

**Steelco Gujarat Limited**  
Balance sheet as at 31 March 2020

Particulars	Note No.	(INR in lakhs)	
		As at 31 Mar 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,389.60	5,883.99
Capital work-in-progress	4	0.87	171.23
Investment property	5	55.40	56.46
Intangible assets	6	12.38	16.10
Financial assets			
(i) Loan	7	52.74	45.80
(ii) Deferred tax Assets	33	-	-
Income tax assets (net)	8	236.20	208.15
Other non current assets	9	124.87	360.65
		<b>5,872.06</b>	<b>6,742.38</b>
<b>Current assets</b>			
Inventories	10	1,369.38	1,571.30
Financial assets			
(i) Trade receivables	11	7,046.32	6,720.96
(ii) Cash and cash equivalents	12	95.99	71.33
(iii) Other bank balances	13	1.49	69.81
(iv) Loan	7	201.86	177.61
(v) Other financial assets	14	293.75	37.79
Other current assets	9	309.15	286.50
Assets classified as held for sale	15	-	350.00
		<b>9,317.94</b>	<b>9,285.30</b>
<b>TOTAL ASSETS</b>		<b>15,190.00</b>	<b>16,027.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	4,256.18	4,256.18
Other equity	17	(37,145.09)	(32,616.56)
<b>Total equity</b>		<b>(32,888.91)</b>	<b>(28,360.38)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	4,639.99	4,264.96
(ii) Others financial liabilities	19	3.65	3.60
Provisions	20	271.98	429.13
Other non-current liabilities	21	875.85	0.17
		<b>5,791.47</b>	<b>4,697.86</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	18	8,483.57	8,265.13
(ii) Trade payables	22	16,916.37	15,458.57
(iii) Other financial liabilities	19	14,246.09	12,805.10
Other current liabilities	21	1,303.39	953.64
Provisions	20	1,338.02	1,332.08
Current tax liabilities (net)	23	-	-
Liabilities assigned to assets held for sale	23A	-	875.68
		<b>42,287.44</b>	<b>39,690.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,190.00</b>	<b>16,027.68</b>

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the balance sheet referred to in our audit report of even date.

**For M Sahu & Co**

Chartered Accountants

Firm Registration No. 130001W

**Manojkumar Sahu**

Partner

M. No. 132623

UDIN: 21132623AAABLZ9325

Date: 23rd July 2021

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

**Ajay Shanghavi**

Director

DIN: 00084653

**Praful Chandaria**

Director

DIN: 02516129

Date: 23rd July 2021

**Steelco Gujarat Limited**
**Statement of profit and loss for the quarter ended 31 March 2020**
**(INR in lakhs)**

Particulars	Note No.	For the years ended	
		31 Mar 2020	31 March 2019
<b>Income</b>			
Revenue from operations	24	1,566.89	7,257.31
Other income	25	93.49	144.65
<b>Total income</b>		<b>1,660.38</b>	<b>7,401.96</b>
<b>Expenses</b>			
Cost of materials consumed	26	109.25	3,706.50
Excise duty		-	-
Changes in inventories - finished goods, work in progress (including cost incurred on jobwork)	27	89.36	1,289.19
Employee benefits expense	28	1,531.32	1,656.10
Finance costs	29	1,070.59	2,646.01
Depreciation and amortisation expense	30	356.11	614.44
Other expenses	31	2,849.90	6,171.43
<b>Total expenses</b>		<b>6,006.53</b>	<b>16,083.67</b>
<b>Loss before exceptional item and tax</b>		<b>(4,346.15)</b>	<b>(8,681.71)</b>
<b>Add: Exceptional item</b>	32	(350.00)	(1,059.63)
<b>Loss before tax</b>		<b>(4,696.15)</b>	<b>(9,741.34)</b>
<b>Tax expense</b>	33		
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(4,696.15)</b>	<b>(9,741.34)</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of defined benefit plans		108.87	(32.07)
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other comprehensive loss for the year</b>		<b>108.87</b>	<b>(32.07)</b>
<b>Total comprehensive loss for the year</b>		<b>(4,587.28)</b>	<b>(9,773.41)</b>

**Earnings per equity share**

Number of Equity Shares (face value of INR 10 each)

**4,25,61,822** **4,25,61,822**

Basic and diluted loss per share (INR)

**34** **(11.03)** **(22.89)**

The accompanying notes 1 to 57 form an integral part of the financial statements


This is the statement of profit and loss referred to in our audit report of even date.

**For M Sahu & Co**

Chartered Accountants

Firm Registration No. 130001W

**For and on behalf of the Board of Directors**
**Ajay Shanghavi**  
Director  
DIN: 00084653

  
**Praful Chandaria**  
Director  
DIN: 02516129

**Manojkumar Sahu**

Partner

M. No. 132623

UDIN: 21132623AAABLZ9325

Date: 23rd July 2021

Date: 23rd July 2021

**Steelco Gujarat Limited**
**Cash flow statement for the Quarter ended 31 March 2020**
**(INR in lakhs)**

Particulars	For the years ended	
	31 Mar 2020	31 March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(4,696.15)	(9,741.34)
<b>Adjustments for:</b>		
Depreciation	356.11	614.44
[Profit]/Loss on sale of assets [Net]	126.43	(71.35)
Interest income	(44.59)	(47.06)
Finance costs	1,070.59	2,646.01
Exceptional Items	(350.00)	1,059.63
Provision (Reversal) for doubtful debts	(263.47)	2,141.34
Unrealised exchange ( gain)/loss	984.53	702.08
Provisions for employee benefits	151.21	65.34
<b>Operating profit/(loss) before working capital changes</b>	<b>(2,665.34)</b>	<b>(2,630.91)</b>
<b>Adjustments for changes working capital</b>		
Trade receivables	(119.05)	798.60
Inventories	201.92	1,967.58
Other financial assets and other current assets	(74.02)	1,873.97
Trade payables	(1,457.80)	(2,401.42)
Other financial liabilities and current liabilities	3,323.94	(25.07)
Provisions	(151.21)	(32.07)
<b>Cash flow from operating activities post working capital changes</b>	<b>(941.56)</b>	<b>(449.32)</b>
Income tax paid (net)	(26.65)	(64.94)
<b>Net cash flow from operating activities (A)</b>	<b>(968.21)</b>	<b>(514.26)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(21.92)	(294.11)
Fixed deposits matured/Created	350.00	370.39
Proceeds from sale of property, plant and equipment	38.56	89.94
Interest received	44.59	47.06
<b>Net cash flows from investing activities (B)</b>	<b>411.23</b>	<b>213.28</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Availment of long term/short term borrowings	375.03	633.88
Repayment of long term/short term borrowings	218.44	(61.46)
Interest paid	(11.83)	(272.15)
<b>Net cash used in financing activities (C)</b>	<b>581.64</b>	<b>300.27</b>
Decrease in cash and cash equivalents (A+B+C)	24.66	(0.71)
Cash and cash equivalents at the beginning of the year	71.33	72.04
<b>Cash and cash equivalents at the end of the year</b>	<b>95.99</b>	<b>71.33</b>

**Note 1 - The above statement of cash flows has been prepared under the 'indirect method' as setout in 'Ind AS 7: Statement of cash flows'.**

**Note 2 - Figures in bracket represents cash outflows.**

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the cash flow statement referred to in our audit report of even date.

**For M Sahu & Co**

Chartered Accountants

Firm Registration No. 130001W

**Manojkumar Sahu**

Partner

M. No. 132623

UDIN: 21132623AAABLZ9325

Place: Vadodara

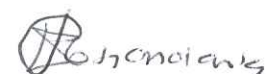
Date: 23rd July 2021

**Ajay Shanghavi**

Director

DIN: 00084653

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



**Praful Chandraia**

Director

DIN: 02516129

Place: Vadodara

Date: 23rd July 2021

**Steelco Gujarat Limited**
**Statement of changes in equity for the year ended 31 March 2020**
**A. Equity Share Capital**

(INR in lakhs)			
Particulars	Note No.	Number of shares	Amount
Balance as on 1 April 2018	16	4,25,61,822	4,256.18
Changes in equity share capital during the year		-	-
Equity shares as at 31 March 2019		4,25,61,822	4,256.18
Changes in equity share capital during the year		-	-
Equity shares as at 31 March 2020		4,25,61,822	4,256.18

**B. Other Equity**

(INR in lakhs)					
Particulars	Share application money pending allotment	Equity component of other financial instruments with shareholder	Reserves and Surplus		Total
			Capital reserve	Retained earnings	
Balance as at 1 April 2018	0.01	284.46	489.68	(23,617.29)	(22,843.14)
Loss for the year	-	-	-	(9,741.34)	(9,741.34)
Other comprehensive loss for the year	-	-	-	(32.07)	(32.07)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(9,773.41)</b>	<b>(9,773.41)</b>
Movement during the year	(0.01)	-	-	-	(0.01)
<b>Balance as at 31 March 2019*</b>	-	<b>284.46</b>	<b>489.68</b>	<b>(33,390.70)</b>	<b>(32,616.56)</b>
Loss for the year	-	-	-	(4,696.15)	(4,696.15)
Other comprehensive loss for the year	-	-	-	108.87	108.87
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(4,587.28)</b>	<b>(4,587.28)</b>
Movement during the year	-	58.75	-	-	58.75
<b>Balance as at 31 March 2020</b>	-	<b>343.21</b>	<b>489.68</b>	<b>(37,977.99)</b>	<b>(37,145.09)</b>

The accompanying notes 1 to 57 form an integral part of the financial statements

This is the statement of changes in equity referred to in our audit report of even date.

**For M Sahu & Co**

Chartered Accountants

Firm Registration No. 130001W

**Manojkumar Sahu**

Partner

M. No. 132623

UDIN:21132623AAABL79325

Place: Vadodara

Date: 23rd July 2021

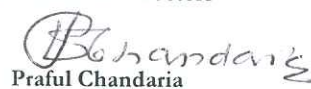
**Ajay Shanghavi**

Director

DIN: 00084653

Place: Vadodara

Date: 23rd July 2021

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

**Praful Chandaria**

Director

DIN: 02516129



## Steelco Gujarat Limited

Notes to the financial statements for the quarter ended 31 March 2020

### 4. Property, Plant and Equipment

Description	(INR in lakhs)							
	Leasehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total (A)	Capital work in progress (B)
<b>Gross block [Carrying value (at deemed cost)]</b>								
<b>Balance as at 1 April 2018</b>	36.71	1,515.38	6,177.23	47.51	74.35	45.20	7,896.38	623.49
Additions during the year	-	-	284.89	0.02	-	0.48	285.39	8.76
Reclassified as capital stores (refer note 4(iv), note 10)	-	-	-	-	-	-	-	(368.76)
Capitalised during the year	-	-	-	-	-	-	-	(0.04)
Reclassified from held for sale	-	-	-	-	-	-	-	-
Reclassified to held for sale (refer note 15)	-	-	-	-	-	-	-	-
Disposals during the year (refer note 4(iv))	-	-	(703.69)	-	-	-	(703.69)	(92.22)
<b>Balance as at 31 March 2019</b>	<b>36.71</b>	<b>1,515.38</b>	<b>5,758.43</b>	<b>47.53</b>	<b>74.35</b>	<b>45.68</b>	<b>7,478.08</b>	<b>171.23</b>
Additions during the year	-	-	21.92	-	-	-	21.92	-
Reclassified as capital stores (refer note 4(iv), note 10)	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-
Disposals during the year (refer note 4(iv))	-	-	(232.74)	-	-	-	(232.74)	(170.36)
<b>Balance as at 31 March 2020</b>	<b>36.71</b>	<b>1,515.38</b>	<b>5,547.61</b>	<b>47.53</b>	<b>74.35</b>	<b>45.68</b>	<b>7,267.26</b>	<b>0.87</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 1 April 2018</b>	0.29	104.30	1,510.48	13.80	28.96	12.59	1,670.42	-
Depreciation charge for the year	-	52.81	529.83	6.41	14.02	5.60	608.67	-
Amortisation for the year	0.11	-	-	-	-	-	0.11	-
Disposals during the year	-	-	(685.11)	-	-	-	(685.11)	-
Disposals during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>0.40</b>	<b>157.11</b>	<b>1,355.20</b>	<b>20.21</b>	<b>42.98</b>	<b>18.19</b>	<b>1,594.09</b>	<b>-</b>
Depreciation charge for the year	-	52.96	278.50	6.04	9.31	4.32	351.14	-
Amortisation for the year	0.19	-	-	-	-	-	0.19	-
Disposals during the year	-	-	(67.75)	-	-	-	(67.75)	-
<b>Balance as at 31 March 2020</b>	<b>0.59</b>	<b>210.07</b>	<b>1,565.95</b>	<b>26.25</b>	<b>52.29</b>	<b>22.51</b>	<b>1,877.66</b>	<b>-</b>
<b>Net block</b>								
<b>Balance as at 31 March 2019</b>	<b>36.31</b>	<b>1,358.27</b>	<b>4,403.23</b>	<b>27.32</b>	<b>31.37</b>	<b>27.49</b>	<b>5,883.99</b>	<b>171.23</b>
<b>Balance as at 31 March 2020</b>	<b>36.12</b>	<b>1,305.31</b>	<b>3,981.66</b>	<b>21.28</b>	<b>22.06</b>	<b>23.16</b>	<b>5,389.60</b>	<b>0.87</b>

## Steelco Gujarat Limited

### Notes to the financial statements for the quarter ended 31 March 2020

(i) **Assets acquired under finance lease**

During the year 1991-92, Company has acquired under a finance lease from G.I.D.C., land situated at plot No.2, G.I.D.C. estate, N.H.No.8, Palaj, Dist.Bharuch, Gujarat (India). The lease period is for 99 years which can be extended for another 99 years at option of the Company.

(ii) **Property, plant and equipment pledged as security**

Refer note 18C for details on property, plant and equipment pledged as security.

(iii) **Capital work in progress**

Decrease in WIP during the year INR 171.23 Lakhs represent written off of ERP System/project which is abandoned. CWIP as at 31st March 2019 includes INR 368.76 Lakhs represents the machinery imported for the project of Galvalum Line is now treated as usable capital spares for the existing plant and machinery as the project for Galvalum Line is dropped and INR 92.22 Lakhs represents written off of SAP implementation project which is abandoned. Capital work-in-progress ('CWIP') as at 31 March 2019 represents payment made for implementation of ERP system/project amounting to INR 171.22 Lakhs.

(v) **Charges/ Pledge created on PPE**

Refer note 18 and 41.

## 5. Investment Property

(INR in lakhs)			
Description	Leasehold land	Buildings	Total
<b>Gross block [Carrying value (at deemed cost)]</b>			
Balances as at 1 April 2018	42.90	16.82	59.72
Additions during the year	-	-	-
<b>Balance as at 31 March 2019</b>	<b>42.90</b>	<b>16.82</b>	<b>59.72</b>
Additions during the year	-	-	-
<b>Balance as at 31 March 2020</b>	<b>42.90</b>	<b>16.82</b>	<b>59.72</b>
<b>Accumulated depreciation</b>			
Balances as at 1 April 2018	0.58	1.62	2.20
Depreciation charge for the year	-	0.81	0.81
Amortisation for the year	0.25	-	0.25
<b>Balance as at 31 March 2019</b>	<b>0.83</b>	<b>2.43</b>	<b>3.26</b>
Depreciation charge for the year	-	0.81	0.81
Amortisation for the year	0.25	-	0.25
<b>Balance as at 31 March 2020</b>	<b>1.08</b>	<b>3.24</b>	<b>4.32</b>
<b>Net block</b>			
<b>Balance as at 31 March 2019</b>	<b>42.07</b>	<b>14.39</b>	<b>56.46</b>
<b>Balance as at 31 March 2020</b>	<b>41.82</b>	<b>13.58</b>	<b>55.40</b>

(i) **Contractual obligations**

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

## Steelco Gujarat Limited

### Notes to the financial statements for the quarter ended 31 March 2020

#### (ii) Amount recognised in profit and loss for investment properties (leased or otherwise)

(INR in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rental income	10.10	9.63
Depreciation	1.06	1.06
(iii) Profit from leasing of investment properties	9.29	8.82

#### (iv) Leasing arrangements

Building under investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payment receivable under non-cancellable leases of investment property are as follows:

(INR in lakhs)

Particulars	As at 31 Mar 2020	As at 31 March 2019
Within one year	5.55	9.85
Later than one year but not later than 5 years	-	9.19
Later than 5 years	-	-
	5.55	19.04

#### (v) Fair value

(INR in lakhs)

Particulars	As at 31 Mar 2020	As at 31 March 2019
Leasehold land**	1,125.67	1,125.67
Buildings**	134.68	134.68

\*\*In the absence of valuation being carried out by the company for the year ended 31 March 2019, the company has considered the fair value as on 31 March 2018 as the fair value for 31 March 2019.

At a V D D A T A D D A V C I I A N I C I I A V I

#### (vi) Estimation of fair value

The fair values of the investment properties have been carried out by independent valuer. The best evidence of fair value is current prices in an active market for similar properties. The investment properties has been fair valued using sales comparison method in which due weightage has been given to property rates as evident from sales instances of comparable land and building found upon market enquiry, area, location, nearby civic amenities available etc. This is a Level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 6. Intangible Assets

(INR in lakhs)		
Description	Computer softwares	Total
<b>Gross Block [Carrying value (at deemed cost)]</b>		
Balance as at 1 April 2018	31.16	31.16
Additions during the year	-	-
<b>Balance as at 31 March 2019</b>	<b>31.16</b>	<b>31.16</b>
Additions during the year	-	-
<b>Balance as at 31 March 2020</b>	<b>31.16</b>	<b>31.16</b>
<b>Accumulated Amortisation</b>		
Balance as at 1 April 2018	10.46	10.46
Amortisation for the year	4.60	4.60
<b>Balance as at 31 March 2019</b>	<b>15.06</b>	<b>15.06</b>
Amortisation for the year	3.72	3.72
<b>Balance as at 31 March 2020</b>	<b>18.78</b>	<b>18.78</b>
<b>Net Block</b>		
<b>Balance as at 31 March 2019</b>	<b>16.10</b>	<b>16.10</b>
<b>Balance as at 31 March 2020</b>	<b>12.38</b>	<b>12.38</b>

### 7. Loans

(INR in lakhs)				
Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(Unsecured, considered good)				
Security deposits	52.74	45.80	-	-
Excess Remuneration recoverable from Managing Director (refer note 12)	-	-	201.86	177.61
<b>Total</b>	<b>52.74</b>	<b>45.80</b>	<b>201.86</b>	<b>177.61</b>

### 8. Income Tax Assets [net]

(INR in lakhs)		
Particulars	Non-current	
	As at	As at
	31 March 2020	31 March 2019
Advance tax (net of provisions)	236.20	208.15
<b>Total</b>	<b>236.20</b>	<b>208.15</b>

### 9. Other Assets

(INR in lakhs)				
Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Balance with Govt Authorities	124.87	360.64	-	-
Prepaid expenses	-	0.01	24.05	38.93
Advance to vendors	-	-	282.97	185.04
WIP (Cost incurred on jobwork)	-	-	-	61.45
Other advances	-	-	2.13	1.08
<b>Total</b>	<b>124.87</b>	<b>360.65</b>	<b>309.15</b>	<b>286.50</b>



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 10. Inventories

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Raw materials	50.97	92.10
Work-in-progress	1.87	3.66
Finished goods	-	9.38
Stores and spares	901.12	1,029.87
Packing materials	4.13	4.75
Scrap inventories	-	16.73
Capital Spares (includes reclassified from CWIP refer note no: 4(iv))	411.29	414.81
<b>Total</b>	<b>1,369.38</b>	<b>1,571.30</b>

- i) The amount of inventories recognised as an expense is recognised in costs of materials consumed, changes in inventory and consumption of stores and spares
- ii) Except scrap inventories & WIP as at 31 March 2020 (which are valued at net realisable value), no inventory has been written down to its net realisable value and there was no reversal of written down of inventories of previous years during the years presented.
- iii) The management certifies that the inventory included above belongs to the company and physically verified by them.
- iv) There was no capitalisation of borrowings cost to inventories during the years presented.

### 11. Trade Receivables [unsecured]

Particulars	(INR in lakhs)	
	Current As at 31 March 2020	As at 31 March 2019
Trade receivables considered good	-	348.57
Trade receivables which have significant increase in credit risk	7,046.32	6,372.39
Trade receivables - credit impaired	2,158.10	2,421.57
Less: allowance for expected credit loss	(2,158.10)	(2,421.57)
<b>Total</b>	<b>7,046.32</b>	<b>6,720.96</b>

The movement in allowance for expected credit loss is as follows

Balance as at beginning of the year	2,421.57	280.23
Change in allowance for credit impaired during the year	-	2,141.34
Provision for Bad Debt Recovered	(263.47)	-
Trade receivable written off during the year	-	-
<b>Balance as at the end of the year</b>	<b>2,158.10</b>	<b>2,421.57</b>

Trade receivables includes due by directors and its officers of the company - nil (previous year nil)

Refer note 36 for information about credit risk and market risk of trade receivable .

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 12. Cash and cash equivalents

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.89	1.87
<b>Balances with banks</b>		
In current accounts	95.10	69.46
<b>Total</b>	<b>95.99</b>	<b>71.33</b>

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

Due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval of State Bank of India (Consortium leader) is required for each individual payment to be made from these current accounts.

### 13. Other bank balances

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
In fixed deposit accounts with original maturity 12 months or less	1.49	69.81
<b>Total</b>	<b>1.49</b>	<b>69.81</b>

Fixed deposits on which lien is marked in favour of bankers for issuance of guarantee/L.C- INR 0.48 Lakhs (previous year INR 69.81 Lakhs).

### 14. Other financial assets

Particulars	(INR in lakhs)	
	Current	
	As at 31 March 2020	As at 31 March 2019
Deposit for One Time Settlements with Banks	291.25	-
Export incentive receivables	-	22.35
Interest receivables	-	15.44
Other receivables	2.50	-
<b>Total</b>	<b>293.75</b>	<b>37.79</b>

### 15. Assets classified as held for sale

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Plant and machinery at port	-	350.00
<b>Total</b>	<b>-</b>	<b>350.00</b>

(i) Plant and Machinery at port INR 350 Lakhs represents, an imported plant and machinery lying at custom port. The company has relinquished its title in favour of the Customs authorities u/s 23(2) of the Customs Act 1962. The custom authorities can auction the asset and adjust sales proceeds towards the custom/port dues. In absence of relevant information, status quo is maintained as regards the asset treated as held for sale. Necessary adjustment will be made on receipt of further information.

#### (ii) Non recurring fair value measurements

The imported plant & machinery was written down to its net realisable value of INR 350 Lakhs and impairment loss of INR 695.85 lakhs was recognised in the statement of profit & losses as at 31 March 2018. The valuation was carried out as of 31 March 2018 by an independent chartered engineer using 'accumulated depreciation value' method. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures.

# Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

## 16. Equity share capital

Particulars	Number of shares		Amount (INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Authorised capital</b>				
Equity shares of INR 10 each	7,50,00,000	7,50,00,000	7,500.00	7,500.00
<b>Total</b>	<b>7,50,00,000</b>	<b>7,50,00,000</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued and subscribed and fully paid-up capital</b>				
Equity shares of INR 10 each	4,25,61,822	4,25,61,822	4,256.18	4,256.18
<b>Total</b>	<b>4,25,61,822</b>	<b>4,25,61,822</b>	<b>4,256.18</b>	<b>4,256.18</b>

### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Number of shares	Amount (INR in lakhs)
Equity shares as at 1st April 2018	4,25,61,822	4,256.18
Add: Issued during the year	-	-
<b>Equity shares as at 31 March 2019</b>	<b>4,25,61,822</b>	<b>4,256.18</b>
Add: Issued during the year	-	-
<b>Equity shares as at 31 March 2020</b>	<b>4,25,61,822</b>	<b>4,256.18</b>

### (ii) All shares rank equally with regard to the repayment of capital in the event of liquidation of the Company.

### (iii) Details of shareholders holding more than 5% shares in the Company

Particulars	% holding		Number of shares	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Spica Investments Limited (Holding Company), Mauritius which is a subsidiary of Spica	75%	75%	3,19,21,366	3,19,21,366

### (iv) The Company has neither issued bonus shares nor has bought back any shares during last 5 years.

# Steelco Gujarat Limited

## Notes to the financial statements for the year ended 31 March 2020

### 17. Other equity

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Capital reserve</b>		
Opening balance	489.68	489.68
Changes during the year	-	-
<b>Closing balance (a)</b>	<b>489.68</b>	<b>489.68</b>
<b>Retained earnings</b>		
Opening balance (restated refer note 42)	(33,390.70)	-23617.29
Net profit/(loss) for the year	(4,696.15)	(9,741.34)
Other comprehensive income/(loss)	108.87	(32.07)
<b>Closing balance (b) (restated refer note 42)</b>	<b>(37,977.99)</b>	<b>(33,390.70)</b>
<b>Share application money pending allotments</b>		
Opening balance	-	0.01
Changes during the year *	-	(0.01)
<b>Closing balance (c)</b>	<b>-</b>	<b>-</b>
<b>Equity component of other financial instruments with shareholder</b>		
Opening balance	284.46	284.46
Changes during the year	58.75	-
<b>Closing balance (d)</b>	<b>343.22</b>	<b>284.46</b>
<b>Total other equity (a+b+c+d)</b>	<b>(37,145.09)</b>	<b>(32,616.56)</b>

Summary of balance of other equity				(INR in lakhs)
Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018	
Capital reserve	489.68	489.68	489.68	
Retained earnings	(37,977.99)	(33,390.70)	(23,617.29)	
Share application money pending allotments	-	-	0.01	
Equity component of other financial instruments with shareholder	343.22	284.46	284.46	
<b>Total</b>	<b>(37,145.09)</b>	<b>(32,616.56)</b>	<b>(22,843.14)</b>	

### Nature and purpose of other reserves

#### Capital reserve

Capital reserve is created out of the profit earned from some specific transactions of capital nature. Capital reserve is not available for distribution to the shareholders.

#### Retained earnings

Retained earnings represents the accumulated profits / losses made by the company over the years.

#### Equity component of other financial instruments with shareholder

This includes equity component of two classes of cumulative redeemable non-convertible preference shares and interest free loan from shareholder. On transition to Ind AS, these instruments have been fair valued and the difference between the carrying amount and the fair value has been shown as equity contribution from the shareholder.



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 18. Borrowings

#### (A) Non-current

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	(INR in lakhs)	
				As at 31 March 2020	As at 31 March 2019
<b>Secured</b>					
Term loans from consortium of banks, secured (inclusive of unpaid interest) (see note (i) below)	31 March 2021	30 Quarterly repayments starting from 31 December 2013 to 31 March 2021	SBI PLR Rate + 1%	6,337.96	3,318.69
<b>Unsecured</b>					
(a) Loans from ultimate holding company	1st Tranche- 3 December 2020 2nd tranche- 26 December 2021 3rd tranche- 14 February 2022 1st Tranche- (New Loan) 30th May 2024	Single repayment at the time of maturity	0%	853.07   251.65	739.99
(b) Liability component of compound financial instruments					
(i) 328.20 lakhs 12.50% cumulative redeemable non-convertible preference shares held by holding company	29 September 2026	Single repayment at the time of maturity	12.50%	3,282.00	3,282.00
(ii) 34.86 lakhs 7.00% cumulative redeemable non-convertible preference shares held by holding company	21 February 2029	Single repayment at the time of maturity	7%	253.27	242.97
(iii) Accrued dividend on preference shares stated at (i) and (ii) above				4,869.78	4,435.13
<b>Total non-current borrowings</b>				<b>15,847.73</b>	<b>12,018.78</b>
Less : Interest accrued and due on term loan (refer note 19)				(3,448.01)	(395.08)
Less : Recalled term loan (refer note 19)				(2,889.95)	(2,923.61)
Less : current maturities of long term debt (refer note 19)				-	-
Less : Accrued dividend on preference shares (refer note 19)				(4,869.78)	(4,435.13)
<b>Non-current borrowings as per balance sheet</b>				<b>4,639.99</b>	<b>4,264.96</b>

#### (i) Rupee Term loan

##### Default in repayment of monthly interest and term loan instalments:

The respective term loans have been classified as non performing assets by consortium banks viz (a) State Bank of India since June 2016, (b) Federal Bank Ltd since December 2016, (c) Canara Bank since July 2018 and (d) Bank of India since November 2018. Further the consortium banks have recalled the entire credit facilities granted and demanded immediate repayment of the outstanding dues inclusive of interest etc. The default in respect of principal outstanding and interest outstanding as at 31 March 2020 is INR 2889.95 Lakhs (previous year INR 2923.61 Lakhs) and INR 3448.01 Lakhs (previous year INR 395.08 Lakhs) respectively. Also refer note 45.

Since the Company is under CIRP Process, the contention of Resolution Professional is that the Company should not provide the Interest accrue and due on the recalled facilities as the Company CIRP process is going on. As per Auditor's contention there is an contractual obligation between the Company and the lender bank and interest should be charged. Had the Company has provided the interest on this recalled facility for the year ended 31st March 2020, the net loss of the Company would have been higher by INR 1626.05 Lakhs.

#### (ii) Unsecured loan from ultimate holding company:

Unsecured, long term borrowings from the ultimate holding company, Spica Business Corp. Panama, is interest free and is repayable at the

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### (B) Current

					(INR in lakhs)	
Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at 31 March 2020	As at 31 March 2019	
<b>Secured</b>						
Working capital loans from banks, secured	Payable on demand	Payable on demand	SBI PLR Rate + 1 % (see note below)	8,483.57	8,265.13	
<b>Total</b>				<b>8,483.57</b>	<b>8,265.13</b>	

#### (i) Working Capital Loans from Banks- Secured

Working capital loans from banks comprises of cash credit (CC), export packing facility (EPC), demand loan (DL) and packing credit foreign currency (PCFC). Interest for borrowing in Indian currency through CC, EPC, DL, presently ranging between 10.30 % p.a. to 17.60 % p.a. and for borrowing in foreign currency through PCFC is in the range of Libor + 2.61 % p.a. to Libor + 2.64 % p.a.

#### (ii) Default in Working Capital Loans from Banks

The respective working capital loans have been classified as non performing assets by consortium banks viz (a) State Bank of India since June 2016, (b) Federal Bank Ltd since December 2016, (c) Canara Bank since July 2018 and (d) Bank of India since November 2018. Further the consortium banks have recalled the entire credit facilities granted and demanded immediate repayment of the outstanding dues inclusive of interest etc. The default in respect of principal outstanding and interest outstanding as at 31 March 2019 is INR 8265.13 Lakhs (previous year INR Nil) and INR 3179.11 Lakhs (previous year INR Nil) respectively. Also refer note 45.

### (C) Security details

The term loans and short term credit facilities (working capital loans) from consortium banks are secured by way of joint mortgage of immovable properties of the Company situated at Plot No.2, GIDC Estate, Palej, Dist. Bahruch, Gujarat (India) both present and future, and by way of hypothecation of whole of movable property of the Company, including plant and machinery and other movables, both present and future (save and except inventories and book debts) whether installed or not, or in the course of transit by way of first charge to the lenders (subject to the first charge on specified movable assets created in favour of banks providing working capital finance) to rank on "pari-passu" basis. The borrowings are further secured by way of pledge in favour of the consortium bankers of equity shares of face value of INR 3192.14 Lakhs of the Company held by Spica Investments Ltd., Mauritius (holding company) and corporate guarantee of Spica Business Corp., Panama (the ultimate holding company). The Gujarat Electricity Board also holds pari passu charge on these assets alongwith bankers for Electricity Duty Deferment Loan from GEB disclosed at note 41A(ii)(d) as contingent liability.

The carrying amounts of assets pledged as security for current and non-current borrowings are as under:

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Inventories and trade receivables (to the extent pledged)	8,415.70	8,292.27
<b>Non Current</b>		
Property, plant & Equipment (see note 4) (immoveable assets)	1,341.44	1,394.58
Property, plant & Equipment (see note 4) (moveable assets)	4,048.16	4,489.41
Capital Work in Progress (see note 4)	0.87	171.23
Investment Properties (see note 5) (leasehold land)	41.82	42.07
Intangible assets (see note 6)	12.38	16.10
<b>Total</b>	<b>13,860.38</b>	<b>14,405.66</b>

### (D) Net Debt reconciliation

This section sets out analysis of net debt

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents	(95.99)	(71.33)
Liquid investments	(1.49)	(69.81)
Non current borrowings	4,639.99	4,264.96
Current borrowings	8,483.57	8,265.13
Other financial liabilities (Related to borrowings)	11,779.78	10,932.93
<b>Net debt</b>	<b>24,805.86</b>	<b>23,321.87</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 19. Other financial liabilities

Particulars	(INR in lakhs)			
	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Security deposits from customers/vendors	3.65	3.60	-	-
Accrued dividend on preference shares	-	-	4,869.78	4,435.13
Current maturities of long term debt *	-	-	-	-
Recalled term loan*	-	-	2,889.95	2,923.61
Interest accrued and due on term loans*	-	-	3,448.01	395.08
Interest accrued and due on short term borrowings*	-	-	572.04	3,179.11
Other expenses payable	-	-	933.36	467.33
Payable for capital goods	-	-	1,485.90	1,357.79
Amount repayable to holding company against Offer For Sale (OFS)	-	-	47.05	47.05
<b>Total</b>	<b>3.65</b>	<b>3.60</b>	<b>14,246.09</b>	<b>12,805.10</b>

\* refer note 18A and 18B

### 20. Provisions

Particulars	(INR in lakhs)			
	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits*	271.98	429.13	30.68	24.74
Provision for import duty (net of ITC)**	-	-	1,307.34	1,307.34
<b>Total</b>	<b>271.98</b>	<b>429.13</b>	<b>1,338.02</b>	<b>1,332.08</b>

\*For detailed disclosures on employee benefit plans, refer note 40.

\*\* The company has recognised probable estimated liability (net of ITC) towards import duty on materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence. The expected timing of the outflows is uncertain. The movement in provision for import duty is as follows:

Carrying amount at the beginning of the period	1,307.34	339.93
Add: additional provision made	-	967.41
Less: amount used / reversed	-	-
<b>Carrying amount at the end of the period</b>	<b>1,307.34</b>	<b>1,307.34</b>

### 21. Other liabilities

Particulars	(INR in lakhs)			
	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Deferred rental income	0.17	0.17	-	0.19
Liabilities towards custom duty/ clearing & forwarding for Import Consignment	875.68	-	-	-
Advances from customers	-	-	884.52	630.52
Statutory dues	-	-	418.87	322.93
<b>Total</b>	<b>875.85</b>	<b>0.17</b>	<b>1,303.39</b>	<b>953.64</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 22. Trade payables

Particulars	(INR in lakhs)	
	Current	
	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises *	2.87	3.21
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	-	-
Others	16,913.50	15,455.36
<b>Total</b>	<b>16,916.37</b>	<b>15,458.57</b>

\* Refer note no 34 A for disclosure under MSMED Act

### 23. Current tax liabilities

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Provision for income tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 23A Liabilities directly associated with assets classified as "held for sale"

Particulars	(INR in lakhs)			
	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Liabilities towards custom duty/ clearing & forwarding associated with assets held for sale*	-	-	-	875.68
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>875.68</b>

\* refer note 15



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 24. Revenue from operations

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of manufactured goods	186.69	4,627.69
Job work revenue	1,380.20	2,625.56
Other operating revenue	-	4.06
<b>Total</b>	<b>1,566.89</b>	<b>7,257.31</b>

### 25. Other income

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	44.59	47.06
Net gain on foreign currency transactions and translation	-	-
Insurance claim received	-	3.53
Net gain on sale of property, plant & equipments	-	71.35
Rental income	10.10	9.63
Others	38.80	13.08
<b>Total</b>	<b>93.49</b>	<b>144.65</b>

### 26. Cost of materials consumed

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Raw materials:</b>		
Opening stock	92.10	479.66
Add : Purchases	61.47	3,309.61
	<b>153.57</b>	<b>3,789.27</b>
Less : Closing stock	50.97	92.10
	<b>102.60</b>	<b>3,697.17</b>
<b>Packing materials consumed</b>	<b>6.65</b>	<b>9.33</b>
<b>Total</b>	<b>109.25</b>	<b>3,706.50</b>

### 27. Changes in inventories - Finished goods , Work in progress ( including cost incurred on jobwork )

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Closing stock:</b>		
Work-in-progress	1.87	3.66
Finished Goods	-	9.38
Scrap inventories	-	16.73
Work-in-progress (Cost incurred on jobwork)	-	61.45
	<b>1.87</b>	<b>91.22</b>
<b>Opening stock</b>		
Work-in-progress	3.66	476.78
Finished goods	9.38	587.07
Scrap inventories	16.73	316.56
Work-in-progress (Cost incurred on jobwork)	61.45	-
	<b>91.22</b>	<b>1,380.41</b>
<b>Stock movement (a)</b>	<b>89.36</b>	<b>1,289.19</b>
<b>Cost of goods produced and sold - Trial run (b)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>89.36</b>	<b>1,289.19</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 28. Employee benefits expenses

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages *	1,297.59	1,354.17
Contribution to provident & other funds	99.04	118.60
Staff welfare expenses	134.70	183.33
<b>Total</b>	<b>1,531.32</b>	<b>1,656.10</b>

\* During the year the Company has not provided the Sick leave liability.

### 29. Finance costs

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses - borrowings	494.72	2,060.58
Interest expenses - others	23.73	33.62
Dividend on redeemable preference shares	444.96	434.65
Exchange difference regarded as an adjustment to borrowing costs	99.16	54.15
Bank commission & charges	8.02	63.01
<b>Total</b>	<b>1,070.59</b>	<b>2,646.01</b>

### 30. Depreciation and amortisation

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	351.08	608.67
Amortisation of lease hold land	0.25	0.11
Amortisation of intangible assets	3.72	4.60
Amortisation of and depreciation on investment property	1.06	1.06
<b>Total</b>	<b>356.11</b>	<b>614.44</b>

### 31. Other expenses

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores and spares	248.28	504.59
Packing charges	81.20	169.88
Other manufacturing expenses	125.48	198.21
Power and fuel	1,014.88	1,592.94
Rent	2.63	9.04
Repairs to buildings	0.07	4.26
Repairs to plant and machinery	54.77	108.74
Repairs to others	-	1.69
Insurance	50.80	76.46
Rates and taxes	15.80	19.14
Conveyance and traveling expenses	38.76	61.37
Professional fees	12.18	82.34
Legal and Licenses fees	25.16	136.58
Commission on sales	1.53	8.62
Freight and forwarding on sales	4.58	102.66
Other marketing expenses	5.11	19.89
Amount written off (net)	82.00	-
Provision for doubtful debts	(263.47)	2,141.34
Audit fees	2.50	21.00
Directors' sitting fees	9.35	10.54
Net loss on sale of property, plant and equipment	126.43	-
Claims and Settlement	68.09	-
Donations	-	0.15
Net Loss on foreign currency transactions and translation	984.53	702.89
Miscellaneous expenses	159.23	199.10
<b>Total</b>	<b>2,849.90</b>	<b>6,171.43</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 31. Other expenses (Contd...)

#### (i) Payments to auditors (includes related to predecessor auditor)

##### As auditor

Audit fees	2.50	21.00
Reimbursement of expenses	-	0.64

#### (ii) CSR expenses

Since the Company is continually making losses since past few years, it is not required to incur any CSR expenses for both the years

### 32. Exceptional items

(INR in lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Impairment of plant and machinery held for sale*	(350.00)	-
Cost of SAP implementation project written off as its implementation is abandoned (see note 4)	-	(92.22)
Provision for import duty (net of ITC)**	-	(967.41)
<b>Total</b>	<b>(350.00)</b>	<b>(1,059.63)</b>

\* The company had recognised plant and machinery held for sale as impaired assets and the same is being written off since the company has relinquish his right against this assets to the Customs Authorities.

\*\* The company had recognised probable estimated liability (net of ITC) towards import duty on raw materials imported under advance licence benefit scheme against which export obligation have not been fulfilled before the period stipulated under the Licence.

### 33. Income tax expense/Deferred Tax

(INR in lakhs)					
Deferred Tax Liability	WDV As per income tax	WDV As per Books	Difference	Tax Rate in %	DTL
Depreciation	2220.22	5353.29	3133.07	26.000	814.60
<b>DTA</b>					<b>814.60</b>
Deferred Tax Assets	Closing Balance		Tax Rate in %	DTA	
43 B Disallowances	4,713.43		26.000	1,225.49	
Provision for Contingent Liabilities	2,587.01		26.000	672.62	
Bad Debts Provisions	2,158.10		26.000	561.11	
Unabsorbed business losses	9,084.26		26.000	2,361.91	
Unabsorbed depreciation	13,981.93		26.000	3,635.30	
<b>DTA</b>				<b>8,456.43</b>	
<b>NET DTA/DTL (see note below)</b>				<b>-</b>	

DTA is not recognised since the company does not have any reasonable certainty that sufficient future taxable income would be available against which such deferred tax assets can be realised.

### 34. Earnings per share

Basic earnings per share is calculated by dividing the net profit/ (loss) for the year available for equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/ (loss) for the year available for equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss as per the statement of profit and loss available for equity shareholders (INR in lakhs)	(4,696.15)	(9,741.34)
Weighted average number of equity shares for EPS computation	4,25,61,822	4,25,61,822
Basic and diluted earnings/(loss) per share (INR)	(11.03)	(22.89)

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

34A. Disclosure under the Micro, small and medium enterprises development Act, 2006 ("MSMED Act") are provided as under, to the extent the company has received intimation from the "suppliers" regarding their status under the act

Particulars	(INR in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Principal amount & the interest due there on remaining unpaid to each supplier as at the year end of each accounting year .	2.87	3.21
Principal amount due to micro & small enterprise (within due date as per MSMED Act)	-	-
Principal amount due to micro & small enterprise (other than above)	2.50	2.99
Interest due on above	0.37	0.22
(ii) Interest paid by the company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the period.		7.64
(iii) Interest due & payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting Year.	0.37	0.22
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.37	0.22

Note : Details and dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 35. Financial instruments

#### (A) Accounting Classification and Fair values:

(A) Accounting Classification and Fair values:										(INR in lakhs)
As at 31 March 2020	Non-Current/ Current	Carrying Amount			Total	Fair value				
		FVTPL	FVTOCI	Cost/ Amortised Cost		Level 1	Level 2	Level 3	Total	
Financial Assets:										
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	52.74	52.74	-	-	-	-	-
Loans	Current	-	-	201.86	201.86	-	-	-	-	-
Trade receivables	Current	-	-	7,046.32	7,046.32	-	-	-	-	-
Cash and cash equivalents	Current	-	-	95.99	95.99	-	-	-	-	-
Other bank balances	Current	-	-	1.49	1.49	-	-	-	-	-
Other financial assets	Current	-	-	293.75	293.75	-	-	-	-	-
Total Financial Assets		-	-	7,692.15	7,692.15	-	-	-	-	-
Financial Liabilities:										
Borrowings	Non-current	-	-	4,639.99	4,639.99	-	-	-	-	-
Others financial liabilities	Non-current	-	-	3.65	3.65	-	-	-	-	-
Borrowings [including current maturities and interest]	Current	-	-	20,263.35	20,263.35	-	-	-	-	-
Trade payables	Current	-	-	16,916.37	16,916.37	-	-	-	-	-
Other financial liabilities	Current	-	-	2,466.31	2,466.31	-	-	-	-	-
Total Financial Liabilities		-	-	44,289.67	44,289.67	-	-	-	-	-
As at 31 March 2019										
As at 31 March 2019	Non-Current/ Current	Carrying Amount			Total	Fair value				
		FVTPL	FVTOCI	Cost/ Amortised Cost		Level 1	Level 2	Level 3	Total	
Financial Assets:										
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	45.80	45.80	-	-	-	-	-
Loans	Current	-	-	177.61	177.61	-	-	-	-	-
Trade receivables	Current	-	-	6,720.96	6,720.96	-	-	-	-	-
Cash and cash equivalents	Current	-	-	71.33	71.33	-	-	-	-	-
Other bank balances	Current	-	-	69.81	69.81	-	-	-	-	-
Other financial assets	Current	-	-	37.79	37.79	-	-	-	-	-
Total Financial Assets		-	-	7,123.30	7,123.30	-	-	-	-	-
Financial Liabilities:										
Borrowings	Non-current	-	-	4,264.96	4,264.96	-	-	-	-	-

## Steelco Gujarat Limited

### Notes to the financial statements for the year ended 31 March 2020

Others financial liabilities	Non-current	-	-	3.60	3.60	-	-
Borrowings [including current maturities and interest]	Current	-	-	19,198.06	19,198.06	-	-
Trade payables	Current	-	-	15,458.57	15,458.57	-	-
Other financial liabilities	Current	-	-	1,872.17	1,872.17	-	-
<b>Total Financial Liabilities</b>		-	-	<b>40,797.36</b>	<b>40,797.36</b>	-	-

The only financial instrument measured at FVTOCI using Level 3 inputs is the unquoted equity instrument, the fair value of which was ascertained to be Nil as of 1 April 2016 and subsequently at all the reporting dates presented. Hence, reconciliation of fair value changes for the same is not presented. Except as mentioned above, the company does not have any assets or liability measured at fair value either as FVTPL or FVTOCI, hence disclosure in respect of valuation at fair value and basis/ techniques used to determine fair value are not given.

#### (B) Fair value of the assets measured at amortised cost:

Financial assets and financial liabilities measured at amortised cost for which fair value are disclosed:

##### Financial Assets:

The carrying value of trade receivables, loans and advances and other financial assets, cash and cash equivalents, other bank balance etc. are considered to be approximately equal to the fair values.

##### Financial Liabilities:

Fair values of Loans from banks and others, other financial liabilities, trade payables etc. are considered to be approximately equal to the carrying values.

## 36. Financial Risk Management

### Risk Management framework

The Company is exposed to various risk in relation to financial instruments. The Company's financial asset and liabilities are summarised by category in note 35. The main types of risks to which the Company is exposed are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 36. Financial Risk Management (Contd...)

#### (A) Credit risk

A Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial assets such as trade receivables, security deposits, other receivables etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types financial assets:

- Trade receivables
- Fixed deposits with banks
- Cash and cash equivalents
- Other financial assets measured at amortised cost

The Company continuously monitors defaults of customers and other counterparties, identified either individual or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with credit worthy counterparties.

#### a) Credit risk management

##### Cash and cash equivalent and Fixed deposits with banks

Credit risk related to cash and cash equivalents is managed by selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

##### Trade receivables

In case of export sales, credit risk related to trade receivables are mitigated by taking letter of credit from the overseas customers or making sales against advances where credit risk is high. The Company closely monitors the credit-worthiness of the customers and only sells goods to credit-worthy parties.

##### Other financial assets measured at amortized cost

Other financial assets measured at amortised cost includes security deposits, export incentives receivables and others. The Company does not see any credit risks from export incentives receivables since the counter party involved is government authorities. Credit risk related to other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses

Company provides expected credit losses based on the following

##### Trade receivables

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach and uses historical information to arrive at loss relevant to each category of trade receivables:

Ageing (As at 31 March 2020)	(INR in lakhs)						
	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 365 days	More than one year	Total
Gross carrying amount	-	-	-	41.41	14.33	9,148.69	9,204.43
Expected credit loss provision	-	-	-	-	-	2,158.10	2,158.10
Carrying amount of trade receivables (Net of impairment)	-	-	-	41.41	14.33	6,990.59	7,046.32

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

Ageing (As at 31 March 2019)	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 365 days	More than one year	Total
Gross carrying amount	302.02	10.12	7.70	24.47	4.26	8,793.96	9,142.53
Expected credit loss provision	-	-	-	-	-	2,421.57	2,421.57
<b>Carrying amount of trade receivables (Net of impairment)</b>	<b>302.02</b>	<b>10.12</b>	<b>7.70</b>	<b>24.47</b>	<b>4.26</b>	<b>6,372.39</b>	<b>6,720.96</b>
<b>Reconciliation of Expected credit loss provision</b>							
<b>Particulars</b>	<b>(INR in lakhs)</b>						
As at 1 April 2018	280.23						
Changes in provision	-						
As at 31 March 2019	<b>2,421.57</b>						
Changes in provision	(263.47)						
As at 31 March 2020	<b>2,158.10</b>						

### (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 36. Financial Risk Management (Contd...)

#### Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities and the amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities as at 31 March 2020	(INR in lakhs)			
	Less than 1 year	1-2 year	2-3 year	More than 3 years
Borrowings*	2,468.16	19,198.06	739.99	4,141.63
Trade payable	-	17,023.49	-	-
Other payables	-	2,479.05	-	-
<b>Total</b>	<b>2,468.16</b>	<b>38,700.60</b>	<b>739.99</b>	<b>4,141.63</b>

Contractual maturities of financial liabilities as at 31 March 2019	(INR in lakhs)			
	Less than 1 year	1-2 year	2-3 year	More than 3 years
Borrowings*	19,198.06	123.33	616.66	3,524.97
Trade payable	15,458.57	-	-	-
Other payables	1,875.77	-	-	-
<b>Total</b>	<b>36,532.40</b>	<b>123.33</b>	<b>616.66</b>	<b>3,524.97</b>

\* In case of defaulted term loans from banks included in borrowings, contractual maturities are beyond 12 months period, however same has become repayable on demand due to default event occurring during the year ended 31 March 2020.

#### (C) Market Risk

##### a) Foreign currency risk

Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's loan from holding company, trade receivables in case of export sales and trade payables denominated in Euro and USD. To mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

##### Foreign currency risk exposure:

The Company's significant exposures to foreign currency risk at the end of the reporting period expressed in INR in lakhs are as follows

Particulars	As at 31 March 2020		As at 31 March 2019	
	USD	Euro	USD	Euro
<b>Financial assets</b>				
Trade receivables	7,712.78	21.20	8,298.02	28.65
<b>Net exposure to foreign currency risk (assets)</b>	<b>7,712.78</b>	<b>21.20</b>	<b>8,298.02</b>	<b>28.65</b>
<b>Financial liabilities</b>				
Borrowings	853.07	-	739.99	-
Trade payables	15,809.01	-	14,695.93	-

## Steelco Gujarat Limited

### Notes to the financial statements for the year ended 31 March 2020

Payable for Capital Goods	1,485.90	1,357.79
Advance from Customers	587.67	587.67
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>18,735.65</b>	<b>17,381.38</b>

#### Sensitivity

The following table illustrates the sensitivity of profit and equity with respect to the Company's financial assets and financial liabilities. For the year ended 31st March 2020, the company assumes 5.00% (31 March 2019: 5.00%) change of the INR/USD exchange rate and 5.00% (31 March 2019: 5.00%) change for INR/EUR exchange rate with all other variables held constant.

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>USD sensitivity</b>		
5.00% (5.00%) appreciation	551.14	454.17
5.00% (5.00%) depreciation	(551.14)	(454.17)
<b>Euro sensitivity</b>		
5.00% (5.00%) appreciation	1.06	1.43
5.00% (5.00%) depreciation	1.06	(1.43)

#### b) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings i.e. loan from holding company and redeemable preference shares are at fixed interest rates. The Company does not have any investments in bond or money markets and hence it is not exposed to any interest rate changes in financial assets. The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2020 (31 March 2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 36. Financial Risk Management (Contd...)

#### (i) Liabilities

##### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Variable rate borrowing	24,903.34	23,463.02
Fixed rate borrowing	-	-
<b>Total</b>	<b>24,903.34</b>	<b>23,463.02</b>

##### Sensitivity analysis

Below is the sensitivity of profit or loss and equity changes in interest rates. Increase in interest rates will have negative impact on profit and loss and equity. Conversely, decrease in interest rates will have positive impact on profit and loss and equity.

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points	(249.03)	(234.63)
Interest rates – decrease by 100 basis points	249.03	234.63

#### (ii) Assets

The company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

##### Interest rate risk exposure

Below is the overall exposure of the financial assets:

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	54.23	115.61
<b>Total</b>	<b>54.23</b>	<b>115.61</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 37. Capital management

The Company's capital management objectives are

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Net debts	24,806	23,322
Total equity	(32,889)	(28,360)
Net debt to equity ratio	-	-
<b>Dividends</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
(i) Dividend on Equity shares	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 38. Operating segment information

(a) The Company has identified manufacture of steel products (including on jobwork basis) as its sole business segment. Hence the segment wise information and reconciliation to the items in the financial statements has not been presented separately.

#### (b) Geographical information

The Company has its operations in India with customers spread across India and outside India as well.

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets has been based on location of assets.

#### (i) Revenue from external customers

(INR in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
India	1,566.89	5,932.55
Outside India	-	1,324.76
<b>Total revenue as per statement of profit or loss</b>	<b>1,566.89</b>	<b>7,257.31</b>

#### (ii) Non-current assets

(INR in lakhs)

Non-current operating assets *	For the year ended 31 March 2020	For the year ended 31 March 2019
India	5,819.32	6,696.58
Outside India	-	-
<b>Total Non-current assets</b>	<b>5,819.32</b>	<b>6,696.58</b>

\*The total of non current assets other than financial assets and deferred tax assets.

#### (c) Major customers

(INR in lakhs)

Party name	For the year ended 31 March 2020
International Electron Devices Ltd	65.54
Jsn Trading	41.11
Kbc Steel Pvt. Ltd	45.87
Kamrup Roofings Limited, Guwahati	25.55
Metal Burkina	17.92
Continental Inland Traders	16.90
R.S.Steel Industries	12.68
Gandevi Tube Ind.Pvt.Ltd.(Job Work Chg)	10.75
Jindal Iron & Steel Co. Ltd.	10.32
M P Udyog	9.89
<b>Total</b>	<b>256.54</b>

Party name	For the year ended 31 March 2019
Genesis Steel Corporation	1,101.75
Jsn Trading	847.40
Saraf Real Infra Pvt. Ltd.	619.74
G J B Trading Co. (LLC)	503.95
Abhay Ispat (India) Pvt. Ltd.	472.08
Pramila Impex	458.52
M P Udyog	418.35
Krishna Coil Cutter Pvt. Ltd.	363.37
Lily Impex	224.46
Deepak Commercial Brokerage	181.58
<b>Total</b>	<b>5,191.20</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 39. Related parties disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

a) Ultimate holding company	Spica Business Corp, Panama
b) Holding company	Spica Investment Limited, Mauritius
c) Fellow Subsidiaries	Steelco Colour Coating Limited Gujarat Nippon Enterprises Private Limited Gujarat Nippon International Private Limited
d) Key management personnel (KMP)	
<b>Name of person</b>	<b>Nature of relationship</b>
Mr. Praful Chandaria	Non-Executive Director (w.e.f. 07.03.2018 up to 30.03.2019, appointed again w.e.f. 15.05.2019)
Mr. Vimal Chandaria	Non-Executive Director (up to 05.03.2018)
Mr. Rashmi Chandaria	Non-Executive Director (up to 29.07.2017)
Mr. Amish H. Mehta	Non-Executive Director (w.e.f. 24.05.2017)
Mr. Lakshminarayanan Venkataraman	Non-Executive Independent Director (w.e.f. 28.03.2018 up to 05.07.2018)
Mr. Mahendra Lodha	Non-Executive Independent Director (up to 26.02.2018)
Mr. Jatinder Mehra	Non-Executive Independent Director (up to 02.02.2018)
Mr. S. S. Ranjan	Non-Executive Independent Director (up to 24.05.2017)
Mrs. Ameeta Trehan	Non-Executive Independent Director
Mr. Ajay P. Shanghvi	Non-Executive Independent Director (w.e.f. 04.08.2018)
Mr. Jiban Goswami	Nominee Director (up to 29.03.2018)
Mr. Mitesh H. Shah	Managing Director
Mr. Hament K. Nandawat	Chief Financial Officer (w.e.f. 17.09.2018 up to 06.01.2020)
Mr. Saurabh Jog	Chief Financial Officer (w.e.f. 07.07.2018 up to 15.09.2018)
Mr. Abhishek Jajoo	Chief Financial Officer (up to 06.07.2018)
Mr. Achal Thakkar	Company Secretary (w.e.f. 29.08.2015 up to 26.08.2019)
Mr. Dimesh Jhala	Company Secretary (w.e.f. 05.08.2019 up to 31.12.2019)

e) Relatives of KMP No transaction with relatives

f) Enterprises significantly influenced by Directors and/or their relatives: -

g) Transactions with related parties

(INR in lakhs)						
Sr. No.	Nature of transaction	Year	Holding/ Subsidiary companies	Fellow subsidiary companies	Enterprise significantly influenced by group of individuals or their relatives who have significant influence over the Company	Total
<b>Transactions during the year</b>						
1	<b>Purchase of spares</b>					
	Gujarat Nippon International Private Limited	2019-2020	-	-	-	-
		2018-2019	-	(4.60)	-	(4.60)
2	<b>Rent Expense</b>					
	Gujarat Nippon International Private Limited	2019-2020	-	-	-	-
		2018-2019	-	(1.25)	-	(1.25)
3	<b>Finance Cost</b>					
	Spica Business Corp., Panama	2019-2020	113.08	-	-	113.08
		2018-2019	(118.79)	-	-	(118.79)
	Spica Investment Limited, Mauritius	2019-2020	10.31	-	-	10.31
		2018-2019	(9.96)	-	-	(9.96)
4	<b>Preference dividend accrued during the year</b>					
	Spica Investment Limited, Mauritius	2019-2020	444.96	-	-	444.96
		2018-2019	(434.65)	-	-	(434.65)
5	<b>Excess remuneration paid, accounted as recoverable</b>					
	Mr. Mitesh H. Shah	2019-2020	-	-	-	24.25
		2018-2019	-	-	-	42.86

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

AJAY PRATAPRAY SHANGHAVI

### 39. Related parties disclosures (Contd...)

Sr. No.	Nature of transaction	Year	Holding/ Subsidiary companies	Fellow subsidiary companies	Enterprise significantly influenced by group of individuals or their relatives who have significant influence over the Company	KMPs and relative of KMP	Total
Balances as at the balance sheet		Dinesh Singh Zalk					
1	Receivables						
	Mr Mitesh Shah	31.03.2020	-	-	-	201.86	201.86
		31.03.2019	-	-	-	177.61	177.61
2	Payables						
	Unsecured loan from Spica Business Corp., Panama (foot note c)	31.03.2019	1,104.72	-	-	-	1,104.72
		31.03.2018	(739.99)	-	-	-	(739.99)
	Liability component of preference shares issued to Spica Investment Limited, Mauritius (foot note d)	31.03.2019	3,535.27	-	-	-	3,535.27
		31.03.2018	(3,524.97)	-	-	-	(3,524.97)
	Accrued dividend on preference shares issued to Spica Investment Limited, Mauritius (foot note e)	31.03.2019	4,869.78	-	-	-	4,869.78
		31.03.2018	(4,435.13)	-	-	-	(4,435.13)
	Payable towards amount received towards OFS to Spica Investment Limited, Mauritius (foot note f)	31.03.2019	47.05	-	-	-	47.05
		31.03.2018	(47.05)	-	-	-	(47.05)
	Trade payable -Gujarat Nippon International Private Limited	31.03.2019	-	34.20	-	-	34.20
		31.03.2018	-	(103.89)	-	-	(103.89)
3	Guarantees						
	Guarantees given in favour of bankers by Spica Business Corp., Panama	2018-2019	25,373.00	-	-	-	25,373.00
		2017-2018	(25,372.00)	-	-	-	(25,372.00)
4	Pledge of shares						
	Aggregate face value of equity shares pledged in favour of bankers by Spica Investment Limited, Mauritius	2018-2019	3,192.14	-	-	-	3,192.14
		2017-2018	3,192.14	-	-	-	3,192.14

#### Foot notes to transactions with related parties:

- Previous year figures are given in brackets.
- Above all transactions are excluding Goods & Service Tax/ Service Tax
- Represents the amount shown under the heading non current borrowings. It will be settled at USD 12.00 lakhs. For terms and condition see note 18.
- Represents the amount shown under the heading non current borrowings. It will be settled at INR 3535.27 lakhs. For terms and condition see note 18.
- Represents the amount shown under the heading non current borrowings. For terms and condition see note 18.
- Represents the amount shown under the heading other financial liabilities. See note 19.
- Except as stated otherwise above, the amount outstanding are unsecured and will be settled in cash or kind. No expense has been recognised in current year or prior years for bad or doubtful debts in respect of the amounts owned by related parties.

#### (g) Remuneration to KMP's

The details of remuneration to key managerial personnel recognised during the year is as below:

(INR in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Short term employee benefit	157.68	155.82
Post employment benefit	34.36	13.81
Other long term employee benefit	3.68	0.74
<b>Total</b>	<b>195.72</b>	<b>170.37</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 40. Employee benefit obligations

#### (A) Defined contribution plan

##### Provident fund

The Company contributes to a statutory provident fund. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards provident fund is INR 89.85 lakhs (31 March 2018: INR 91.05 lakhs).

#### (B) Defined benefit plans

##### (a) Sick leaves (non-funded)

The employees of the Company are entitled to sick leave as per the leave policy of the Company which shall be encashed by the employees during the tenure of their services to a maximum limit of 30 sick leaves beyond which the leaves are lapsed. During the year, the Company has not provided liability for the sick leave. The provision as on 31 March 2019 includes INR 4.53 lakhs (classified as current INR 0.60 Lakhs and as non current INR 3.92 Lakhs).

##### (b) Gratuity (non-funded)

I. Changes in present value of obligations (PVO)			(INR in lakhs)
Particulars	As at 31 March 2020	As at 31 March 2019	
PVO at beginning of year	344.40	294.22	
Interest cost (net)	25.38	21.42	
Current service cost	20.94	20.61	
Past service cost	-	-	
Benefit payments from employer	(9.10)	(17.18)	
Remeasurements - Due to financial assumptions	21.83	(3.72)	
Remeasurements - Due to experience adjustments	(76.51)	29.05	
PVO at end of year	326.93	344.40	
II. Amounts to be recognised in balance sheet			
Funded status	-	-	
Non-funded status	326.93	344.40	
Net asset/(liability) recognised in the balance sheet	326.93	344.40	
III. Expenses recognised in the statement of profit and loss			
Current service costs	20.94	20.61	
Past service cost	-	-	
Net interest	25.38	21.42	
Expenses recognised in the statement of profit and loss	46.31	42.03	
IV. Actuarial gains/loss recognised in other comprehensive income			
Remeasurements - Due to financial assumptions	21.83	(3.72)	
Remeasurements - Due to experience adjustments	(76.51)	29.05	
Actuarial (gains)/losses recognised for the period	(54.68)	25.33	
V. Movements in liability recognised in balance sheet			
Opening net liability	344.40	294.22	
Defined Benefit Cost included in Profit and loss account	46.31	42.03	
Total Remeasurements included in OCI	(54.68)	25.33	
Employer Direct Benefit Payments	(9.10)	(17.18)	
Closing net liability	326.93	344.40	
VI. Classification in the balance sheet			
Current liability	17.39	17.16	
Non-current liability	309.55	327.24	
VII. Assumptions used in actuarial valuations			
Assumptions as at	As at 31 March 2020	As at 31 March 2019	
Financial assumptions			
-Discount Rate	6.84%	7.63%	
-Salary Escalation	4.00%	4.00%	
Demographic assumption			
-Mortality Rate	100%	100%	
-Disability Rate	0%	0%	
-Withdrawal Rate	1%	1%	
-Normal Retirement Age	58 Years	58 Years	
-Adjusted Average Future Service	11.00	15.97	



## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 40. Employee benefit obligations (Contd...)

#### (B) Defined benefit plans

##### AJAY PRATAPRAY SHANGHAVI

I. Changes in present value of obligations (PVO)		(INR in lakhs)	
Particulars		As at 31 March 2020	As at 31 March 2019
<b>PVO at beginning of year</b>		104.94	87.73
Interest cost (net)	Dinesh Singh Zala	14.28	6.14
Current service cost		17.54	12.75
Past service cost		-	-
Benefit payments from employer		(4.92)	(11.67)
Remeasurements - Due to financial assumptions		5.41	(1.00)
Remeasurements - Due to experience adjustments		(57.06)	10.99
<b>PVO at end of year</b>		<b>80.20</b>	<b>104.94</b>
<b>II. Amounts to be recognised in balance sheet</b>			
Funded status		-	-
Non-funded status		104.94	104.94
<b>Net asset/(liability) recognised in the balance sheet</b>		<b>104.94</b>	<b>104.94</b>
<b>III. Expenses recognised in the statement of profit and loss</b>			
Current service costs		17.54	12.75
Net interest		14.28	6.14
<b>Expenses recognised in the statement of profit and loss</b>		<b>31.83</b>	<b>18.89</b>
<b>IV. Actuarial gains/loss recognised in other comprehensive income</b>			
Remeasurements - Due to financial assumptions		5.41	(1.00)
Remeasurements - Due to experience adjustments		(57.06)	10.99
<b>Actuarial (gains)/losses recognised for the period</b>		<b>(51.64)</b>	<b>9.99</b>
<b>V. Movements in liability recognised in balance sheet</b>			
Opening net liability		104.94	87.73
Defined benefit cost included in profit and loss account		31.83	18.89
Total remeasurements included in OCI		(51.64)	9.99
Employer direct benefit payments		(4.92)	(11.67)
<b>Closing net liability</b>		<b>80.20</b>	<b>104.94</b>
<b>VI. Classification in the balance sheet</b>			
Current liability		6.40	6.98
Non-current liability		73.81	97.96
<b>VII. Assumptions used in actuarial valuations</b>			
Assumptions as at		As at 31 March 2020	As at 31 March 2019
<b>Financial assumptions</b>			
-Interest/discount rate		6.84%	7.63%
-Rate of increase in compensation		4.00%	4.00%
<b>Demographic assumption</b>			
Mortality		100%	100%
-Disability Rate		0%	0%
-Attrition Rate		1%	1%
-Normal Retirement Age		58 Years	58 Years
-Leave avallment Rate		2%	2%
-Leave Encashment Rate during employment		0%	0%

#### (C) Risk exposures

- (i) **Salary risk:** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- (ii) **Discount rate risk:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- (iii) **Mortality and disability risk:** Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- (iv) **Withdrawals risk:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 40. Employee benefit obligations (Contd...)

#### (D) Sensitivity analysis

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

Gratuity (non-funded)						
31 March 2020						
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate	
Sensitivity level	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>
	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)
Impact on defined benefit obligation	(24.54)	27.65	30.06	(27.02)	4.69	(5.15)
Gratuity (non-funded)						
31 March 2018						
Assumptions	Discount rate		Salary escalation rate		Withdrawal Rate	
Sensitivity level	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>
	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)
Impact on defined benefit obligation	(26.64)	30.11	32.02	(28.63)	7.17	(7.90)
Leave Encashment (non-funded)						
31 March 2020						
Assumptions	Discount rate		Salary escalation rate		Attrition rate	
Sensitivity level	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>
	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)
Impact on defined benefit obligation	(5.18)	5.79	10.34	(2.22)	0.43	(0.49)
Leave Encashment (non-funded)						
31 March 2019						
Assumptions	Discount rate		Salary escalation rate		Salary escalation rate	
Sensitivity level	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>	1% <sub>o</sub>	-1% <sub>o</sub>
	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)	(INR in lakhs)
Impact on defined benefit obligation	(7.19)	8.06	11.26	(5.84)	2.04	(2.23)

#### (E) Weighted average duration of the defined benefit plan obligation:

	31 March 2020	31 March 2019
Gratuity	10.97 Years	11.71 Years
Leave Encashment	9.63 Years	10.53 Years

#### (F) Expected employer's contribution in future years for gratuity and leave encashment are as follows:

	(INR in lakhs)				
As at 31 March 2020	Less than a year	Between 1-2 years	Between 2-5 years	Beyond 5 Years	Total
Gratuity	17.39	14.86	66.23	200.02	298.49
Leave encashment	6.40	6.34	21.59	46.18	80.51
<b>Total</b>	<b>23.79</b>	<b>21.20</b>	<b>87.81</b>	<b>246.20</b>	<b>379.01</b>
As at 31 March 2019	Less than a year	Between 1-2 years	Between 2-5 years	Beyond 5 Years	Total
Gratuity	17.16	21.76	60.53	214.89	314.34
Leave encashment	6.98	7.61	23.19	77.03	114.81
<b>Total</b>	<b>24.14</b>	<b>29.37</b>	<b>83.72</b>	<b>291.92</b>	<b>429.15</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 41. Contingent liabilities and commitment

#### (A) Contingent liabilities

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
(i) In respect of guarantees given by Banks and/or counter guarantees given by the Company	313.99	313.99
(ii) Other money for which the company is contingent liable:		
(a) In respect of the demands raised by the Central Excise, State Excise & Service Tax Authority	1,251.20	630.57
(b) In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals/Courts.	938.23	838.35
(c) Letters of credit	-	-
(d) Interest on electricity duty deferment loan (for charge created in favour of Collector of Electricity Gandhinagar refer note 18(c)). The matter is pending before Hon. Gujarat High Court	39.80	39.80
(e) Labour matters	40.80	40.80
(f) Liability of import duty on raw materials imported under advance licence benefit scheme against which export obligation remained to be fulfilled over the period stipulated under the licenses / formalities are yet not completed. (net of amount provided for)	14,986.68	2,704.00
(g) Interest and penalty on matters disclosed at (f) above and in respect of amount already provided for.	Not Ascertained	Not Ascertained
(h) Interest waived under CDR package, payable under recompense clause (refer note - iv below)	1,272.90	1,272.90
(i) Penal interest and other dues in respect of borrowing facilities classified as NPA by bankers (except Canara Bank)	Not Ascertained	Not Ascertained
(j) DFGT liabilities for Non-Fulfillment of EODC Obligation against Advance Licences	2,500.00	-
<b>Total</b>	<b>21,343.60</b>	<b>5,840.41</b>

(iii) Central Board of excise & customs ("CBEC") vide its office memorandum dated 22 February 2011 has clarified that where the cenvat credit is availed in respect of goods exported under the duty free import authorisation ("DFIA"), if the said credit without being utilised is reversed or paid back along with interest after the goods are cleared for export, it will be treated as if such credit is availed by the assessee. Being aggrieved by issue of such memorandum in respect of benefits claimed by the Company on DFIA, the Company has filed a writ petition in Hon. Bombay High Court challenging the memorandum issued by CBEC, which is decided in favour of the Company, based on the facts of the case and prevalent legal position and Foreign Trade Policy. However, central excise department has filed special leave petition in the Hon. Supreme Court challenging the above decision of the Hon. Bombay High court, which has been admitted by Hon. Supreme court. The company has been advised by its legal adviser that the stands of excise department is not tenable, hence there would not be any financial liabilities arising on the company.

(iv) The company and the CDR lenders executed a CDR Restructuring Package ('CDR Package') during the financial year ending March 31, 2013. The CDR Package as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR proposal. SBI, one of the lenders, has demanded (vide SARFAESI notice) repayment of CDR sacrifice of INR 630 Lakhs (included in INR 1,272.90 Lakhs) and additional interest thereon of INR 548 Lakhs. As the company is negotiating the OTS proposal, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities by way of note as the recompense amount payable including further interest demanded by the lenders from the company is contingent upon the exit / acceptance of its OTS proposal, the outcome of which currently is materially uncertain.

#### (B) Commitments

Particulars	(INR in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2020

### 42. Corporate Insolvency Resolution Process (CIRP)

(a) Pursuant to the directive of Reserve Bank of India (RBI) dated 15th June, 2017, State Bank of India (SBI), the lead lender for consortium of lenders filed an application under Section-7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy Code, 2016 (IBC) at Honourable National Company Law Tribunal (NCLT) at Ahmedabad to initiate Insolvency Resolution Process of the Company.

Honourable NCLT, Ahmedabad vide its order dated 31st December, 2020 admitted the said petition thus initiating Insolvency Process at the company. Accordingly Hon'ble NCLT, Ahmedabad bench appointed Mr. Nirav Tarkas, as Interim Resolution Professional to carry the function as mentioned under Insolvency and Bankruptcy Code, 2016. Since, then the affairs of the company are being managed by Mr. Nirav Tarkas, Interim Resolution Professional (IRP).

(b) As per Section 20 of the Insolvency Code 2016, the management and operations of the company are being managed by IRP Mr. Nirav Tarkas on going concern basis and accordingly the financial statements for the year ended 31st March, 2020 have been prepared on Going Concern Basis.

43. The Manufacturing operations of the plant were adversely affected during the year ended 31st March 2020 due to constrained working capital funds position of the Company. During the current year the business operations mainly comprised of manufacturing on the Job work basis as against own manufacturing and sale of manufactured goods. Also this manufacturing on the Job work basis has been stopped with effect from November 2019, and there is no operation in the Company since then.

44. The aggregate amount outstanding to all member banks as per the books of accounts of the Company (including accrued interest) is Rs. 15393.56 Lakhs. The Company has defaulted in repayment of dues including interest to all of its consortium banks, who have issued notices under section 13(2) of the Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act 2002 (SARFESI Act). These bankers have classified the accounts as NPAs and recalled entire facilities granted to the Company including interest/penal interest etc. As disclosed in Note 18, virtually the entire properties / assets of the company and promoters holding are charged/pledge to the bankers for the due repayment of the bankers due.

Due to defaults in repayment of dues to the bankers, restrictions are placed on the operations in current accounts such that specific approval by State Bank of India (Consortium leader) is required for each individual payment to be made from the current accounts.

Except in case of Canara Bank, the Company has not provided for the penal interest on outstanding due of the bankers, the amount of which is not ascertained.

Since the Company is under CIRP Process, the contention of Resolution Professional is that the Company should not provide the Interest accrue and due on the recalled facilities but as per Auditor's contention there is an contractual obligation between the Company and the lender bank and interest should be charged. Had the Company has provided the interest on this recalled facility for the year ended 31st March 2020, the net loss of the Company would have been higher by INR 1626.05 Lakhs.

45. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of yearly/ quarterly audited financial results and that these figures could change during the CIRP process or thereafter depending upon the findings made during the CIRP process or thereafter.

46. List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received till 31st January, 2021 present to public announcement made on 8th January 2021 in accordance with section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.



## Steelco Gujarat Limited

### Notes to the financial statements for the year ended 31 March 2020

47. CDR package dated 27th June 2012 stipulates that the lenders have right to reverse waivers amounting to Rs. 1273 Lakhs in the event of non-compliance of the terms of CDR package. SBI, one of the lenders, has demanded (vide SARFAESI notice) repayment of CDR sacrifice of Rs. 630 Lakhs (included in Rs. 1273 Lakhs) and additional interest thereon of Rs. 548 Lakhs. As the Company is currently in Insolvency Process under IBC, the Company has not provided for these liabilities in the books of account but disclosed the same as contingent liabilities by way of note.

48. The trade receivable include balance aggregating Rs. 7733.98 Lakhs in foreign currency, which are pending for settlement and have resulted in delays in receipt beyond the timeline stipulated by the FED Master Direction No. 16/2015-16 under Foreign Management Act, 1999. Further there are balances payable to the same parties and aggregating Rs. 5682.36 Lakhs. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The Management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulator authorities.

49. The trade payable include balance aggregating Rs. 15,809.01 Lakhs in foreign currency, which are pending for settlement and have resulted in delays in payment beyond the timeline stipulated by the FED Master Direction No. 17/2015-16 under Foreign Management Act, 1999. The Company has filed necessary applications with the appropriate authority for condonation of such delays. The Management is of the view that the possible penalties etc. which may be levied for such irregularities are likely to be condoned by the regulator authorities.

50. The trade receivables of Rs. 7046.32 Lakhs have significant increase in credit risk, in respect of which the Company has not made any assessment for expected credit loss, in accordance with the requirements of 'Ind AS 109'. Financial Instruments', as the management considers such balances as good and recoverable in future. The matter is disclosed under basis of disclaimer of opinion in the independent auditor's audit report.

51. The Company has not performed an impairment assessment as required by Ind AS 16 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of tangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets. In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the tangible asset and adjustments required, if any, to standalone financial statements.

52. In view of losses incurred, the Company has spent Nil towards schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

53. On account of closure of the operation of the Company since November 2019, the plant is shut down since then. The net realizable value of these plant and machinery as estimated by the management is in excess of its carrying value as per books of accounts of the company. The management of the company has assessed whether any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment and, therefore, Considering all relevant factors, the management has determined that there is no impairment loss which needs to be provided for.

54. Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

55. Confirmation letters have not been obtained from all the parties in respect of Trade Payable, Accordingly, the balances of the accounts are subjects to confirmation, reconciliation and consequent adjustments, if any.

56. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

57. As the powers of the Board of Directors have been suspended, the financial statements have not been adopted by the Board of Directors. However, the same have been signed by the designated officials of the Company confirming the accuracy and completeness of the statements. These financial statements have thereafter been taken on record by Mr. Nirav Tarkas, Interim Resolution Professional (IRP).

The accompanying notes 1 to 56 form an integral part of the financial statements

This is the balance sheet referred to in our audit report of even date.

**For M Sahu & Co**

Chartered Accountants  
Firm Registration No. 130001W

**Manojkumar Sahu**  
Partner  
M. No. 132623  
UDIN: 21132623AAABLZ9325

Place: Vadodara  
Date: 23rd July 2021

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

**Ajay Shanghavi**  
Director  
DIN: 00084653

  
**Praful Chandaria**  
Director  
DIN: 02516129

Place: Vadodara  
Date: 23rd July 2021