M Sahu & CO.
Chartered Accountants
521 K10 Grand Behind Atlantis K10
Sarabhai Capmus Vadodara-390023.

INDEPENDENT AUDITOR'S REPORT

To the Members of Steelco Gujarat limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Steelco Gujarat limited ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement gives the information required by the Companies Act, 2013 (the "Act") in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters
Inventories represent 16% (approx.) of total assets of the Company as at March 31, 2024. Such inventories are held at factory warehouse as at the reporting date. Considering the number of items and the level of inventory held across its factory warehouse, as well as the physical verification of these inventories at these locations are conducted on different dates, the risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory including obsolescence risk. Considering the relative significance of the Inventory to the Standalone financial statements, we have considered the existence of Inventory and allowance of slow / non-moving inventory and obsolescence as key audit matter.	The inventory has been physically verified by the management during the year. However, inventory was not physically verified by us and we have relied upon valuation and finding which were reported by the management.

Emphasis of Matter

(i) We draw attention to the Note No 30, 42, and 45 to the Financial Statement that:
wherein the company has inter-alia disclosed the facts w.r.t. the implementation of the NCLT approved resolution plan under the Insolvency and Bankruptcy Code (IBC), 2016 and the consequential relinquishment / realignment of the rights, risks and responsibilities of the company and all other stakeholders including financial and operational creditors, of which necessary effect has been considered in the said financial statements;

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(ii) We draw attention to the Note No 43 of the Financial Statements that the Approval of Regulatory authority is pending in respect of allotment of New Equity shares.

(iii) We draw attention to Note 41 of the accompanying financial result, whereby the company has provided explanation for the change in accounting policy from deemed Cost model to Revaluation model for the entire class of asset related to leasehold land and building. The company has disclosed its related impact on financial results of the company. Further, the company has restated the financial results of the earlier periods presented and the impact for change in such accounting policy have been duly disclosed in accordance with Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The Impact of changes on the restated financial results, due to change in above accounting policy has been audited by us.

Also, the company has reclassified its investment in leasehold land as property plant & equipment w.e.f 01.04.2022 as the lease and license agreement of the same is not in force and the intention of the Company is not there to lease it again.

(iv) We draw attention to the Note No 46 to the Financial Statement, the Company has paid / provided for excess remuneration to the managing director during FY: 2016-17, 2017-18 and 2018-19 without obtaining the approvals in accordance with Section 197 of the Act. The excess remuneration reversed is shown as recoverable from the Managing Director. The Company has filed suit against the Managing Director for the recovery of the excess amount of remuneration.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

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obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, have been audited by a firm of Chartered Accountants other than M Sahu & Co, who have expressed an unmodified opinion on those financial statements vide their report dated April 26, 2023, which has been furnished and has been relied upon by us for the purpose of our audit of the financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

    c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended

e. On the basis of written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) Pursuant to the NCLT Order dated 31st July, 2023, the Company does not have any pending litigation which would impact its financial performance.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

• directly or indirectly lend or invest in other person or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company

or

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• provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

• directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

• provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has not declared dividend or paid during the year by the Company.

f) Based on our examination, the company, has used accounting software for maintaining its books of account which does not has a feature of recording audit trail (edit log) facility except in respect of maintenance of Books of account.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For M Sahu & Co
Chartered Accountants
Firm Registration No: 130001W

M Sahu & Co. VADODARA Chartered Accountants

Partner (Manojkumar Sahu)
Membership No: 132623
UDIN: 24132623BKELKT2199

Date: 24th June,2024
Place: Vadodara

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Steelco Gujarat limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1(a)(A)	The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipment;
1(a)(B)	The Company does not have intangible asset during the period under audit. hence, this clause is not applied.
1(b)	As explained to us, physical verification of the assets has not been carried out during the year.
1(c)	According to the information and explanation given to us and the records examined by us and based on the examination of the scanned copies of the title deeds of the immovable properties pledged with the corporate as security against borrowings, we report that the title deeds of the immovable properties that have been pledged as security against borrowings and other facilities availed by the Company, are held in the name of the Company as at the balance sheet date.
1(d)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year;
1(e)	In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, neither any proceedings have been initiated during the year nor are pending as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.
2(a)	The inventory has been physically verified by the management during the year. However, inventory was not physically verified by us and we have relied upon valuation and finding which were reported by the management. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks verified by the management and the book records that were 10% or more in the aggregate for each class of inventory;
2(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks on the basis of security of current assets hence the

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	requirements of paragraph 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company.
3(a)	According to the information and explanations given to us, during the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
(b)	The terms and conditions of the loans, including repayment thereof have not been stipulated. Accordingly, we are unable to comment on clause 3 (c) of the Order regarding regularity of the receipt of principal amount and interest and Clause 3 (c) of the Order regarding steps for recovery of overdue amount of more than rupees one lakh.
(c)	In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days;
(d)	No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;
(e)	The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
(f)	Other than that, mentioned above, the company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties;
4	In our opinion and according to the information and explanations given to us and based on the audit procedures performed, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. According to information and explanation given to us, the Company has not granted any loans or provided guarantees or securities that are covered under the provisions of sections 185 of the Companies Act, 2013.;
5	The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.;
6	Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order with regard to cost records is not applicable.;
7(a)	The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.

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7(b)	The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of disputes are being written off based on the order of the NCLT.
8	There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961during the year, Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.;
9(a)	Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders except the dues which has been settled according to honorable NCLT order dated 31st July, 2023 and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
9(b)	The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;
9(c)	Term loans were applied for the purpose for which the loans were obtained.;
9(d)	On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
9(e)	On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
9(f)	The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
10(a)	The Company has not raised any money during the year by way of initial public offer / further public offer but has issued shares to the new Promotors based on the NCLT Order dated 31st July 2023.
10(b)	The Company has not allotted any preferential allotment or private placement of shares during the year and also Company has not issued any debentures during the year.
11(a)	Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.;
11(b)	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government;
11(c)	As represented to us by the management, there are no whistle blower complaints received by the company during the year.

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12	The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
13	Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.;
14(a)	In our opinion and based on our examination, the company does not have an internal audit system however, due to suspension on Securities and Exchange Board of India and non-fulfilment of other conditions as per section 138 of companies Act,2013. company is not required to have an internal audit system.
15	The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
16(a)	The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
16(b)	The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
16(c)	The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
16(d)	The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
17	The Company has incurred cash losses in the financial year and not in the immediately preceding financial year;
18	There is no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable;

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19	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and after the considering the effects as per NCLT order dated 31st July,2023 on financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20 (a)&(b)	The provisions of Corporate Social Responsibility (CSR) are not applicable to the company therefore reporting under clause 20(a) and (b) is not applicable.

For M Sahu & Co
Chartered Accountants
Firm Registration No: 130001W

M Sahu & CO. VADODARA Chartered Accountants

Partner (Manojkumar Sahu)
Membership No: 132623
UDIN: 24132623BKELKT2199

Date: 24th June,2024
Place: Vadodara

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Steelco Gujarat limited.

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

We have audited the internal financial controls over financial reporting of **Steelco Gujarat limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our

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audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the

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Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M Sahu & Co
Chartered Accountants
Firm Registration No: 130001W

Partner (Manoj Kumar Sahu)
Membership No: 132623
UDIN: 24132623BKELKT2199

M Sahu & Co. VADODARA Chartered Accountants

Date: 24th June,2024
Place: Vadodara

STEELCO GUJARAT LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

CORPORATE INFORMATION

Steelco Gujarat Limited (the "Company") is a listed public limited company domiciled in India, incorporated under the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE). The Company's commercial production of cold rolled steel products started in 1994 with cold rolling of steel continuous hot dip galvanising line in 1997 and the Continuous Colour Coating Line in 2017. The Company is engaged in manufacturing of GP/GC coil sheets and CR coils and sheets and the factory and office is located at Palej – 392220, Bharuch, Gujarat. The Company is accredited with ISO9001:2000 and ISO 14001:2004 certification on quality management standards for the manufacturing and supply of CR steel sheet/coils/strips, CR galvanized plain/corrugated sheet/coil/strips and pre painted galvanized sheet/coils.

Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code").

Pursuant to its order dated 31st July,2023 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by M/s Next Orbit Growth Fund ("Resolution Applicant") ("RA") for the Company under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

Further, as per the terms of the approved Resolution Plan, a Management Committee/ Supervision Committee (MC/SC) is required to be constituted which shall comprise of three members:
(a) Two members appointed by the Resolution Applicant or his representative;
(b) One member appointed by CoC; and
(c) Resolution Professional,
the Monitoring Committee was accordingly been formed to maintain the Company as a going concern and to supervise the implementation of the Approved Resolution Plan.

The Board of Directors approved the financial statements for the year ended March 31, 2024 and authorized for issue on 24/06/2024.

1. BASIS OF PREPARATION

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The accounting policies are applied consistently to all the periods presented in the financial statements.

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ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale – measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

iii. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

iv. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency.

v. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

The Company satisfies the performance obligation and recognises revenue over time, if one of the criteria prescribed under Ind AS 115 - "Revenue from Contracts with Customers" is satisfied. If a performance obligation is not satisfied over time, then revenue is recognized at a point in time at which the performance obligation is satisfied.

The Company recognises revenue for performance obligation satisfied over time only if it can reasonably measure its progress towards complete satisfaction of the performance obligation. The Company would not be able to reasonably measure its progress towards complete satisfaction of a performance obligation if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In those circumstances, the Company recognises revenue only to the extent of cost incurred until it can reasonably measure outcome of the performance obligation.

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The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component and consideration payable to the customer like return and trade discounts.
Sales are disclosed excluding net of sales returns and Goods and Service Tax (GST).

Income from operations includes revenue earned on account of job work income which is accounted as per the terms agreed with the customers. Export benefits available under prevalent schemes are accounted to the extent considered receivable.

Other income is comprised primarily of interest income, gain / loss on investments and exchange gain/loss on foreign currency transactions. Interest income is recognized using the effective interest method.

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

B. Foreign Currency Transactions

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupee, which is the Company's functional and presentation currency.

ii. Foreign currency transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into the functional currency at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.
Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

C. Property, Plant and Equipment:

i. Recognition and measurement

Leasehold land and Building are carried at Fair Value. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

ii. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation or amortisation is provided from the date the assets are ready to be put to use, using straight line method over the estimated useful life of the assets.

Leasehold land is being amortised over the life of the lease. Depreciation on assets under construction commences only when the assets are ready for their intended use.

For determining the appropriate depreciation rates, plant and machinery falling under the category of continuous process plant has been identified on the basis of technical opinion obtained. Depreciation on additions to and disposals of the property, plant and equipment and intangible assets during the period has been provided on pro-rata basis, according to the period each such asset was used during the period except in case of low value items not exceeding INR 10,000/- which are depreciated fully in the period of addition. Depreciation on addition or extension to the existing property, plant and equipment which becomes integral part of that asset is provided on pro-rata basis according to the remaining useful life of the existing asset.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Class of Assets	Estimated Useful Life (in years)
Leasehold land	198
Buildings	0 to 45
Plant and equipment (except as stated at*)	0 to 22
Furniture and fixtures	0 to 10
Vehicles	8

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Office equipment	1 to 15
Computer software	3 to 6

*Depreciation on 'work rolls, intermediate rolls and back up rolls' are calculated based on their proportionate usage which is technically evaluated by the company management. Depreciation method, useful life and residual value are reviewed periodically and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

D. Intangible Assets:

Intangible assets include computer software which is stated at cost less accumulated amortisation.
On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2016 its intangible assets and used that carrying value as the deemed cost of the intangible assets on the date of transition i.e. 1st April, 2016.

E. Investment property

Investment properties are those that are held for long-term rental yields or for capital appreciation or both. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company in a period exceeding 1 year and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.
Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been determined based on technical evaluation performed by the management's expert.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

F. Leases:

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

Company as a lessee

(A) Lease Liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

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(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(A) Lease Liability

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever, the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

G. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured

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initially at fair value adjusted by transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss)

The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows under an eligible transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

b) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
    · Equity instruments measured at fair value through other comprehensive income (FVTOCI)
    · Equity instruments measured at fair value profit or loss (FVTPL)

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (the "EIR") method. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instruments at fair value through other comprehensive income

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b. The asset's contractual cash flows represent SPPI.

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The Company does not have any debt instruments classified in FVOCI category.

Debt instruments at fair value through profit or loss

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

The Company does not have any debt instruments classified in FVTPL category.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in the OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from the OCI to the statement of profit and loss, even on sale of the investment. However, the Company may transfer the cumulative gain or loss within categories of equity.

c) Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at its fair value adjusted by directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. The Company does not have any financial liabilities classified at fair value through profit or loss.

- Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

H. Impairment:

i. Non - financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the

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recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ii. Financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls),discounted at the EIR of the instrument. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss.

I. Taxes on Income:

Income Tax expense comprises of current and deferred tax. Income Tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

(i) Current Tax

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date

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

a) has a legally enforceable right to set off the recognized amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

J. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or

· In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
· Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
· Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly Observable
· Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

K. Inventories:

i. Finished and Semi-Finished Products produced and purchased by the company are carried at Cost and net realizable value, whichever is lower.
ii. Work in Progress is carried at lower of cost and net realizable value.
iii. Raw Material is carried at lower of cost and net realizable value.
iv. Stores and Spares parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and nonmoving items.

Cost of Inventory is generally ascertained on the 'Weighted average' basis. Work in progress, Finished and semi-finished products are valued at on full absorption cost basis.

Cost Comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Packing Material is considered as finished goods. Consumable stores are written off in the year of Purchase.

L. Cash and Cash Equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credits as they are considered an integral part of the Company's cash management.

M. Employee benefits:

A. Short term employee benefits:
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

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B. Post-employment benefits

Defined contribution plans:

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post-employment benefits, all of which are administered by the respective Government authorities. The Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

Defined benefit plans:

i. Superannuation plan:

The Superannuation scheme is administered through the Life Insurance Corporation of India (LIC). The liability for the defined benefit plans funded by way of payment of premium as determined by the LIC of India and the same is administered by LIC and the Company has no further obligation beyond making its contribution, which is expensed in the period to which it pertains.

ii. Gratuity plan:

The Company administers the gratuity scheme being unfunded liability. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the Other Comprehensive Income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Leave Entitlements (long-term employee benefit):

The employees of the company are entitled to leave as per the leave policy of the Company. The unfunded liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary, which is calculated using projected unit credit method as at the year end and charged to the statement of profit and loss.

N. Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

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O. Provisions and Contingencies:

A provision is recognised when:
· The Company has a present obligation as a result of a past event;
· It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
· A reliable estimate can be made of the amount of the obligation.
Provisions are measured at the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.
The Company does not recognise contingent liabilities but it is disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.
Contingent asset is not recognised in the financial statements.

P. Earnings per Share:

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share after considering the income tax effect of all finance costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
The Company has not issued any dilutive potential equity shares.

Q. Exceptional items:

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

3. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and

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underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

a) Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

c) Recognition of deferred tax liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carryforwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

d) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

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Steelco Gujarat Limited
Balance sheet as at 31st March 2024
CIN No.: L27110GJ1989PLC011748

(INR in lakhs)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023 (Restated) Refer Note No. 40	As at 01 April 2022 (Restated) Refer Note No. 40
ASSETS				
Non-current assets				
Property, plant and equipment	4	13,639.82	12,892.84	13,228.40
Investment property	5	10.33	11.14	10.39
Financial assets				
(i) Loan	7	33.17	52.72	53
Income tax assets (net)	8	95.31	263.55	125
Other non current assets	9	46.92	124.87	238
		13,825.55	**13,345.12**	**13,654.53**
Current assets				
Inventories	10	1,161.74	1,207.75	1,215
Financial assets				
(i) Trade receivables	11	364.86	7,379.82	6,992.11
(ii) Cash and cash equivalents	12	6.67	1.08	38
(iii) Other bank balances	13	-	292.74	292.74
(iv) Loan	7	203.11	201.86	201.86
(v) Other financial assets	14	-	339.18	84
Other current assets	9	546.52	83.72	-
		2,282.90	**9,506.15**	**8,823.84**
TOTAL ASSETS		**16,108.45**	**22,851.27**	**22,478.37**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	496.60	4,256.18	4,256
Other equity	16	5,562.51	(14,984.52)	(14,169.69)
Total equity		**6,059.11**	**(10,728.34)**	**(9,913.51)**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	8,213.58	4,674.18	4,717.54
(ii) Others financial liabilities	18	-	4.06	4.06
Provisions	19	-	467.41	343.08
Other non-current liabilities	20	-	0.17	0.17
		8,213.58	**5,145.82**	**5,064.85**
Current liabilities				
Financial liabilities				
(i) Borrowings	17	-	7,329.04	8,482
(ii) Trade payables	21	1,221.36	629.17	636
(iii) Other financial liabilities	18	-	17,680.10	15,480
Other current liabilities	20	172.63	1,457.46	1,391
Provisions	19	441.79	1,338.02	1,338
		1,835.78	**28,433.79**	**27,327.03**
TOTAL EQUITY AND LIABILITIES		**16,108.45**	**22,851.27**	**22,478.37**

The accompanying notes 1 to 58 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

Partner (Manojkumar Sahu)
M. No. 132613
UDIN : 24132623BKELKT2199
Place: Vadodara
Date: 24th June,2024

M Sahu & Co. VADODARA Chartered Accountants

For Steelco Gujarat Limited

Anshoo Raj Khare
Director
DIN : 10311752

Anoop Kumar Saxena
Manageing Director
DIN : 10311727

Mahendra Parekh
Chief Financial Officer

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited

Statement of profit and loss for the Year ended 31st March 2024

CIN No.: L27110GJ1989PLC011748

(INR in lakhs)

Particulars	Note No.	For the years ended	
		31 Mar 2024	31 March 2023
Income			
Revenue from operations	22	30.82	-
Other income	23	332.96	943.66
Total income		**363.78**	**943.66**
Expenses			
Cost of materials consumed	24	26.47	-
Changes in inventories - finished goods, work in progress	25	-	-
Employee benefits expense	26	-	147.58
Finance costs	27	313.24	1,172.67
Depreciation and amortisation expense	28	332.04	351.14
Other expenses	29	138.15	112.45
Total expenses		**809.90**	**1,783.84**
Loss before exceptional item and tax		**(446.12)**	**(840.19)**
Add: Exceptional item	30	16,986.97	-
Profit/(Loss) before tax		**16,540.85**	**(840.19)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		**16,540.85**	**(840.19)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		-	22.58
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive loss for the year		-	**22.58**
Total comprehensive Profit/(Loss) for the year		**16,540.85**	**(723.13)**

Earnings per equity share		
Number of Equity Shares (face value of INR 10 each)	**49,66,012**	**4,25,61,822**
Basic and diluted Profit / (Loss) per share (INR)	333.08	(1.75)

The accompanying notes 1 to 58 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

M Sahu & Co. VADODARA Chartered Accountants

Partner (Manojkumar Sahu)
M. No. 132613
UDIN : 24132623BKELKT2199
Place: Vadodara
Date: 24th June,2024

For Steelco Gujarat Limited

Anshoo Raj Khare
Director
10311752

Anoop Kumar Saxena
Manageing Director
DIN : 10311727

Mahendra Parekh
Chief Financial Officer

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited
Cash Flow Statement for the Year ended 31st March 2024
CIN No.: L27110GJ1989PLC011748

(INR in lakhs)

Particulars	For the years ended 31 Mar 2024	31 March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	16,540.85	(840.19)
Adjustments for:		
Depreciation	332.04	351.14
Exceptional Items	(16,986.97)	-
Interest income	(72.68)	(44.32)
Interest paid	313.24	1,172.64
Provision (Reversal) for doubtful debts	0.29	10.18
Unrealised exchange (gain)/loss	-	(586.74)
Operating profit/(loss) before working capital changes	**126.77**	**62.71**
Adjustments for changes working capital		
Trade receivables	7,014.96	-
Inventories	46.01	-
Other financial assets and other current assets	8,436.19	-
Trade payables	592.19	-
Other financial liabilities and current liabilities	(10,444.72)	-
Provisions	(1,363.64)	-
Cash flow from operating activities post working capital changes	**4,407.77**	**62.72**
Income tax paid (net)	-	(25.42)
Net cash flow from operating activities (A)	**4,407.77**	**37.30**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(841.98)	(13.57)
Interest received	72.68	44.32
Net cash flows from investing activities (B)	**(769.30)**	**30.75**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of long term/short term borrowings	3,539.40	1,091.44
Repayment of long term/short term borrowings	(7,329.04)	(1,196.33)
Interest paid	(313.24)	-
Proceeds from equity shares	470.00	-
Net cash used in financing activities (C)	**(3,632.88)**	**(104.89)**
Decrease in cash and cash equivalents (A+B+C)	**5.59**	**(36.84)**
Cash and cash equivalents at the beginning of the year	1.08	37.92
Cash and cash equivalents at the end of the year	**6.67**	**1.08**

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 58 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

For Steelco Gujarat Limited

M Sahu & CO. VADODARA Chartered Accountants

Partner (Manojkumar Sahu)
M. No. 132613
UDIN : 24132623BKELKT2199
Place: Vadodara
Date: 24th June,2024

Anshoo Raj Khare
Director
DIN : 10311752

Anoop Kumar Saxena
Manageing Director
DIN : 10311727

Mahendra Parekh
Chief Financial Officer

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited
Statement of changes in equity for the year ended 31 March 2024

A. Equity Share Capital

(INR in lakhs)

Particulars	Note No.	Number of shares	Amount
Balance as on 1 April 2022	15	4,25,61,822	4,256.18
Changes in equity share capital during the year		-	-
Equity shares as at 31 March 2023		4,25,61,822	4,256.18
Changes in equity share capital during the year		(3,75,95,810)	(3,759.58)
Equity shares as at 31 March 2024		**49,66,012**	**496.60**

B. Other Equity

(INR in lakhs)

Particulars	Share application money pending allotment	Equity component of other financial instruments with shareholder	Reserves and Surplus: Revaluation surplus	Reserves and Surplus: Capital reserve	Reserves and Surplus: Retained earnings	Total
Balance as at 1 April 2022	-	343.22	8,354.76	14,999.23	(37,866.91)	(14,169.69)
Loss for the year	-	-		-	(840.19)	(840.19)
Additional Deprecation due to Revaluation	-	-	(94.48)	-	-	(94.48)
Addition due to Revaluation					94.48	94.48
Change during the Year					2.77	2.77
Other comprehensive loss for the year	-	-		-	22.58	22.58
Total comprehensive loss for the year	-	-	(94.48)	-	(720.36)	(814.84)
Movement during the year	-	-		-	-	-
Balance as at 31 March 2023	-	343.22	8,260.28	14,999.23	(38,587.27)	(14,984.52)
Profit for the year after the exceptional items	-	-	-	-	16,540.85	16,540.85
Additional Deprecation due to Revaluation	-	-	(94.74)	-	-	(94.74)
Addition due to Revaluation			-		94.74	94.74
Other comprehensive loss for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(94.74)	-	16,635.59	16,540.85
Movement during the year	-	(343.21)		4,349.40	-	4,006.18
Balance as at 31 March 2024	-	-	8,165.55	19,348.63	(21,951.67)	5,562.51

The accompanying notes 1 to 58 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

M Sahu & Co. VADODARA Chartered Accountants

Partner (Manojkumar Sahu)
M. No. 132613
UDIN : 24132623BKELKT2199
Place: Vadodara
Date: 24th June,2024

For Steelco Gujarat Limited

Anshoo Raj Khare
Director
DIN : 10311752

Anoop Kumar Saxena
Manageing Director
DIN : 10311727

Mahendra Parekh
Chief Financial Officer

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited
Notes to the financial statements for the year ended 31 March 2024

4. Property, Plant and Equipment

(INR in lakhs)

Description	Leasehold land (Refer Note No 40)	Buildings (Refer Note No 40)	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total (A)	Capital work in progress (B)	Total (A+B)
Gross block [Carrying value (at deemed cost)]									
Balances as at 1 April 2022	7,253.25	4,268.85	5,556.60	47.53	31.25	46.55	17,204.03	-	17,204.03
Additions during the year	-	13.56	-	-	-	-	13.56	-	13.56
Capitalised during the year	-	-	-	-	-	-	-	-	-
Reclassified from held for sale	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	7,253.25	4,282.42	5,556.60	47.53	31.25	46.55	17,217.59	-	17,217.59
Additions during the year	-	-	1,077.74	-	-	0.47	1,078.21	-	1,078.21
Capitalised during the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	7,253.25	4,282.41	6,634.34	47.53	31.25	47.01	18,295.80	-	18,295.80
Accumulated depreciation									
Balance as at 1 April 2022	13.87	1,867.08	1,994.36	37.58	29.52	32.01	3,974.42	-	3,974.42
Depreciation charge for the year	-	-	195.09	5.52	0.06	1.69	202.36	-	202.36
Amortisation for the year	40.45	107.52	-	-	-	-	147.97	-	147.97
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	54.32	1,974.60	2,189.45	43.10	29.58	33.70	4,324.75	-	4,324.75
Depreciation charge for the year	-	108.16	180.71	0.06	0.06	1.67	290.66	-	290.66
Amortisation for the year	40.56	-	-	-	-	-	40.56	-	40.56
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	94.88	2,082.76	2,370.17	43.16	29.64	35.37	4,655.98	-	4,655.98
Net block									
Balance as at 31 March 2023	7,198.93	2,307.81	3,367.15	4.43	1.67	12.85	12,892.84	-	12,892.84
Balance as at 31 March 2024	7,158.37	2,199.65	4,264.18	4.37	1.61	11.64	13,639.82	-	13,639.82

➡ The Company has changed its accounting policy w.e.f. 01.04.2022 with respect to Revaluation model for the entire class of asset related to leasehold land and Building and recognised revaluation surplus of Rs.8354.76/- Lakhs. Under existing accounting policy, the company has opted for deemed cost model for entire class of asset related to leasehold land and Building . Under the new accounting policy, the company has changed from deemed Cost model to Revaluation model for the entire class of asset related to leasehold land and Building . The aforesaid change, being in line with the Generally Accepted Accounting Principles, will result into reporting for such obligations on a more realistic basis.

It it to be noted that the revaluation surplus is totally ristricted for any distribution to share holders ,the primary reason for restricting the use of revaluation surplus is to ensure that reported financial positions accurately reflect the underlying economic realities of the company. Unrealized gains may fluctuate and are not realized until lease agreement peroid are over or the asset is sold, hence distributing such gains could mislead investors.

➡ **Carrying amount that would have been recognised had the assets been carried under the cost model as on 31.03.022**

(Amounts in Lakhs)

Class of Asset	Amount
Leasehold Land	35.76
Building	1,206.52

➡ The company has considered the fair value as per the Valuation Report prepared by the R.K Patel & Co. for the year end 31 March 2024.

STEELCO GUJARAT LTD. PALEJ INDIA

M Sahu & CO. VADODARA Chartered Accountants

Steelco Gujarat Limited
Notes to the financial statements for the year ended 31 March 2024

(i) Assets acquired under finance lease
During the year 1991-92, the Company 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, Palej, Dist. Bharuch, Gujarat (India). The lease period is for 99 years which can be extended for another 99 years at the option of the Company.

(ii) Property, plant and equipment hypothecated as security
Equitable Mortgage(EM) over the entire fixed assets ranking pari- passu. First pari - passu charge over the entire existing fixed assets of the Company including EM over leasehold right (leased by GIDC palej) over factory and admeasuring 241775 SQ MTR in Palej Industrial area consisting of 13, 14, 15, 16, 18, 20, 21, 22, 24tp, 25, 26, 27, 28tp, 35tp, 36/p. 37. 38, 39, 40tp, 43+44+45+46, 47and factory building premises situated thereon within the Village limit of Palej, Baruch , Gujarat Lease period is 99 years. residual period of lease 79 years.

5. Investment Property (Refer Note no 40)

(INR in lakhs)

Description	Buildings	Total
Gross block [Carrying value (at deemed cost)]		
Balances as at 1 April 2022	16.82	16.82
Additions during the year	-	-
Balance as at 31 March 2023	**16.82**	**16.82**
Additions during the year	-	-
Balance as at 31 March 2024	**16.82**	**16.82**
Accumulated depreciation		
Balances as at 1 April 2022	4.86	4.86
Depreciation charge for the year	0.81	0.81
Amortisation for the year	-	-
Balance as at 31 March 2023	**5.68**	**5.68**
Depreciation charge for the year	0.81	0.81
Amortisation for the year	-	-
Balance as at 31 March 2024	**6.49**	**6.49**
Net block		
Balance as at 31 March 2023	**11.14**	**11.14**
Balance as at 31 March 2024	**10.33**	**10.33**

(i) Contractual obligations
There are no contractual obligations to purchase, construct, or develop investment property or for its repair, maintenance, or enhancement.

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

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rental income	10.28	311.96
Depreciation	0.81	0.81

M Sahu & Co · VADODARA · Chartered Accountants

STEELCO GUJARAT LTD. · PALEJ INDIA

(iii) Profit from leasing of investment properties	**9.47**	**311.15**

(v) Fair value

(INR in lakhs)

Particulars	As at 31 Mar 2024	As at 31 March 2023
Buildings**	234.20	1,188.50

** The company has considered the fair value as per the Valuation Report prepared by the R.K Patel & Co. for the year ended 31 March 2024.

(vi) Estimation of fair value

The fair values of the investment properties have been carried out by an independent valuer. The best evidence of fair value is current prices in an active market for similar properties. The investment properties have been fair valued using the 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.

M Sahu & Co. VADODARA Chartered Accountants

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited
Notes to the financial statements for the year ended 31 March 2024

6. Intangible Assets

(INR in lakhs)

Description	Computer softwares	Total
Gross Block [Carrying value (at deemed cost)]		
Balance as at 1 April 2022	31.16	31.16
Additions during the year	-	-
Balance as at 31 March 2023	**31.16**	**31.16**
Additions during the year	-	-
Balance as at 31 March 2024	**31.16**	**31.16**
Accumulated Amortisation		
Balance as at 1 April 2022	31.16	31.16
Amortisation for the year	-	-
Balance as at 31 March 2023	**31.16**	**31.16**
Amortisation for the year	-	-
Balance as at 31 March 2024	**31.16**	**31.16**
Net Block		
Balance as at 31 March 2023	-	-
Balance as at 31 March 2024	-	-

7. Loans

(INR in lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)				
Security deposits	33.17	52.72	-	-
Excess Remuneration recoverable from Managing Director (refer note 44)	-	-	203.11	201.86
Total	**33.17**	**52.72**	**203.11**	**201.86**

8. Income Tax Assets [net]

(INR in lakhs)

Particulars	Non-current	
	As at 31 March 2024	As at 31 March 2023
Advance tax (net of provisions)	95.31	263.55
Total	**95.31**	**263.55**

9. Other Assets

(INR in lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Balance with Govt Authorities	46.92	124.87	215.66	-
Prepaid expenses	-	-	5.00	0.01
Advance to vendors*	-	-	205.44	81.68
Other advances	-	-	120.42	2.03
Total	**46.92**	**124.87**	**546.52**	**83.72**

*Advances to Vendors amounting to Rs. 122.90 Lakh are disputed recoverable in nature, the Company has filed suit against them and the Management is confident that they will recover the same.

* During the financial year under audit , the Company made a payment of Rs. 82.10/- Lakhs to Dakshin Gujarat Vij Company Limited (DGVCl) under protest. This payment relates to disputed claim .The Company disputes the validity and/or amount of the payment to DGVCl and has initiated legal proceedings and/or discussions to contest the same. The payment was made under protest to preserve the Company's rights pending resolution of the dispute.As of the reporting date, the outcome of these proceedings is uncertain, and therefore, no provision for this payment has been made in the financial statements.

10. Inventories

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
	(Note no ii)	
Raw materials	72.28	45.87
Work-in-progress	-	1.68
Stores and spares	716.00	786.32
Packing materials	3.62	3.72
Capital Spares	369.85	370.16
Total	**1,161.74**	**1,207.75**

M Sahu & Co. VADODARA Chartered Accountants

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited
Notes to the financial statements for the year ended 31 March 2024

10. Inventories (Contd...)

i) The amount of inventories recognized as an expense is recognised in costs of materials consumed, changes in inventory, and consumption of stores and spares

ii) Inventory for the year under review is taken and physically verified by the management.

iii) There was no capitalization of borrowings cost to inventories during the years presented.

11. Trade Receivables [unsecured]

(INR in lakhs)

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good	364.86	7,379.82
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	9,803.60	2,233.56
Less: allowance for expected credit loss	(9,803.60)	(2,233.56)
Total	**364.86**	**7,379.82**

The movement in allowance for expected credit loss is as follows		
Balance as at beginning of the year	2,233.56	2,223.38
Change in allowance for credit impaired during the year	9,803.72	-
Provision for Bad Debt Recovered	-	10.18
Trade receivable written off during the year	-	-
Balance as at the end of the year	**12,037.29**	**2,233.56**

(iii) The Company has re-assessed the Trade Receivables(post implementation of Approved Resolution Plan) for the year ended March 31, 2024 and it is of the view that the major part of the Trade Receivables are not recoverable hence, the Company has Provided for Expected credit loss on Trade Receivables for a sum of Rs.9803.72/- lakhs . the same has been treated as Exceptional Item and has been disclosued in the statement of profit & loss account as an Exceptional Items.

Trade Receivable Ageing summary

Particulars	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
As at 31 March 2024						
(i) Undisputed Trade Receivable - Considered Good	364.86	-	-	-	-	364.86
(ii) Undisputed Trade Receivable - which have significant increase in cred	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit r	-	-	-	-	-	-
(iv) Disputed Trade Receivable - credit impaired	-	-	-	-	9,803.60	9,803.60
Total	**364.86**	-	-	-	**9,803.60**	**10,168.46**
Less: Expected Credit Loss (ECL)	-				(9,803.60)	(9,803.60)
Total Trade Receivable	**364.86**	-	-	-	-	**364.86**
As at 31 March 2023						
(i) Undisputed Trade Receivable - Considered Good	-	-	-	-	-	-
(ii) Undisputed Trade Receivable - which have significant increase in cred	-	-	-	-	-	-
(iii) Undisputed Trade Receivable - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivable - which have significant increase in credit r	-	-	-	-	7,379.82	7,379.82
(iv) Disputed Trade Receivable - credit impaired	-	-	-	-	2,233.56	2,233.56
Total	-	-	-	-	**9,613.38**	**9,613.38**
Less: Expected Credit Loss (ECL)	-	-	-	-	(2,233.56)	(2,233.56)
Total Trade Receivable	-	-	-	-	**11,846.94**	**11,846.94**

M Sahu & Co. VADODARA Chartered Accountants

STEELCO GUJARAT LTD. PALEJ INDIA

Steelco Gujarat Limited

Notes to the financial statements for the year ended 31 March 2024

12. Cash and cash equivalents

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	0.76	0.89
Balances with banks		
In current accounts	5.90	0.20
Total	**6.67**	**1.08**

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

13. Other bank balances

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
In fixed deposit accounts with original maturity 12 months or l	-	292.74
Total	-	**292.74**

14. Other financial assets

(INR in lakhs)

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Other receivables	-	339.18
Total	-	**339.18**

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STEELCO GUJARAT LTD. PALEJ INDIA

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Notes to the financial statements for the year ended 31 March 2024

15. Equity share capital

Particulars	Number of shares		Amount (INR in lakhs)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Authorised capital				
Equity shares of INR 10 each	50,00,000	7,50,00,000	500.00	7,500.00
Total	**50,00,000**	**7,50,00,000**	**500.00**	**7,500.00**
Issued and subscribed and fully paid-up capital				
Equity shares of INR 10 each	49,66,012	4,25,61,822	496.60	4,256.18
Total	**49,66,012**	**4,25,61,822**	**496.60**	**4,256.18**

• As per resolution plan as approved by NCLT court, the authorized capital of the company shall stand altered to Rs.5 Crores comprising of 50,00,000 Equity Shares of Rs.10/-each. Consequent to the order, existing authorised capital of Rs.150 Crores is reduced to Rs.5 Crores.

(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 2022	4,25,61,822	4,256.18
Add: Issued during the year	-	-
Equity shares as at 31 March 2023	**4,25,61,822**	**4,256.18**
Less : Capital Reduction as per NCLT Order	4,25,61,822	4,256.18
Add: Issued during the year	49,66,012	496.60
Equity shares as at 31 March 2024	**49,66,012**	**496.60**

• In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 2.5 share of Rs. 10 each for every 100 shares held.

• New Equity shares to New promotors were alloted on 31st March 2024, subject to approval of regulatory authority which is pending.

• As per NCLT Order ,the Existing Paid up Equity and Preference Shares issued to promoters and their Associates/Nominees amounting to Rs.78,86,80,220/- (Equity Share of 3,19,21,366 of Rs.10 /-each amounting to Rs.3192.14/- Lakhs, 3,28,20,000 12.5% Cumulative Redeemable Non Convertible Preference Share of Rs.10/-each amounting to Rs. 3282.00/- Lakhs and 34,86,200 7% Cumulative Redeemable Non-Convertible Preference Shares of Rs.10/-each amounting to Rs. 348.62/- Lakhs) have been reduced to "NIL".

Out of the Equity Share Capital of Rs. 496.60/- Lakhs, Public share holding was Rs. 26.60/- Lakhs Keeping the minimum Public holding requirement as per Regulation 19A (d) of the Securities Contract Regulation, Rule 1957, listed Companies are allowed to maintain at least 5% of the Capital instead of minimum required shareholding of at least 25% as the Company's share capital is being restructured as per the Order of NCLT. However,the same is required to be raised to at least 10% within 12 months and subsequently at least 25% Public Share Holding to be achieved within maximum period of 3 Years from the date of short fall.

• As per Resolutions Plan, SRA (Successful Resolution Applicant) was allowed to infuse a sum of Rs.86.15 Crores in the form of capital and loan along with its associates and nominees. Out of the total authorised capital of Rs.5 Crores, SRA along with its affiliates /nominees is required to hold at least 51% equity of the company which will be under lock- -in period for a period of 3 Years. Pursuant to Resolution Plan and NCLT Order, out of total infusion of Rs.86.15 Crores, part of that amount i.e Rs.4.7 Crores was converted in to equity and allotted to SRA / its affiliates /lenders and Rs.26.60/- lakhs remains to Public.

(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 *

Particualars	% holding		Number of shares	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
NOGF (Next Orbit Growth Fund)	10%	-	5,00,000	-
Ultimate Investofin Ltd.	43%	-	21,50,000	-
Sainaisha Traders Private Limited	41%	-	20,50,000	-
Spica Investments Limited (Holding Company),Mauritius which is a subsidiary of Spica Business Corp., Panama.	-	75%	-	3,19,21,366

• Public shareholders are allotted shares in the ratio of 2.5:100 (2.5 shares for 100 shares held) thus equity share holding of public has been reduced from 1,06,40,456 shares to 2,66,012 shares. Share capital of Rs.4256.18/- Lakhs is been reduced and the same is transferred to Capital Reserve.

• The Company has neither issued bonus shares nor has bought back any shares during the last 5 years.

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Notes to the financial statements for the year ended 31 March 2024

16. Other equity

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve:		
Opening balance	14,999.23	14,999.23
Changes during the year:	-	-
Capital Reduction as per NCLT order *(Refer to footnote for details)	4,349.40	-
Closing balance (a)	**19,348.63**	**14,999.23**
Retained earnings:(Refer note 40)		
Opening balance	(38,587.25)	(37866.89)
Net profit/(loss) for the year	16,540.84	(840.19)
Addition due to revaluation	94.74	94.48
Change during the year	-	2.77
Other comprehensive income/(loss)	-	22.58
Closing balance (b)	**(21,951.67)**	**(38,587.25)**
Equity component of other financial instruments with shareholder:		
Opening balance	343.22	343.22
Capital Reduction as per NCLT Order	(343.22)	-
Closing balance (c)	**(0.00)**	**343.22**
Revaluation surplus:(Refer note 40)		
Opening balance	8,260.28	8,354.76
Additional Depreciation due to revaluation	(94.74)	(94.48)
Closing balance (d)	**8,165.55**	**8,260.28**
Total other equity (a+b+c+d)	**5,562.51**	**(14,984.52)**

(INR in lakhs)

Summary of balance of other equity

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Capital reserve	19,348.63	14,999.23	14,999.23
Retained earnings	(21,951.67)	(38,587.25)	(37,866.91)
Equity component of other financial instruments with shareholder	-	343.22	343.22
Revaluation surplus	8,165.55	8,260.28	8,354.76
Total	**5,562.51**	**(14,984.52)**	**(14,169.69)**

Nature and purpose of other reserves

***Capital reserve**

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

As per NCLT Order dated 31st July 2023 ,the Existing equity and preference shares issued to promoters and their Associates/Nominees amounting to Rs.43,49,39,761/- have been reduced to "NIL"

Retained earnings

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

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16. Other equity (Contd...)

Equity component of other financial instruments with shareholder

This includes the equity component of two classes of cumulative redeemable non-convertible preference shares and interest-free loans from shareholders. 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.

Details of Equity component of other financial instruments with shareholder

Particulars	As at 31 March 2024	As at 31 March 2023
Equity Component Of Preference Shares	-	119.82
Equity Component Of Loan (Unsecured)	-	223.40
Total Equity component of other financial instruments with shareholder	-	343.22

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Notes to the financial statements for the year ended 31 March 2024

17. Borrowings

(A) Non-current

(INR in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
Secured					
(a) Loan From corporate (see note (i) below)	30th September, 2026	36 Monthly repayments starting from 31st October ,2023 to 30th September,2026.	21%	3,500.00	-
(b) Term loans from consortium of banks, secured (inclusive of unpaid interest) (see note (ii) below)	31st March 2021	30 Quarterly repayments starting from 31 December 2013 to 31 March 2021	SBI PLR Rate + 1 %	-	6,558.08
Unsecured					
(a) Loan From Promoters	30-09-2031	Single repayment at the time of maturity	0%	1,203.58	-
(a) Loan From Promoters	30-09-2028	Single repayment at the time of maturity	12%	2,385.00	
(a) Loan From Promoters	NA	Not prescribed	0%	1,125.00	
(b) Loans from ultimate holding company (Refer Note (iii))	1st Tranche- 3 December 2020 2nd tranche- 26 December 2021 3rd tranche- 14 February 2022	Single repayment at the time of maturity	0%	-	859.12
	1st Tranche- (New Loan) 30th May 2024			-	259.54
(C) 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
(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%	-	273.53
(iii) Accrued dividend on preference shares stated at (i) and (ii) above				-	6,173.74
Total non-current borrowings				**8,213.58**	**17,406.00**
Less : Interest accrued and due on term loan (refer note 18)				-	(3,830.19)
Less : Recalled term loan (refer note 18)				-	(2,727.89)
Less : Accrued dividend on preference shares (refer note 18)				-	(6,173.74)
Non-current borrowings as per balance sheet				**8,213.58**	**4,674.18**

(i) Loan from corporate (Security details)

(a) Primary : Hypothecation of entire current assets including Raw Metrial, Work in process, Finished goods, spares and consumables and receivables etc on pari-passu basis. Extension of Hypothecation of entire current assets (present and future on pari- passu basis).

(b) Collateral : Equitable Mortgage(EM) over the entire fixed assets ranking pan passu. First pari - passu charge on factory building and plant and machinery Pari-passu first charge over the entire existing fixed assets of the Company including EM over leasehold right (leased by GIDC palej) over factory and admeasuring 241775 SQ MTR in Palej Industrial area consisting of 13, 14, 15, 16, 18, 20, 21, 22, 24tp, 25, 26, 27, 28tp, 35tp, 36/p. 37. 38, 39, 40tp, 43+44+45+46, 47and factory building premises situated thereon within the Village limit of Palej, Baruch , Gujarat Lease period is 99 years. residual period ot lease 79 years.

(ii) Rupee Term loan

Default in repayment of monthly interest and term loan instalments:

The respective term loans were 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 as at 31 March 2021 is INR 2711.77 Lakhs (previous year INR 2889.95 Lakhs).

This Rupee Term Loan has been witten back after the settlement of the debt as per the order of NCLT dated 31st July 2023.

(iii) Unsecured loan from ultimate holding company:

Unsecured, long-term borrowings from the ultimate holding company, Spica Business Corp. Panama, werew interest-free and were repayable at the end of five years from the date of the loan.

This Unsecured logn term borrowing has been witten back after the settlement of the debt as per the order of NCLT dated 31st July 2023.

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Notes to the financial statements for the year ended 31 March 2024

17. Borrowings (Contd...)

(B) Current

(INR in lakhs)

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As at 31 March 2024	As at 31 March 2023
Secured					
Working capital loans from banks, secured (see note (i) below)	Payable on demand	Payable on demand	SBI PLR Rate + 1 % (see note	-	7,329.04
				-	7,329.04
Total					

(i) Working Capital Loans from Banks- Secured

Working capital loans from banks comprised 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, and 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.

(a) Security details

The term loans and short-term credit facilities (working capital loans) from consortium banks were secured by way of joint mortgage of immovable properties of the Company situated at Plot No.2, GIDC Estate, Palej, Dist. Bharuch, 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 favor of banks providing working capital finance) to rank on "pari- passu" basis. The borrowings are further secured by way of the hypothecation in favor of the consortium bankers of equity shares of the 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 along with bankers for the Electricity Duty Deferment Loan from GEB disclosed in note 41A(ii)(d) as a contingent liability.

This Working Capital Lona from bank has been witten back after the settlement of the debt as per the order of NCLT dated 31st July 2023.

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18. Other financial liabilities

(INR in lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Security deposits from customers/vendors	-	4.06	-	-
Deposit from Bidders	-	-	-	15.00
Accrued dividend on preference shares	-	-	-	6,173.74
Recalled term loan	-	-	-	2,727.89
Interest accrued and due on term loans	-	-	-	3,830.19
Interest accrued and due on short term borrowings	-	-	-	1,980.54
Other expenses payable	-	-	-	1,821.93
Amount repayable to holding company against Offer For Sale (OFS)	-	-	-	47.05
Advance Repayable	-	-	-	1,083.76
Total	-	**4.06**	-	**17,680.10**

19. Provisions

(INR in lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits*	-	467.41	427.85	30.68
Provision for Expenses Payable			13.94	
Provision for import duty (net of ITC)**	-	-	-	1,307.34
Total	-	**467.41**	**441.79**	**1,338.02**

* The Company has made provision for gratuity as per NCLT order.

** During the previous years, the company had recognized probable estimated liability (net of ITC) towards import duty on materials imported under the advance license benefit scheme against which export obligations have not been fulfilled before the period stipulated under the Licence. The movement in provision for import duty is as follows:

Carrying amount at the beginning of the period	1,307.34	1,307.34
Add: Amount written back as per NCLT Order	(1,307.34)	-
Less: amount used / reversed	-	-
Carrying amount at the end of the period	-	**1,307.34**

20. Other liabilities

(INR in lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Deferred rental income	-	0.17	-	-
Advances from customers	-	-	1.80	945.51
Statutory dues	-	-	12.96	511.95
Excess payment of CIRP Cost	-	-	120.42	-
Department of Gujarat State Tax	-	-	37.45	
Total	-	**0.17**	**172.63**	**1,457.46**

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Notes to the financial statements for the year ended 31 March 2024

21. Trade payables

(INR in lakhs)

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro-enterprises and small enterprises		
Acceptances	-	-
Others	1,221.36	629.17
Total	**1,221.36**	**629.17**

Trade Payable Ageing summary	Outstanding for following periods from due date of payment#				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 Years**	**More than 3 Years**	**Total**
As at 31 March 2024					
(i) MSME	-	-	-	-	-
(ii) Others	1,221.36				1,221.36
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
As at 31 March 2023					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	629.17	629.17

Under the Micro, Small & Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in the view of the management, the impact of interest, if any, which may subsequently become payable in accordance with the provisions of the act would not be material and the same, if any, would be disclosed in the year of payment of interest.

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22. Revenue from operations

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of manufactured goods	30.82	-
Total	**30.82**	-

23. Other income

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income	72.68	44.32
Net gain on foreign currency transactions and translation	-	586.74
Rental income	260.28	311.96
Others	-	0.63
Total	**332.96**	**943.66**

24. Cost of materials consumed

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials:		
Opening stock	45.87	45.87
Add : Purchases	52.88	-
	98.75	**45.87**
Less : Closing stock	72.28	45.87
	26.47	-
Packing materials consumed	-	-
Total	**26.47**	-

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

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Closing stock:		
Work-in-progress	-	1.68
Finished Goods	-	-
Scrap inventories	-	-
Work-in-progress (Cost incurred on jobwork)	-	-
	-	1.68
Opening stock		
Work-in-progress	1.68	1.68
Finished goods	-	-
Scrap inventories	-	-
Work-in-progress (Cost incurred on jobwork)	-	-
	1.68	1.68
Stock movement (a)	**1.68**	-
Cost of goods produced and sold - Trial run (b)	**(1.68)**	-
Total	-	-

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26. Employee benefits expenses

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	-	146.90
Contribution to provident & other funds	-	-
Staff welfare expenses	-	0.67
Total	**-**	**147.58**

27. Finance costs

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expenses - borrowings	1.78	712.77
Interest expenses - others	311.32	16.70
Dividend on redeemable preference shares	-	443.17
Bank commission & charges	0.14	0.03
Total	**313.24**	**1,172.67**

28. Depreciation and amortisation

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	195.93	255.43
Amortisation of lease hold land	40.56	0.18
Amortisation of and depreciation on investment property	0.81	1.06
Total	**237.30**	**256.67**

29. Other expenses

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	-	0.38
Other manufacturing expenses	5.24	-
Power and fuel	-	-
Repairs to buildings	1.72	-
Repairs to plant and machinery	4.20	-
Insurance	4.19	8.43
Rates and taxes	0.96	4.82
Conveyance and traveling expenses	0.29	0.01
Professional fees	64.28	41.13
Legal and Licenses fees	0.17	0.05
Other marketing expenses	-	4.29
Security Service Charges	40.76	-
Bad Debts	0.29	10.18
Audit fees	2.00	1.50
Miscellaneous expenses	8.65	41.67
Total	**138.15**	**112.45**

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Notes to the financial statements for the year ended 31 March 2024

29. Other expenses (Contd...)

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

As auditor		
Audit fees	2.00	1.50

(ii) CSR expenses

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

30. Exceptional Items

(INR in lakhs)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Extinguishment of Financial Creditors after final settlement	3,382.36	-
Extinguishment of Operational Creditors	565.02	-
Advances From Customers Written back	1,118.65	-
Extinguishment of Interest Liabilities	5,810.73	-
Extinguishment expenses Payables & advances	1,778.73	-
Extinguishment Statutory Liabilities	2,013.55	-
Extinguishment Preference share capital Liability	9,729.27	-
Other Non-Current Asset Written-off	1.93	-
Deposits not Receivable Written-off	(0.71)	-
Cash Balance Written-off	(0.12)	-
Bad debt againts sundry debtots	(7,412.43)	-
Total	16,986.97	-

• Pursuant to its order dated 31st July,2023 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by M/s Next Orbit Growth Fund ("Resolution Applicant") ("RA") for the Company under Section 30(6) read with Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

• As per Mandatory Contents of the resolution Plan approved in terms of regulation 13 (2) (ca) of the CIRP Regulation , Company is required to pay the total Rs. 8615.00/- Lakhs to its CIRP Cost ,Workmen and Employee Dues,Operational Creditors,and Financial Creditors in Compliance with the Provision of section 30(2)(b) of the Code. Remaining Liabilities which was not payable as per the NCLT Order have been transfered to Exception Items and the net impact of the same is being disclosed in the statement of profit and loss account

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Notes to the financial statements for the year ended 31 March 2024
31. 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 the 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 2024	For the year ended 31 March 2023
Loss as per the statement of profit and loss available for equity shareholders (INR in lakhs)	16,540.85	(745.71)
Weighted average number of equity shares for EPS computation	49,66,012	4,25,61,822
Basic and diluted earnings/(loss) per share (INR)	333.08	(1.75)

32. 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	2713.37	5430.67	2717.30	26.000	706.50
					706.50
DTA					

Deferred Tax Assets	Closing Balance	Tax Rate in %	DTA
Unabsorbed depreciation	2,910.53	26.000	756.74
Unabsorbed loss	10,766.07	26.000	2,799.18
		-	3,555.92
DTA			-
NET DTA/DTL (see note below)			

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

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33. Financial instruments

(INR in lakhs)

(A) Accounting Classification and Fair values:

As at 31 March 2024	Non-Current/ Current	Carrying Amount				Fair value			
		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:									
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	33.17	33.17	-	-	-	-
Loans	Current	-	-	203.11	203.11	-	-	-	-
Trade receivables	Current	-	-	364.86	364.86	-	-	-	-
Cash and cash equivalents	Current	-	-	6.67	6.67	-	-	-	-
Other bank balances	Current	-	-	-	-	-	-	-	-
Other financial assets	Current	-	-	-	-	-	-	-	-
Total Financial Assets		-	-	607.81	607.81	-	-	-	-
Financial Liabilities:									
Borrowings	Non-current	-	-	8,213.58	8,213.58	-	-	-	-
Others financial liabilities	Non-current	-	-	-	-	-	-	-	-
Borrowings [including current maturities and interest]	Current	-	-	-	-	-	-	-	-
Trade payables	Current	-	-	1,221.36	1,221.36	-	-	-	-
Other financial liabilities	Current	-	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	9,434.94	9,434.94	-	-	-	-

As at 31 March 2023	Non-Current/ Current	Carrying Amount				Fair value			
		FVTPL	FVTOCI	Cost/ Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:									
Unquoted Equity instrument	Non-current	-	-	-	-	-	-	-	-
Loans	Non-current	-	-	52.72	52.72	-	-	-	-
Loans	Current	-	-	201.86	201.86	-	-	-	-
Trade receivables	Current	-	-	7,379.82	7,379.82	-	-	-	-
Cash and cash equivalents	Current	-	-	1.08	1.08	-	-	-	-
Other bank balances	Current	-	-	292.74	292.74	-	-	-	-
Other financial assets	Current	-	-	339.18	339.18	-	-	-	-
Total Financial Assets		-	-	8,267.40	8,267.40	-	-	-	-
Financial Liabilities:									
Borrowings	Non-current	-	-	4,674.18	4,674.18	-	-	-	-
Others financial liabilities	Non-current	-	-	4.06	4.06	-	-	-	-
Borrowings [including current maturities and interest]	Current	-	-	22,041.41	22,041.41	-	-	-	-
Trade payables	Current	-	-	629.17	629.17	-	-	-	-
Other financial liabilities	Current	-	-	1,868.98	1,868.98	-	-	-	-
Total Financial Liabilities		-	-	29,217.80	29,217.80	-	-	-	-

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

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

Financial Assets:
The carrying value of trade receivables, loans and advances and other financial assets, cash and cash equivalents, other bank balances 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.

34. Financial Risk Management

Risk Management framework
The Company is exposed to various risks in relation to financial instruments. The Company's financial assets 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 minimizing 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.

(A) Credit risk
Credit risk is the risk that a counterparty 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 the following types of 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 individually 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 the case of export sales, credit risk related to trade receivables is mitigated by taking letters of credit from 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 amortized cost include security deposits, export incentives receivables, and others. The Company does not see any credit risks from export incentives receivables since the counterparty 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 systems in place ensure the amounts are within defined limits.

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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:

(INR in lakhs)

Ageing (As at 31 March 2024)	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 365 days	More than one year	Total
Gross carrying amount	-	-	-	-	364.86	9,803.60	10,168.46
Expected credit loss provision	-	-	-	-	-	9,803.60	9,803.60
Carrying amount of trade receivables (Net of impairment)	-	-	-	-	364.86	-	364.86

Ageing (As at 31 March 2023)	0 - 30 days	30 - 60 days	60 - 90 days	90 - 180 days	180 - 365 days	More than one year	Total
Gross carrying amount	-	-	-	-	-	9,613.38	9,613.38
Expected credit loss provision	-	-	-	-	-	2,233.56	2,233.56
Carrying amount of trade receivables (Net of impairment)	-	-	-	-	-	7,379.82	7,379.82

Reconciliation of Expected credit loss provision

Particulars	(INR in lakhs)
As at 1 April 2022	2,223.38
Changes in provision	10.18
As at 31 March 2023	2,233.56
Changes in provision	7,570.04
As at 31 March 2024	9,803.60

(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.

35. Financial Risk Management (Contd...)

Maturities of financial liabilities

The tables below analyze 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.

(INR in lakhs)

Contractual maturities of financial liabilities as at 31 March 2024	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Borrowings*	-			8,213.58	8,213.58
Trade payable	1,221.36				1,221.36
Other payables	-	-	-	-	-
Total	**1,221.36**	**-**	**-**	**8,213.58**	**9,434.94**

Contractual maturities of financial liabilities as at 31 March 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Borrowings*	208.82	2,468.16	19,198.06	4,881.62	26,715.59
Trade payable	-	-	629.17	-	629.17
Other payables	-	-	1,873.04	-	1,873.04
Total	**208.82**	**2,468.16**	**21,700.27**	**4,881.62**	**29,217.80**

* 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 a default event occurring during the year ended 31 March 2023

(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 the 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 2024		As at 31 March 2023	
	USD	Euro	USD	Euro
Financial assets				
Trade receivables	-	-	7,712.78	21.20
Net exposure to foreign currency risk (assets)	-	-	7,712.78	21.20
Financial liabilities				
Borrowings	-	-	859.12	-
Trade payables	-	-	-	-
Payable for Capital Goods	-		-	
Advance from Customers	-	-	-	-
Net exposure to foreign currency risk (liabilities)	-	-	859.12	-

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 2024, the company assumes a 10%(if any) (31 March 2023: 10%) change in the INR/USD exchange rate and a 10%(if any) (31 March 2023: 10%) change in the INR/EUR exchange rate. Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date:

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(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
USD sensitivity		
10% (10%) appreciation	-	(685.37)
10% (10%) depreciation	-	685.37
Euro sensitivity		
10% (10%) appreciation	-	2.12
10% (10%) depreciation	-	(2.12)

b) Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at 31 March 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings i.e. loans from holding companies 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 2024 (31 March 2023: +/- 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.

36. Financial Risk Management (Contd...)

(i) Liabilities

Interest rate risk exposure

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

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate borrowing	-	26,715.59
Fixed rate borrowing	-	-
Total	-	26,715.59

Sensitivity analysis

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

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(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Interest sensitivity		
Interest rates – increase by 100 basis points	-	(267.16)
Interest rates – decrease by 100 basis points	-	267.16

(ii) Assets

The company's fixed deposits are carried at amortized 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:

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Variable rate deposits/ loans	-	-
Fixed rate deposits/ loans	-	345.46
Total	-	345.46

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 the 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 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.

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Net debts	8,206.91	26,421.77
Total Other equity	6,059.11	(18,991.40)
Net debt to equity ratio	135%	-139%

Dividends

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Dividend on Equity shares	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil

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38. Related parties disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" the 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) Promotor and its Associates
Next Orbit Growth Fund
Ultimate Investofin Limited
Sainaisha Traders Pvt Limited

b) Key management personnel (KMP)

Name of person	Nature of relationship
Mr. Anoop Kumar Saxena	Managing Director (w.e.f 25.10.2023)
Mr.Anshoo Raj Khare	Executive Director (w.e.f 25.10.2023)
Ms. Mukta Alok Prakash Jain	Director (w.e.f 25.10.2023)
Mr. Mahendra Parekh	Chief Financial Officer(w.e.f 15.04.2024)

c) Relatives of KMP — No transaction with relatives

d) Enterprises significantly influenced by Directors and/or their relatives: — None

e) Transactions with related parties (INR in lakhs)

Sr. No.	Nature of transaction	Year	Promotor and its Associates	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
	Transactions during the year						
1	**Outsatnding payable of Unsecured Loan**						
	Next Orbit Growth Fund	2023-2024	1,125.00	-	-	-	1,125.00
	Sainaisha Traders Pvt Limited	2023-2024	1,203.58	-	-	-	1,203.58
	Ultimate Investofin Limited	2023-2024	2,385.00	-	-	-	2,385.00
2	**Allotment of Equity share Capital**						
	Next Orbit Growth Fund	2023-2024	50.00	-	-	-	50.00
	Ultimate Investofin Limited	2023-2024	215.00	-	-	-	215.00
	Sainaisha Traders Pvt Limited	2023-2024	205.00	-	-	-	205.00

(f) 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 2024	For the year ended 31 March 2023
Short term employee benefit	-	-
Post employment benefit	-	-
Other long term employee benefit	-	-
Total	-	-

39. Contingent liabilities and commitment

(A) Contingent liabilities

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) In respect of guarantees given by Banks and/or counter guarantees given by the Company	-	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	-	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.	-	1,031.70
(c) Letters of credit	-	-
(d) Interest on electricity duty deferment loan (for charge created in favour of of Collector of Electricity Gandhinagar. The matter is pending before Hon. Gujarat High Court	-	39.80
(e) Labour matters	-	40.80
(f) Liability of import duty on raw materials imported under advance licence benefit scheme against which export obligation remained to be fullfilled over the period stipulated under the licenses / formalities are yet not completed. (net of amount provided for)	-	3,097.15
(g) Interest and penalty on matters disclosed at (f) above and in respect of amount already provided for.	-	Not Ascertained
(h) Interest waived under CDR package, payable under recompense clause (refer note - iv below)	-	1,272.90
(i) Penal interest and other dues in respect of borrowing facilities classified as NPA by bankers (except Canara Bank)	-	Not Ascertained
(j) DFGT liabilities for Non-Fulfillment of EODC Obligation against Advance Licences	-	2,703.56
(k) Different Cases for Central Excise & Customs	-	1,296.70
(l) Cases with State Electricity Board	-	40.85
(m) Bhadreshwar Vidyut Pvt Ltd Court matter pending in NCLT Court	1.22	
Total	**1.22**	**10,468.02**

(iii) In respect of Statutory Compliances

• The Company has identified a contingent liability arising from the non-filing of MCA (Ministry of Corporate Affairs) returns after balance sheet dated March 31st,2019. and Income Tax returns after the financial year ended 2019.As at the reporting date, the Company has not filed the requisite MCA returns with the Registrar of Companies and has not submitted Income Tax returns with the relevant tax authorities. The Company's non-compliance with these statutory requirements may result in penalties, fines, and interest charges being levied by the respective authorities.While the ultimate outcome and financial impact of these contingencies are dependent on future events, including potential negotiations with regulatory authorities, it is reasonably possible that the Company may incur financial liabilities as a consequence of its non-compliance.

• The Company's management and auditors are actively assessing the potential consequences of these contingencies and will continue to monitor developments closely. However, due to the uncertainties surrounding these matters, the financial impact cannot be reliably estimated at this time.Accordingly, no provision has been recognized in the financial statements for the potential liabilities arising from the non-filing of MCA returns . The Company will disclose further developments as and when material information becomes available.

• However, NCLT vide its Order has allowed the company to file the Past income tax returns without any interest and penalties with the benefits of cary-forwards losses and unabsorbed depreciation and also granted other relief in this regards.

(B) Commitments

(INR in lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of purchase orders remaining to be executed and not provided for (Including GST)	24.27	-
Total	**24.27**	**-**

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40.Disclosures related to the Micro, Small and Medium Enterprises.

The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act,2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/paybale under the Act have not been given.

41. The Company has changed its accounting policy w.e.f. 01.04.2022 with respect to Revaluation model for the entire class of asset related to leasehold Land and Building . Under existing accounting policy, the company has opted for deemed cost model for entire class of asset related to leasehold Land and Building . Under the new accounting policy, the company has changed from deemed Cost model to Revaluation model for the entire class of asset related to leasehold Land and Building . The aforesaid change, being in line with the Generally Accepted Accounting Principles, will result into reporting for such obligations on a more realistic basis.

As required by Ind AS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company has retrospectively restated its Balance Sheet as at 31.03.2023, as at 01.04.2022 and Statement of Profit and Loss for the year coded on 31.03.2023 to give impact for change in accounting policy.

Also, as of March 31, 2024, the Company has reclassified its Investment Property i.e. leasehold land to Property, Plant, and Equipment w.e.f 01.04.2022. Management has determined that this reclassification more appropriately reflects the nature of the assets and enhances transparency in the financial reporting of the Company's assets.

The impact of changes in the accounting Policy on this financial results are as under:

(Rs. In Lakhs)

Statement of Assets and Liabilities	31/03/2023	01/04/2022
Increased in class of Assest : Leasehold land and building	8304.15	8356.33
Other Equity	8263.06	8354.76

The aforesaid changes resulted in increase of Leasehold Land & Building under Property Plant & Equipment with consequential increase in the Revaluation Reserves under Other Equity.

(Rs. In Lakhs)

Statement of Profit & Loss	Three Months Periods Ended			Year Ended	
	31/03/2024	31/12/2023	31/03/2023	31/03/2024	31/03/2023
Increased in Depreciation and amortisation expenses	94.47	-	94.47	94.47	94.47
Impact on profit /Loss after exceptional item and before tax	(94.47)		(94.47)	(94.74)	(94.47)
Tax expesnes	-	-	-	-	-
Impact on Profit / Loss after exceptional item and before tax	(94.47)	-	(94.47)	(94.74)	(94.47)
Impact on total comprehensive income /loss	(94.47)	-	(94.47)	(94.74)	(94.47)
Impact on earning per equity	(1.91)	-	0.93	(1.91)	(0.17)

The aforesaid changes resulted in increase in Depreciation and Amortisation Expenses.

The impact due to reclassification on this financial results are as under:

(Rs. In Lakhs)

Statement of Assets and Liabilities and profit and loss	31/03/2023	01/04/2022
Increased in class of Assest : Leasehold land	41.08	41.33
Decreased in investment property: Leasehold land	41.08	41.33
Increased in Depreciation and amortisation expenses	0.25	-

The Company does not have a significant impact on the Cash flow statement for the year ended on 31st March, 2023 in view of above restatement.

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42.Implementation of the Approved Resolution Plan (Plan) has commenced and the following steps have been completed as per the terms of the said Plan:

• The Company has constituted new Board of Directors in place of erstwhile Board of Directors for managing the day- to- day affairs of the Company.

• Following payments are made by the company In F.Y 2023-2024 as per Mandatory resolution Plan prepared in the terms of regulation 13 (2) (ca) of the CIRP Regulation.

Particulars	Amounts
CIRP COST	170.00
Workman/Employee Dues	417.41
Operational Creditors	4.40
Financial Creditors (Bank)	8001.30
Total	**8,593.11**

43. Approval of Regulatory authority is penidng in respect of allotment of New Equity shares .

44. The Company has not performed an impairment assessment as required by Ind AS 38 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of tangible assets 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 the 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.

45 .The Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") has approved the resolution plan ("Approved Resolution Plan") submitted by M/s Next Orbit Growth Fund III Sucessful Resolution Applicant ("SRA") vide their order dated July 31, 2023 ("NCLT Order").
Pursuant to the said order Corporate Insolvency Resolution Process ("CIRP") has been completed. The New Management has taken over the operations of the Company from the Resolution Professional ("RP") and is fulfilling the conditions as per NCLT order and the resolution plan submitted. Pursuant to the Approved Resolution Plan, a Monitoring Committee was formed w.e.f. July 31, 2023 to overlook the implementation of the approved resolution plan. Considering the above, the financial statements are being presented on a 'Going Concern' basis.

46. The Company has paid / provided for excess remuneration to the managing director during FY: 2016-17, 2017-18 and 2018-19 without obtaining the approvals in accordance with Section 197 of the Act. The excess remuneration reversed is shown as recoverable from the Managing Director. The matter is disclosed under report on other legal and regulatory requirements section of independent auditor's audit report. The Company has filed suit against the Managing Director for the recovery of the excess amount of remuneration.

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47. 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, recondition, and consequent adjustments, if any.

48. The company has no any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 in F.Y 2023-2024.

49. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

50. The Company has not traded or invested in Crypto currency or Virtual Currency during

51. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

52. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Company do not have any such transaction which is not recorded in the books of accounts and that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

54. The company holds all the title deeds of immovable property in its name.

55. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

56. The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

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

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58. Accounting Ratios

Sr No	Particulars	Numerator	Denominator	Current Period	Previous Period
1	Current Ratio	Current Asset	Current Liabilities	1.24	0.33
2	Debt-Equity Ratio	Long Term Debt	Net worth	1.36	(0.44)
3	Debt Service Coverage Ratio	(Net Profit + Non Cash operating expenses+Interest on Long term loans+Other adjustment)	(Total amount of interest & principal of long term loan payable or paid during the year)	N/A	N/A
4	Return on Equity Ratio	Net profit After Tax & Exceptional Item	Net worth	2.73	0.08
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Value of Inventory	0.02	N/A
6	Trade Receivables turnover ratio (in times)	Credit Sales	Average Trade Receivable	0.01	N/A
7	Trade Payable turnover ratio (in times)	Credit Purchase	Average Trade Payable	0.06	N/A
8	Net capital turnover ratio (in times)	Sales	Net Asset	0.01	-
9	Net profit ratio	Net profit After Tax & Exceptional Item	Revenue from Operation	536.69	-
10	Return on Capital employed (in %)	EBIT	Capital Employed	2.78	(0.03)
11	Return on Investment (in %)	Net Return on Investment	Cost of Investment	N/A	N/A

Reason for variance in the above ratios

Increase & decrease in ratio is because of adjustments (write off / write back) of assets and liabilities post take-over of the operations of the Company by the New Management pursuant to the NCLT order.

For M Sahu & Co.
Chartered Accountants
Firm Registration No. 130001W

Partner (Manojkumar Sahu)
M. No. 132613
UDIN: 24132623BKELKT2199

Place: Vadodara
Date: 24th June,2024

M Sahu & CO. VADODARA Chartered Accountants

For Steelco Gujarat Limited

Anshoo Raj Khare
Director
DIN : 10311752

Anoop Kumar Saxena
Manageing Director
DIN : 10311727

Mahendra Parekh
Chief Financial Officer

STEELCO GUJARAT LTD. PALEJ INDIA