordingly, the Company continues to be under CIRP under the aegis of Mr. Bhuvan Madan, the Resolution Professional.

Upon commencement of CIRP, the powers of Board of Directors of the company stands suspended and management of company/CD vests with IRP/VP. The IRP/VP is expected to take every endeavour to protect and preserve the value of property of the corporate debtor and manage the operations of the company as Going Concern. RP is expected to conduct CIRP, invite claims from various class of creditors, and invite prospective resolution applicants for submission of resolution plans. To conduct CIRP and to preserve the value of assets, RP has undertaken various measures to keep safeguard and restore and preserve value of property. Further RP has undertaken various measures to realise the old inventory and recovery from the debtors. Resolution Plans have been received and evaluated and pending for submission to Hon'ble NCLT for Plan approval.

b) 'Since Corporate Insolvency Resolution Process (CIRP) is currently in progress, as per the Code, it is required that the Company be managed as going concern during CIRP and Resolution plan was considered by coc which was put on hold on account of aforesaid reasons. Accordingly, the financial statements are continued to be prepared on going concern basis.

Note 34: Loss per share (EPS):

	As at March 31, 2022	As at March 31, 2021
(a) Basic EPS:		
Basic loss per share attributable to the equity holders of the company	(24.10)	(64.05)
(b) Diluted EPS:		
Diluted loss per share attributable to the equity holders of the company	(24.10)	(64.05)

(c) Reconciliation of earnings used in calculating earnings per share:

	As at March 31, 2022	As at March 31, 2021
Basic earnings per share:		
Loss attributable to the equity holders of the company used in calculating basic earnings per share	(12,267.10)	(32,600.37)
Diluted earnings per share:		
(Loss) attributable to the equity holders of the company used in calculating diluted earnings per share	(12,267.10)	(32,600.37)

(d) Weighted average number of shares used as the denominator:

	As at March 31, 2022	As at March 31, 2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,09,00,000	5,09,00,000
Adjustments for calculation of diluted earnings per share	Nil	Nil
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,09,00,000	5,09,00,000



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
 (All amounts in INR lakhs, unless otherwise stated)

Note 35: Assets pledged as security:

The carrying amounts of Company's assets pledged as security for current and non current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Working capital loans from banks (Secured):		
First charge on current assets:		
Financial asset	4,128.97	4,034.64
Non-financial asset	3,030.63	4,045.82
Second charge on fixed assets:		
Fixed assets	63,355.20	67,421.57
Towards current borrowings	70,514.80	75,502.03



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 36: Ratio

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Change in Ratio
a) Current ratio	Current Assets	Current Liabilities	0.04	0.05	(0.15)
b) Debt-Equity ratio	Total Borrowings	Total Equity	(1.54)	(1.65)	(0.06)
c) Debt service coverage ratio	Earnings for Debt Service= PAT+Non cash Expenses+Interest+ Others	Debt Service			
d) Return on Equity ratio	Net Profit	Total Equity	0.00	(0.00)	0.00%
e) Inventory turnover ratio	Revenue from Operations	Avg. Inventory at selling Price	11.46%	38.52%	(0.27)
f) Trade receivables turnover ratio	Net Credit Sales	Avg. Trade Receivable	1.53	1.02	0.50
g) Trade payables turnover ratio	Net Credit Purchases	Avg. Trade Payable	0.72	0.66	0.10
h) Net capital turnover ratio	Revenue from Operations	Total Equity	0.02	0.16	(0.88)
i) Net profit ratio	Net Profit	Total Revenue	(0.02)	(0.03)	(0.06)
j) Return on capital employed	EBIT	Equity + Non Current Borrowings	-435.09%	-1218.21%	783.11%
k) Return on investment	Income generated from Investments	Average Invested funds	2.95%	5.31%	-2.36%
			16.25%	47.55%	-31.31%

Reason for Significant Variance / change in Ratios:

- 1) Net profit ratio :** Due to non recognition of Interest during the year resulted in a favourable change in the said ratio. (Refer note 43)
- 2) Return on Investment:** Due to Fair Value Changes of the Investments measured at Fair Value(i.e., market rate) Through Profit and Loss.

Note 37: Note on Long outstanding Balances (In response to Disclaimer in audit report) :

Trade receivables as at March 31, 2022 include Rs.3486.76 lakhs (March 31, 2021 Rs. 3481.82 lakhs) due for a period of more than one year for which no provision has been made in the books of account, as the management considers these receivables as good and recoverable. The management assess the recoverability of trade receivables on regular basis and there was no uncertainty at present on recoverability of these receivables and legal cases were preferred where required to ensure recoverability. With regard to other long outstanding capital advances of Rs. 174.01 Lakhs (March 31, 2021 Rs. 174.01 Lakhs) , supplier advances of Rs.607.70 lakhs (March 31, 2021 Rs. 595.27 Lakhs) and other financial assets of Rs.157.02 Lakhs (March 31, 2021 Rs. 157.02 Lakhs), management is confident of recoverability and no provision at present is required to be made. (This was also subject matter of qualification in the audit report for the year ended March 31, 2021.)

Confirmation letters have been issued in respect of trade receivables of the company. Balances where confirmations are not forthcoming such balances are subject to reconciliation and consequential adjustment required, if any, would be determined/made on receipt of confirmation. However, in the opinion of the resolutional professional, assets other than Property, Plant and Equipment , Right of Use of Assets and non-current Investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

Note 38: Note on Statutory liabilities (In response to Disclaimer in audit report):

Claims have been received from various governments authorities admitted / partial admitted or rejected based upon the verification conducted by Resolution Professional and can be settled in accordance with Resolution plan approved by NCLT.

Note 39: Note on Advance from Customer (In response to qualification in CARO report) :

Advance from customers outstanding more than one year as at March 31, 2022 amounting to Rs. 88.14 lakh and this is because of the tight working capital situation faced by the company. As per Acceptance of Deposits by Companies Rules, 2014, Any amount received as advances from the customers, Such work / supply should be done within 365 days from the receipt of such advance from customer otherwise company have to appropriate such advance to the customer before expiry of 365 days. pending such appropriation, any penalties that may be levied by consent authorities and impact in the financial statements presently un ascertainable.

Note 40: Note on Non Movement of Inventories (In response to Disclaimer in audit report):

Since shut down of the operations Haresamudram plant from 12th June 2017, no major movement have happened in Inventories amounting to Rs. 1458.67 Lakhs (As at 31st March 2021: Rs.1985.98 Lakhs) . Resolution Professional regularly monitored, maintained and ensured same in usable/ saleable condition and assessed the stated value was fully recoverable and no provision is required as on the date of balance sheet. This was also subject matter of qualification in the audit report for the year ended March 31, 2021.



SATHAVAHANA ISPAT LIMITED
Notes to the Financial statements
(All amounts in INR lakhs, unless otherwise stated)

Note 41: Note on overdue foreign currency payable (In response to Disclaimer in audit report):

Creditors for capital works as at March 31, 2022 includes overdue payables of Rs.224.15 lakhs (March 31, 2021: Rs.222.45 lakhs) which is owed by the Company to a non-resident company for more than three years. The Company is required to obtain approvals from consent authorities to condone such delay in payment of foreign currencies, which is presently not obtained and the Company intends to take the necessary approvals. In this regard, pending which any penalties that may be levied by consent authorities and impact in the aforesaid liabilities in the financial statements are not presently ascertainable. (This was also subject matter of qualification in the audit report for the year ended March 31, 2021).

Note 42: Note on Impairment (In response to Disclaimer in audit report):

The Company's current level of operations in Metallurgical Coke division at Nineteen percent capacity and no operations at Ferrous division, may not be an indication of the future performance of the Company. As the company has awarded Repair and Maintenance Contract to Jindal Saw Limited to upkeep the Property plant and Equipment. Accordingly, Impairment testing under Ind AS has not been performed while presenting these results.

Note 43: As per the provisions of Section 134 of Companies Act, 2013 financial statement would be signed by the either : Chairperson of the company or By any two Directors of the company, one of which should be a Managing Director. The Financial statements have been signed by A. Naresh Kumar, Managing Director of suspended board and VSRK. Hanuman, Chief Financial Officer of the company confirming truthfulness, fairness, accuracy and completeness of the financial results. Basis this confirmation , these financial statements have been taken on record by the Resolution Professional on May 16, 2022.

Note 44: Claims against the company(In response to Disclaimer in audit report)

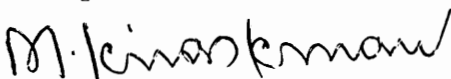
Resolution Professional has invited the Claims through the Public Announcement and Various Creditors such as financial, operational and other have submitted and reconciled the same with Books of accounts based on the documents provided by the claimant which has been verified. And the Final version of claims summary has been uploaded on the company website.

Note 45(i):No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 45(ii):No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 46: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date
For MAJETI & CO.
Chartered Accountants
Firm's registration number: 0159755

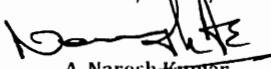

Kiran Kumar Majeti
Partner
Membership Number: 220354

Hyderabad
16-05-2022



For and on behalf of the Sathavahana Ispat Limited

(BHUVAN MADAN)
Resolution Professional
IBBI/IPA/007/IP-P01004/2017-18/11655


A. Naresh Kumar
Managing Director of suspended
board


V.S.R.K Hanuman
Chief Financial Officer

SATHAVAHANA ISPAT LIMITED

Notes to the financial statements

1. Background

1.1 Sathavahanalspat Limited (SIL), (the 'company') is a public limited company incorporated under the provisions of erstwhile Companies Act, 1956 having its registered office at Hyderabad in the state of Telangana, India. The Equity Shares of the Company are listed with Stock Exchanges in India viz., BSE Limited, Mumbai (Stock Code:526093) and the National Stock Exchange of India Limited, Mumbai (Stock Code: SATHAISPAT").

1.2 'SathavahanalspatLimited (the Company) is engaged in the manufacture of ferrous products, Metallurgical Coke with Co-generation of Power. The ferrous products plant is in Anantapuram District of Andhra Pradesh and the Metallurgical Coke with Co-generation Power facility is in Bellary District, Karnataka. A major portion of Metallurgical Coke is captively used for manufacture of ferrous products. The Company's turnover is mainly from domestic markets.

1.3 The company has shut down the operations at ferrous products plant in Anantapuram district since June 12, 2017.

1.4The company's act 2013 (as amended) (the Act) under section 134 (1) states that the financial statements of a company shall be approved by the board of directors and thereafter signed on behalf of the company by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any director of the company who is duly authorized by the Board of Directors.

In view of the ongoing Corporate Insolvency Resolution Process ("CIRP") as Board has been suspended and these powers are now vested with Mr. Bhuvan Madan in the capacity as the Resolution Professional ("RP") from September 08,2021 (erstwhile Mr. Golla Ramakantha Rao, IRP from July 28, 2021, to September 07, 2021) as per the Provisions of the code. Accordingly, the financial statements are approved for issue by the Company's Resolution Professional on May16, 2022.

2. 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 of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items



SATHAVAHANA ISPAT LIMITED
Notes to the financial statements

which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) New standards and amendments

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest Rate Benchmark Reform – Phase 2 : Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments : Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

(iii) Ind AS 103: Business combination

(iv) Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 – Non-current Assets held for sale and Discontinued Operations, Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements of the Company

(iv) Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the companies Act, 2013 on 24th March 2021 to increase the transparency and provide additional disclosure to users of financial statements. The amendments are effective from 01 April 2021.

Consequent to the above the company has classified current maturity of long-term borrowing borrowings (including interest accrued thereon) to short-term borrowing from other financial liability.

(v) Current and non-current classification

An asset is classified as current, if

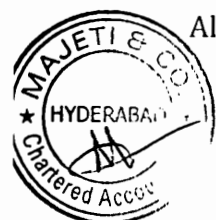
- (i) It is expected to be realized or sold or consumed in the company's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.



SATHAVAHANA ISPAT LIMITED
Notes to the financial statements

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments. Refer Note. 32 for segment information.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated expenses and taxes.

"Unallocated Expenses" include revenue and expenses that relate to costs attributable to the enterprise as a whole and are not attributable to segments.

2.3. Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair



SATHAVAHANA ISPAT LIMITED
Notes to the financial statements

value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.4. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are

- Estimation of defined benefit obligation [refer note: 21(a) (ii)]
- Estimation of expected credit loss on financial assets [refer note: 27(A)]
- Estimation of useful life of fixed assets [refer note: 2.6]
- Estimation of recognition of deferred tax assets for carried forward tax losses [Refer note. 25]
- Estimated utilisation, disposal values, and discount rates applied to future cash flows in testing of impairment of non-financial assets [refer note 2.10]
- Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) [refer note: 27(D)]

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have the financial impact of the company and that are believed to be reasonable under the circumstances.

2.5. Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Transfer of risks and rewards vary depending on the individual terms of contract of sale. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.



Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.6. Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the company has elected the option of fair value as deemed cost of land as at April 01, 2016. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the



original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.7. Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. These assets are amortised over a period of 3 years, which is based on their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

All intangible assets are tested for impairment. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

2.8. Equity instruments

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

2.9. Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.



Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI 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 is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Other Equity Investments:

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income', there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



SATHAVAHANA ISPAT LIMITED
Notes to the financial statements

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Bank balances other than cash and cash equivalents:

Bank balances and other deposits with banks pledged or lien marked against bank guarantees and letters of credit issued by banks are treated as Margin Money.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

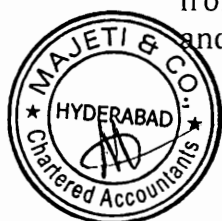
These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset



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the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.10. Impairment of assets

Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

Non-financial assets

Property, plant & equipment and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which



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the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

2.11. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.12. Inventories

- (i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.
- (ii) (ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.
- (iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.13. Taxation

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to



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be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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 entity 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 are recognised in profit or 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.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

2.14. Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives



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received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.15. Provisions, contingent liabilities and contingent assets



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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. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.16. Employee benefits

(i) Short-term obligations

Liabilities for wages and 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 service 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 settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

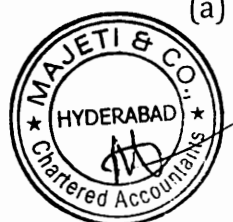
(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the 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 the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

(iii) Post-employment obligations

- (a) The company operates the following post-employment schemes
- Defined benefit plans such as gratuity and;
 - Defined contribution plans such as provident fund.



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State plans.

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR 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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change 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 the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per applicable 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 expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Resolution Professional, or in respect of the final dividend when approved by shareholders.

2.18. Earnings per share



SATHAVAHANA ISPAT LIMITED
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Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.20. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

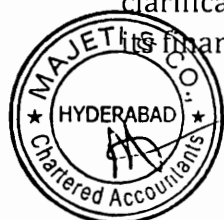
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.



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Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



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