

**Financial Statements
of**

**EARTHSTAHL & ALLOYS
PRIVATE LIMITED**

**FINANCIAL YEAR
2019-2020**

**A P A S & CO.
CHARTERED ACCOUNTANTS
B 35/5, KRISHNA RANJAN,
2nd FLOOR, SHAILENDRA NAGAR,
RAIPUR, C.G.**

☎ 4032292, apas@apas.co.in

Independent Auditor's Report

To,
TO THE MEMBERS OF **EARTH STAHL & ALLOYS PRIVATE LIMITED**

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **M/s EARTH STAHL & ALLOYS PRIVATE LIMITED (CIN: U27310CT2009PTC021487)** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year then ended, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Entity as at March 31st, 2020 and **Loss** and its cash flows for the year ended on that date.

Basis for Qualified 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 qualified opinion.

- i. As required by AS-15 'Accounting for Retirement Benefits', Gratuity has to be provided on the actuarial basis, but during the year company has adopted a policy to provide for gratuity on actual liability for eligible employee's basis, the impact of non-compliance of Accounting Standards could not be ascertained as actuarial valuation is not available.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the



context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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 Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance 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. 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 implementation and maintenance of 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 Responsibility 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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 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.
2. Obtain an understanding of internal controls 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 expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.



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 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 are given in the Annexure A on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, 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.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except AS 15 regarding provision for gratuity, which has not been provided.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

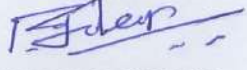


- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, such reporting is not applicable to the company.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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:
- i. Attention is invited to Note No 2.26 to the financial statements on contingent liabilities where the Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Raipur, dated: 07 December 2020



For APAS & Co.
Chartered Accountants
(Firm Registration No. 000340C)


RAJDEEP SINGH
Partner
(Membership No. 415549)
UDIN: 20415549 AAAACZ 9764

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

1.
 - A. The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - B. The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - C. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except for inventories lying with third parties where confirmations have been received by the management, and no material discrepancies were noticed on physical verification.
3. The company has not granted any loan to parties covered in the registered maintained under section 189 of the companies Act 2013 "the Act".
4. According to information and explanation given to us and in our opinion the company has not given any loans, investment made, guarantees given or security covered U/S 185 or 186 of the companies Act-2013.
5. In our opinion and according to the information and explanations given to us the company has not accepted any deposit from public.
6. The maintenance of cost records mandated by the Central Government under section 148(1) of the Companies Act, 2013 are not applicable to the company.
7. (a)According to information and explanations given to us and the records examined by us, the company has generally been regular in depositing with appropriate authorities the amount deducted/accrued in the books of account except as mentioned under in respect of undisputed statutory dues including provident fund , investor education and protection fund



, employees' state insurance ,income tax , value added tax, wealth tax , custom duty, excise duty, cess and other statutory dues wherever applicable.

According to information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31st, 2020, for a period of more than six months from the date they became payable.

(b) No dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which are not deposited as on 31st March 2020 on account of disputes.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks.
9. In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
10. According to the information and explanation given to us, no material fraud by the company, the company or on the company by its officers or employees has been noticed or reported during the course of audit.
11. According to the information and explanation given to us and based on our examination of the records of the company, the company has not paid /provided any managerial remuneration during the year
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and based on our examination of the records of the company the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the examination of the records of the company the company has not entered in to any non



cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Raipur, dated: 07 December 2020



For A P A S & Co
Chartered Accountants
(Firm Registration No. 000340C)

Rajdeep Singh

RAJDEEP SINGH
Partner
(Membership No. 415549)
UDIN: 20415549AAAACZ9764

EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

BALANCE SHEET AS AT 31st March 2020

Figures in Rs.

Particulars	Note	Amount as on 31-03-2020	Amount as on 31-03-2019
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	3,00,00,000	3,00,00,000
Reserves and Surplus	2.2	(1,19,41,394)	(88,18,476)
Non-current liabilities			
Long-Term Borrowings	2.3	13,10,95,000	12,40,25,000
Long term Provision	2.4	3,94,504	3,01,450
Current liabilities			
Short-Term Borrowings	2.5	2,35,75,973	1,26,32,452
Trade Payables	2.6	3,29,09,942	2,66,69,477
Other Current Liabilities & Provisions	2.7	6,06,00,927	4,41,31,019
TOTAL		26,66,34,953	22,89,40,923
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	2.8	16,24,50,592	17,06,76,434
-Intangible Assets		-	-
-Capital work-in-progress	2.8	19,68,266	13,59,304
Deferred Tax Assets	2.9	-	-
Long-Term Loans and Advances	2.10	3,02,54,577	2,03,70,022
Non-Current Investments	2.11	1,73,868	1,73,868
Current assets			
Inventories	2.12	4,96,05,013	2,06,97,157
Trade Receivables	2.13	67,72,616	93,85,463
Cash and Cash Equivalents	2.14	88,565	1,65,318
Short Term Loans & Advances	2.15	1,41,72,367	60,91,266
Other Current Assets	2.16	11,49,089	22,091
TOTAL		26,66,34,953	22,89,40,923
Significant Accounting Policies	1		
Notes on Accounts	2.1-2.36		

As per our report of even date attached herewith

For, **A P A S & Co**

Chartered Accountants

FRN: 000340C

Rajdeep Singh
Rajdeep Singh
Partner
M. No. 415549
UDIN: 20415549AAAAC29764



For & behalf of the Board of Directors

Ravi Laddha
Ravi Laddha
Director
DIN-00008358

Prawin Somani
Prawin Somani
Director
DIN-01143972



Date: 07-12-2020

Place: Raipur

EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Note	2019-20	2018-19
Revenue From Operations			
Revenue from Operations	2.16	31,65,46,931	39,05,23,178
Net Revenue from Operations		31,65,46,931	39,05,23,178
Other Income			
Interest Income	2.17	11,26,170	27,43,828
Other Income	2.17	4,85,222	-
Total Revenue		31,81,58,323	39,32,67,006
Expenses:			
Cost of Material Consumed	2.18	6,93,88,968	13,18,63,061
Purchases Stock in Trade		4,94,36,909	7,28,04,684
Change in Inventory	2.19	(2,69,92,105)	82,51,634
Production Related Direct Expenses	2.20	18,11,93,526	18,29,22,055
Employee Benefit Expenses	2.21	99,56,239	66,78,443
Finance costs	2.22	1,74,47,138	1,58,37,750
Depreciation expense	2.8	1,38,42,304	1,34,71,992
Other Expenses	2.23	70,08,263	68,25,659
Total Expenses		32,12,81,241	43,86,55,277
Profit before Exceptional Items and Tax		(31,22,918)	(4,53,88,272)
Exceptional Items		-	-
Profit before Tax		(31,22,918)	(4,53,88,272)
Tax expense:			
(1) Current tax		-	-
(2) Less: MAT Credit entitlement		-	-
(2) Deferred tax		-	-
Profit (Loss) for the period		(31,22,918)	(4,53,88,272)
Earnings per Equity Share		2.24	
Basic		(1.04)	(15.13)
Diluted		(1.04)	(15.13)
Significant Accounting Policies		1	
Notes on Accounts		2.1-2.36	

As per our report of even date attached herewith

For, A P A S & Co

Chartered Accountants

FRN: 000340C

Rajdeep Singh

Partner

M. No. 415549

UDIN: 20415549 AAAA C2-9764



For & behalf of the Board of Directors

Ravi Laddha

Director

DIN-00008358

Prawin Soman

Director

DIN-01143972



Date: 07-12-2020

Place: Raipur

EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487
CASH FLOW STATEMENT FOR THE YEAR 2019-20

Figures in Rs.

Particulars	2019-20	2018-19	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as per statement of P&L	(31,22,918)		(4,53,88,272)
Adjusted For:			
Depreciation Expenses	1,38,42,304	1,34,71,992	
Finance Costs	1,74,47,138	1,58,37,750	
Interest Income	(11,26,170)	(27,41,337)	
Operating Profit before Working Capital Changes	2,70,40,354		(1,88,19,867)
Adjusted For:			
Trade and Other Receivables	26,12,846	(59,49,331)	
Short Term Loans & Advances	(80,81,101)	51,739	
Inventories	(2,89,07,855)	78,36,294	
Other Current Assets	(11,26,998)	1,22,632	
Trade and Other Payables	62,40,465	5,02,09,189	
Short Term Borrowings (Net)	1,09,43,521	28,03,785	
Long term provisions	93,054	1,44,989	
Other Current Liabilities	1,64,69,908		
Cash Generated from Operations	2,52,84,194		3,63,99,430
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(62,25,424)	(1,02,50,356)	
Movement in Loans & Advances	(98,84,555)	48,15,998	
Purchase of Investments	-	(1,73,868)	
Net Cash from Investing Activities	(1,61,09,979)		(56,08,226)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Equity Capital Infusion	-	-	
Long Term Borrowings(net)	70,70,000	(1,86,21,274)	
Finance Cost	(1,74,47,138)	(1,58,37,750)	
Interest Income	11,26,170	27,41,337	
Capital Reserve	-	-	
Net Cash from financing Activities	(92,50,968)		(3,17,17,687)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(76,754)		(9,26,484)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	1,65,318		10,91,802
CL. BALANCE OF CASH AND CASH EQUIVALENTS	88,564		1,65,318

As per our report of even date attached herewith

For, A P A S & Co
Chartered Accountants
FRN: 000340C

Rajdeep Singh

Partner

M. No. 415549

UDIN: 20415549 AAAACZ9764



For & behalf of the Board of Directors

Ravi Laddha

Ravi Laddha

Director

DIN-00008358

Pravin Somani

Pravin Somani

Director

DIN-01143972



Date: 07-12-2020

Place: Raipur

EARTH STAHL & ALLOYS PRIVATE LIMITED

Note No 1: SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention and are prepared on accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013.

B. Use of Estimates:

The preparation of financial statements requires management to make estimates & assumptions that affect the reported amount of assets, liabilities including disclosure of contingent liabilities at the end of reporting period and revenue, expenses during the reporting period. Although such estimates and assumptions are made on a reasonable & prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are materialised.

C. Fixed Assets & Capital Work in Progress:

- a. Fixed Assets (Both Tangible and Intangible Assets) are stated at cost net of recoverable taxes less accumulated depreciation/amortization and impairment loss, if any.
- b. Capital Work in Progress: All indirect and direct expenditures including borrowing costs directly attributable to Projects under commissioning till the commencement of commercial production are carried at costs under Capital work in Progress. The trial run expenditures constituting of costs of manufacturing and cost of materials consumed reduced by any sales or income earned during the trial run period are capitalized along with other pre-operative expenditures incurred till the commencement of commercial production. The long term advances towards Capital Expenditures are shown under Long Term Advances.
- c. Incidental expenditure prior to construction like preliminary project expenditures and indirect expenses like corporate office administrative expense are charged as period costs in the financial year to which they pertain.

D. Depreciation and Amortization:

- a. As per the provisions of Companies Act, 2013, depreciation calculation has been done based on the Useful life given in the Schedule II of Companies Act, 2013.
- b. Depreciation on all assets pertaining to the manufacturing facility is provided on the '**Straight Line Method**' in the manner specified in Schedule II to the Companies Act 2013.
- c. Depreciation on additions to the Fixed Assets or on Assets sold, discarded, demolished is being provided on complete year basis.
- d. Assets costing up to Rs.5000/- are expensed out in the period they pertain to.
- e. Capital & Machinery spares procured with an item of fixed asset are depreciated along with the related plant and machinery.



R. Gans.

R. Stahl



E. Impairment of Assets:

The carrying amount of assets are reviewed at the balance sheet date and if there is any indication of impairment based on internal/external factors, an impairment loss will be recognized wherever the carrying amount of the assets exceeds its recoverable value.

F. Investment:

Current Investments are carried at lower of cost and quoted/fair value if any. Non Current Investments are stated at costs. Provision of diminution in the value of Non current investments is made only if the decline is other than temporary.

G. Inventories:

a. Finished Goods -

Cost of Inventories comprises of cost of purchases, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective location and condition. The items of finished goods and Semi Finished stock are measured at lower of cost and net realizable value.

b. Raw Materials, Stores and Spares and Other Consumables -

Raw Materials and Other Stores and Consumables are valued at average cost in bringing the goods to the place of its location and condition (Net of Refundable taxes and Duties)

c. By Products -

By products are valued at net realizable value.

H. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till the commencement of commercial production. The amounts of borrowing costs eligible for capitalization are determined in accordance with Accounting Standard 16 on Borrowing Costs. Other borrowing costs are recognized as an expense in the period in which they are incurred.

I. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations shall not include sale during trial run period. Expenses are accounted for on the accrual basis with necessary provisions of all the known liabilities and losses.

Revenue from operations includes sales of goods which is shown inclusive of excise duty and it excludes Taxes on Sales and is net of trade discounts, if any.

Interest Income on deposits is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

J. Provisions/Contingencies:

Provisions are determined based on the best estimate of the amount required to settle the obligation at the balance sheet date. The contingent liabilities, if any, are not recognized but are disclosed in the form of accounting notes. Contingent assets are neither recognized nor disclosed in the financial statements.

K. Provision for Current and Deferred Tax

- a. Provision for Current Tax is made on the basis of estimated taxable income (Considering MAT) for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961.



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- b. Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

L. Employee Retirement Benefits:

- a. Company's contribution to provident fund is recognized as an expense in the statement of Profit and Loss for the year in which the related service is rendered.
- b. The retirements benefits and long term employee benefits are recognized as expense in the relevant period at the present value of amounts payable determined using actuarial valuation techniques in accordance with AS -15. Currently no Earned leaves are accrued in the hands of Employees as on 31.03.2020 which needs recognition as employee retirement benefits in the accounting period 2019-20. Gratuity provision has been made in current year based on company's calculation and actuarial valuation has not been taken.

M. Government Grants

- a. Recognition: Grants are recognized only when there is a reasonable assurance that the entity has complied with the relevant conditions to receive such grants and when there is a reasonable certainty that the ultimate collection will take place.
- b. Government Grants related to revenue (subsidies in interest, power costs and others) from State/Central and other Government undertakings is recognized in the profit & loss statement under "Other Income" in the respective period to match with the related costs in which they are intended to compensate.
- c. The government grants related to depreciable capital assets are presented in the balance sheet by way of showing the grant amount as a deduction from the gross value of related assets in arriving at their book value. The capital grants that are not specific to any assets are shown under Capital Reserves.

N. Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.



Richell

Rajan



EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487
NOTES TO ACCOUNTS

Note 2.1: SHARE CAPITAL

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorised Equity Shares having nominal value of ₹ 10 each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Issued, Subscribed & Paid Up Equity Shares having nominal value of ₹ 10 each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Total	30,00,000	3,00,00,000	30,00,000	3,00,00,000

The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

Reconciliation of the number of Shares Outstanding

Particulars	Equity Shares			
	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

Disclosure relating to shareholder holding more than 5% of the equity.

Name of Shareholder	Equity Shares			
	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% to total holding	No. of Shares held	% to total holding
M.s Jaiguru Vintrade Private Limited	1060000	35.33%	1060000	35.33%
Shri Ravi Thakurdas Laddha	365000	12.17%	365000	12.17%
Rajesh Somani	355000	11.83%	355000	11.83%
Pravin Somani	247000	8.23%	247000	8.23%
M/s CG Metalik & Alloys P Ltd	240000	8.00%	240000	8.00%
M/s. Aayush steel Co. Pvt. Ltd	185000	6.17%	185000	6.17%
M/s. Somani Processors Pvt. Ltd	170000	5.67%	170000	5.67%



Pravin Somani

Rajesh Somani



EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

NOTES TO ACCOUNTS

Note 2.2: Reserves and Surplus

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Securities Premium Account		
Opening Balance	7,34,40,000	7,34,40,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised	-	-
Closing Balance	7,34,40,000	7,34,40,000
General Reserve	-	-
Capital Reserve		
Opening Balance	4,55,97,997	4,55,97,997
(+) Current Year Changes	-	-
Closing Balance	4,55,97,997	4,55,97,997
Surplus (-Deficit)		
Opening balance	(12,78,56,473)	(8,24,68,201)
(+) Net Profit/(Net Loss) For the current year	(31,22,918)	(4,53,88,272)
(+) Transfer from Reserves	-	-
(-) Transfers	-	-
Closing Balance	(13,09,79,391)	(12,78,56,473)
Total	(1,19,41,394)	(88,18,476)

Note 2.3: Long-Term Borrowings

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Secured		
Term loans from NBFC'S		
Chhattisgarh Investments Ltd.	12,40,75,000	13,17,75,000
Less : Current maturity	(1,87,00,000)	(1,32,00,000)
Total	10,53,75,000	11,85,75,000

Security

The Term Loan and working capital loans are secured by way of Hypothecation of Movable Assets and equitable mortgage of immovable properties of the Company except the machinery and Vehicles acquired under hire Purchase agreement .

Terms of Repayment

1. The term loan amount of Rs 1320 Lacs is repayable in 120 monthly equal installments of Rs 11,00,000/- commencing from 30 April 2019

Unsecured

Loans and advances from related parties

Unsecured From Directors	78,50,000	54,50,000
Unsecured From Relatives	-	-
Unsecured from Bodies Corporate	1,78,70,000	-
Total	2,57,20,000	54,50,000

Terms of Repayment

The above unsecured loan is repayable after a period of two years from the Balance Sheet Date. The applicable Rate of Interest is NIL per annum, till the existence of Bank Term Loans

TOTAL LONG TERM BORROWINGS	13,10,95,000	12,40,25,000
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EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

NOTES TO ACCOUNTS

Note 2.4: Long term Provision

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Provision for gratuity	3,94,504	3,01,450
Total	3,94,504	3,01,450

Note 2.5: Short-Term Borrowings

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Secured		
a) Loans repayable on demand Chhattisgarh Investments Limited	1,30,85,104	78,80,408

Terms and Security

The Cash Credit Loan is secured by way of Hypothecation of Inventory and Trade receivables. Further the loan along with Term Loan from NBFC is secured by way of Equitable mortgage of immovable properties of the company

OD in Current Account (against reconciliation)	1,04,90,870	47,52,044
Total	2,35,75,973	1,26,32,452

Note 2.6: Trade Payables

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Due on account of Goods Purchased & Services Received	3,29,09,942	2,66,69,477
Total	3,29,09,942	2,66,69,477

Note 2.7: Other Current Liabilities & Provisions

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Current maturities of Long-Term Debt	1,87,00,000	1,32,00,000
(c) Other Payables		
Audit Fees Payable	27,000	27,000
GST Payable	27,33,931	25,26,593
Taxes & Duties payable	18,37,318	17,17,148
Employee benefit payable	1,21,958	88,444
Outstanding liabilities for other expenses	14,18,483	1,37,31,626
Advance from Customers	86,93,470	62,95,721
Creditors for Capital goods	2,70,68,768	65,44,487
Total	6,06,00,927	4,41,31,019

Note 2.9 : Deferred Tax Assets

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Opening Balance of Deferred Tax Asset/(Liability)	-	-
On Account of Loss	-	-
On Account of Deprecation	-	-
On Account of 35D Expenses	-	-
On account of Difference of earlier year	-	-
Deferred Tax Assets/(Liability) for the year	-	-
Closing Balance of Deferred Tax Asset/(Liability)	-	-



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EARTH STAHL & ALLOYS PRIVATE LIMITED

Note No 2.8: DEPRECIATION CHART AS PER COMPANIES ACT(ON SLM METHOD) AS ON 31-03-2020

Figures in 'Rs.

Fixed Assets	Rate	Gross Block				Accumulated Depreciation		NET BLOCK		
		Balance as at 1 April 2019	Additions	Disposals	Balance as at 31st March 2020	Balance as at 31st March 2020	Transfer of asset	Depreciation charge for the year	Net Block as at 31st March 2020	Net Block at 31 March 2019
TANGIBLE ASSETS										
Own Assets										
Factory Land		62,77,226	-	-	62,77,226	-	-	-	62,77,226	62,77,226
Factory Shed & Building		6,03,99,357	-	-	6,03,99,357	-	26,80,566	1,56,37,812	4,47,61,555	4,74,42,122
Plant and Machinery		16,48,61,703	53,26,848	-	17,01,88,551	-	1,04,00,626	6,19,22,619	10,82,65,932	11,33,39,710
Office Equipments		1,82,253	1,78,902	-	3,61,155	-	22,711	1,44,416	2,16,739	60,547
Computers		6,97,296	69,567	-	7,66,863	-	48,423	6,61,032	1,05,831	84,687
Furniture & Fixture		30,77,742	38,140	-	31,15,882	-	3,14,057	14,31,355	16,84,527	19,60,444
Vehicles		60,74,447	3,000	-	60,77,447	-	3,75,922	49,38,670	11,38,776	15,11,698
Total A		24,15,70,035	56,16,456	-	24,71,86,491	-	1,38,42,304	8,47,35,904	16,24,50,592	17,06,76,434
Previous Year		23,26,78,981	88,91,053	-	24,15,70,035	-	1,34,71,992	7,08,93,601	17,06,76,433.88	17,52,57,372
Capital Work In Progress										
Total B		13,59,304	6,08,962	-	19,68,266	-	-	-	19,68,266	13,59,304
*Previous Year		13,59,304	6,08,962	-	19,68,266	-	-	-	19,68,266	13,59,304
(* Previous Figures have been reclassified, Regrouped from Last Year)										
Total (A+B)		24,29,29,339	62,25,418	-	24,91,54,757	-	1,38,42,304	8,47,35,904	16,44,18,858	17,20,35,738
Previous Year		23,26,78,981	1,02,50,357	-	24,29,29,339	-	1,34,71,992	7,08,93,601	17,20,35,738	17,52,57,372

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EARTHSTAHL & ALLOYS PRIVATE LIMITED
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NOTES TO ACCOUNTS

Note 2.10: Long-Term Loans and Advances

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Capital Advances		
Unsecured and considered good	34,00,000	34,00,000
	34,00,000	34,00,000
Security Deposits		
(Secured, Considered Good)	-	10,000
(Unsecured, Considered Good)	2,61,15,552	1,64,86,110
	2,61,15,552	1,64,96,110
c. Other Loans and advances		
Unsecured and considered good		
GST Receivable	10,208	
TDS & TCS Receivable	7,28,817	4,73,912
	7,39,025	4,73,912
Total:	3,02,54,577	2,03,70,022

Note 2.11: Non Current Investments

Particular	Amount as on 31-03-2020	Amount as on 31-03-2019
Other Non-Trade		
a. Investment	-	-
b. Equity Instruments (fully paid up-unless otherwise stated)		
Quoted		
- Mutual Fund	-	-
- Equity Share	1,73,868	1,73,868
(Mphasis Limited 150 Shares(PY 150))		
Unquoted	-	-
Total	1,73,868	1,73,868

Note 2.12: Inventories

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
a. Raw Materials (Valued at Average Cost)	1,04,78,545	79,03,331
b. Finished goods (Valued at Lower of Cost or NRV)	3,49,27,354	82,08,478
c. Semi Finished Goods (Valued at Lower of Cost or NRV)	-	1,04,221
d. Stock in Trade (Valued at Lower of Cost or NRV)	7,86,318	4,08,868
e. Stores and Consumables (Valued at Average Cost)	29,04,391	29,27,972
f. Stock of Foundry Rejects (Valued at NRV)	5,08,404	11,44,288
Total	4,96,05,013	2,06,97,157

Note 2.13: Trade Receivables

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	67,72,616	85,42,583
Trade receivables outstanding for a period more than six months		
Unsecured, considered good	-	8,42,880
Total	67,72,616	93,85,463



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EARTHSTAHL & ALLOYS PRIVATE LIMITED
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NOTES TO ACCOUNTS

Note 2.14: Cash and Cash Equivalents

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
a. Cash and cash equivalents		
Cash in hand	55,226	1,40,318
Balances with banks	33,338	25,000
Total	88,565	1,65,318

Note 2.15: Short Term Loans & Advances

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Unsecured, Considered Good		
Loans & Advances to Related Parties	-	-
Advance to Staff	58,200	1,80,469
Advances with Others	38,252	38,252
Balances with Tax Authorities	2,28,837	2,53,844
Advance to Suppliers	1,38,47,078	56,18,701
Total	1,41,72,367	60,91,266

Note 2.16: Other Current Assets

Particulars	Amount as on 31-03-2020	Amount as on 31-03-2019
Other Current Assets	11,15,736	-
Interest Accrued	-	-
Prepaid Expenses	33,353	22,091
Total	11,49,089	22,091

Note 2.16: Revenue From Operations

Particulars	2019-20	2018-19
Revenue from Operations		
A: Sale of Products		
Manufactured Goods (SAF)	26,02,73,578	31,51,55,383
Manufactured Goods (foundry)	52,99,400	-
Total	26,55,72,978	31,51,55,383
Traded Goods Sales	5,09,49,153	7,53,67,795
B: Revenue from Services		
Other Direct Income	24,800	-
Grand Total	31,65,46,931	39,05,23,178

Note 2.17: Other Income

Particulars	2019-20	2018-19
Interest Income	11,26,170	27,41,337
Other Income	4,85,222	2,491
Total	16,11,392	27,43,828

Note 2.18: Cost of Material Consumed

Particulars	2019-20	2018-19
Consumption:		
Consumption of Raw Materials (SAF)	5,99,63,722	13,03,95,583
Consumption of Raw Materials (Foundry)	94,25,245	14,67,478
Consumption of Raw Materials (Ferrous waste + coke)	-	-
Total	6,93,88,968	13,18,63,061

Details of Major Raw Material Consumed (constituting more than 10% of total consumption)

RM with Iron Content	2,49,34,213	4,52,63,519
RM with Carbon Content	3,45,68,752	8,12,38,299
RM with Othre Content	4,60,757	43,08,379



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EARTHSTAHL & ALLOYS PRIVATE LIMITED
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NOTES TO ACCOUNTS

Note 2.19: Changes in Inventories of Finished Goods and WIP

Particulars	2019-20	2018-19
Inventory at the beginning of the year		
Finished Goods (Valued at Lower of Cost or NRV)	71,57,990	1,51,24,835
Semi Finished Goods	1,04,221	47,484
Traded Goods (Valued at Lower of Cost or NRV)	4,08,868	7,15,007
Finished Goods Ferrous Waste & Coke Fines (Valued at Lower of Cost or NRV)	-	5,94,000
Finished Goods Casting Articles (Valued at Lower of Cost or NRV)	10,50,488	4,91,876
	87,21,567	1,69,73,202
Inventory at the end of the year		
Finished Goods CI Limps (Valued at Lower of Cost or NRV)	1,41,12,008	71,57,990
Stock of Traded goods	7,86,318	4,08,868
Finished Goods Ferrous Waste & Coke Fines (Valued at Lower of Cost or NRV)	1,33,860	-
Semi Finished Goods	-	1,04,221
Finished Goods Casting Articles (Valued at Lower of Cost or NRV)	2,06,81,486	10,50,488
	3,57,13,672	87,21,567
(Increase)/Decrease In Inventory	(2,69,92,105)	82,51,634

Note 2.20: Production Related Direct Expenses

Particulars	2019-20	2018-19
Power Charges	14,31,78,530	14,63,61,539
Production & Handling Charges	1,65,44,819	1,72,55,870
Consumption of Stores & Consumables	2,14,70,177	1,93,04,645
Grand Total	18,11,93,526	18,29,22,055

Note 2.21: Employee Benefit Expenses

Particulars	2019-20	2018-19
Salary & Wages	90,33,066	60,36,347
Contribution to Provident and Other Funds	7,74,158	5,59,594
Staff Welfare expenses	1,49,015	82,502
Total	99,56,239	66,78,443

Note 2.22: Finance costs

Particulars	2019-20	2018-19
Interest expenses	1,73,60,870	1,58,16,983
Bank Charges	86,268	20,767
Total	1,74,47,138	1,58,37,750

Note 2.23: Other Expenses

Particulars	2019-20	2018-19
Administrative and Establishment Expenses		
Audit Fees	30,000	30,000
Administrative Expenses	43,99,528	67,95,659
Selling Expenses	25,78,735	-
Total	70,08,263	68,25,659



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EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

NOTES TO ACCOUNTS

Note 2.24: Earnings per Equity Share

Particulars	2019-20	2018-19
Net Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders	(31,22,918)	(4,53,88,272)
Weighted Average number of equity shares for Earnings per Share computation	30,00,000	30,00,000
1. For Basic Earnings per Share of ₹ 10 each	30,00,000	30,00,000
2. For Diluted Earnings per Share of ₹ 10 each	30,00,000	30,00,000
Earnings per Share		
Basic	(1.04)	(15.13)
Diluted	(1.04)	(15.13)

Note 2.25 Contingent Liabilities and Commitments

Nature of Transactions	2019-20	2018-19
Contingent Liabilities		
Contingent Liability not provided for in respect of :-		
Employee Provident Fund (The Honourable Supreme court has passed a decision on 28th February 2019 in relation to the inclusion of certain allowances within the scope of "Basic Wages" for the purpose of determining the contribution to Provident Fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of judgement on the Company, with respect to the period and the nature of allowances to be covered and the resultant impact on the past provident fund liability cannot be reasonably ascertained, at present)	Amount unascertainable	NIL
Guarantee :-		
Guarantees to Bank & Financial Institutions against credit facilities extended to third parties		
(a) In respect of joint ventures	NIL	NIL
(b) In respect of others	NIL	NIL
Other Money for which the company is contingently liable	NIL	NIL
Commitments	NIL	NIL
Total	-	-

Note 2.26 RELATED PARTY TRANSACTIONS

(A) Key Management Personnel & Their Relative

1. Rajesh Somani
2. Prawin Somani
3. Shri Ravi Laddha
4. Padma Somani
5. Anju Somani
6. Swati Laddha
7. Anuj Saboo
8. Ravi Laddha HUF

Director
Director
Director
Relative of KMP
Relative of KMP
Relative of KMP
Relative of KMP
Related to KMP

R Somani
W Laddha



EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

NOTES TO ACCOUNTS

(B) Enterprise over which Key Management Personnel & Their Relative have control

1. Ayush Steel Co P Ltd
2. Shree Balaji Iron and Steel Traders
3. Somani Processors P Ltd
4. CG Metalik & Alloys P Ltd
5. Moshvarya Infrastructure Company P Ltd
- 6 Jaiguru Vintrade Pvt.Ltd

Transaction with Related Parties

(Amount in Rs.)

Nature of Transactions	2019-20	2018-19
Transactions With (A) above		
- Loan received	3,600,000	1,600,000
- Loan repaid	1,200,000	2,000,000
- Expense made on behalf of company	403,826	459,618
- Expense Amount Reimbursed	204,620	795,842
Transactions With (B) above		
- Trading receipt	-	2,637,259
- Advance received	18,170,000	-
- Advance paid back	1,206,557	1,730,702
- Purchase of Goods and services	1,057,218	-
- Interest Paid	45,185	-
Balance with (A) Above		
- Loans & Advances Payable	6,950,000	6,350,000
- Other Payables	545,134	345,928
Balance with (B) Above		
- Loans & Advances Payable	17,870,000	906,557
- Other Payables	40,666	-

Note 2.27 PAYMENTS TO AUDITORS

1. Statutory Audit Fees	30,000	30,000
3. Tax Audit, Certification and Other Fees	57,000	29,250
Total	87,000	59,250

Note 2.28 The balances of certain Debtors, Creditors, Loans & Advances are subject to external confirmation. In the opinion of the management, the Current Assets, Loans & Advances have a realizable value which is in the ordinary course of business at least equal to the amount at which they are stated unless indicated elsewhere

Note 2.29 In the opinion of the management, there are no such events occurred after the date of Balance Sheet of material value which needs disclosure in the accounts.

Note 2.30 Currently no Earned leaves are accrued in the hands of Employees as on 31.03.2020 which needs recognition as employee retirement benefits in the accounting period 2019-20. Gratuity provision has been made in current year on estimation basis. Actuarial valuation is not done.

Note 2.31 The company has not received any memorandum (as required to be filed by the suppliers with the notified Authority under the MSMED Act 2006) claiming their status as on 31st March 2020 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is NIL.



Rishabh

Rishabh

EARTHSTAHL & ALLOYS PRIVATE LIMITED
CIN: U27310CT2009PTC021487

NOTES TO ACCOUNTS

Note 2.32 Other Disclosures

1) Value of Imports calculated on CIF basis by the Company during the Financial year in respect of Raw Material, Components and Capital Goods	NIL
2) Expenditure in Foreign Currency during the FY on account of Royalty Know How, Professional and Consultation fees, Interest and other matters	NIL
3) Total Value of all Imported Raw Materials, Spare Parts and Consumables consumed as % of Indigenous Raw Materials, Spare Parts and Components with Values	NIL
4) Amount remitted in Forex as Dividends	NIL
5) Earnings in Foreign Exchange	34,08,796

Note 2.33

The Company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service-level agreements, and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Note 2.34 No disclosure has been made for Segment reporting as per AS 17, as the company has only one segment of business in the current year.

Note 2.35 During the year the Company has not recognised Deferred tax Asset/ Liability since there is no virtual certainty as supported by reasonable evidence relating to sufficient taxable income in near future.

Note 2.36 Balances have been regrouped and reclassified as per the requirements of Schedule II of Companies Act 2013.

As per our report of even date attached herewith

For, A P A S & Co
Chartered Accountants
FRN: 000340C

Rajdeep Singh
Rajdeep Singh
Partner
M. No. 415549
UDIN: 20415549AAAACZ9764.



For & behalf of the Board of Directors

Earth Stahl & Alloy's (P) LTD

Ravi Laddha
Director

Ravi Laddha
Director
DIN-00008358

Earth Stahl & Alloy's (P) LTD

Pravin Somani
Director

Pravin Somani
Director
DIN-01143972

Date:07-12-2020

Place: Raipur