

***RHETAN ROLLING MILLS PRIVATE
LIMITED***

***STATUTORY AUDIT REPORT
FINANCIAL YEAR 2019 – 2020***

Audited by

M/s. SUNIL PODDAR & CO.

Chartered Accountants

1301, Addor Aspire, Nr. Jhanvi Restaurant,

Panjarapole , University Road,

Ambawadi, Ahmedabad – 380015

Phone : 079-48977222-23



Independent Auditor's Report

To the Members of Rhetan Rolling Mills Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rhetan Rolling Mills Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, cash flow statement and 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, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act 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.

Emphasis of Matter

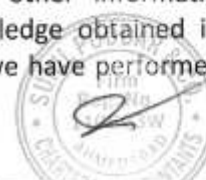
We draw attention to Other disclosures forming part of the standalone Financial Statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Other Information

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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone 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.

Management's Responsibility for the Standalone Ind AS 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 and presentation of these Ind AS 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 (Ind AS) 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the audit of Standalone financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

As part of an audit in accordance with SAs, 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 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 expressing our opinion on whether the entity 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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, 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 the companies (Indian Accounting Standards) Rules 2015 as amended.



(e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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, refer to our separate report in "Annexure B"; and

(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. *The Company does not have any pending litigations which would impact its financial position.*

ii. The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

f) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid 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 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) which are required to be commented upon by us.

FOR, SUNIL PODDAR & CO.

Chartered Accountants

Firm Reg. No 110603W




[CA PANKAJ AGARWAL]

Partner

M. No. 443450

PLACE: AHMEDABAD

DATE :30th July, 2020.

UDIN : 20443450AAAALN3957

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified 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 nature of its business. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) The stock of Inventories has been physically verified by the management at reasonable intervals commensurate with size and nature of the business.
- (b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of business.
- (c) The company has maintained reasonable records for Inventories of raw material and finished goods lying at factory premises. As regards to work in process, we were informed that though it is not possible to compare individual items with the available records, on an overall basis, no discrepancy was disclosed.
- (iii) The company has not granted unsecured loans to the companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made except section 186(7) of the companies act. Details of the same are as under:
- | | | |
|--------------------------------------|---|---------------|
| Total no. of parties | : | 13 |
| Balance outstanding as on 31.03.2020 | : | Rs. 91,81,473 |
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods or services rendered by the Company.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The provision of section 197 read with schedule V to the act with respect to the managerial remuneration is not applicable to the company; hence, no specific comments with respect to this matter can be made.
- (xii) 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.
- (xiii) 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR, SUNIL PODDAR & CO.

Chartered Accountants

Firm Reg. No 110603W



[CA PANKAJ AGARWAL]

Partner

M. No. 443450

PLACE: AHMEDABAD

DATE :30th July, 2020.

UDIN : 20443450AAAALN3957

Annexure - B to Independent Auditors' Report of even date on the Standalone Ind AS financial statement of the Rhetan Rolling Mills Private Limited ("the Company")

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

Opinion

We have audited the internal financial controls over financial reporting of Rhetan Rolling Mills Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

In our opinion the company has, in all material respects, an adequate internal financial controls system over financial reporting and were operating effectively as at 31st March, 2020, 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 ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 judgment, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent 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.

PLACE: AHMEDABAD
DATE :30th July, 2020.
UDIN : 20443450AAAAALN3957

FOR, SUNIL PODDAR & CO.
Chartered Accountants
Firm Reg. No 110603W



[CA PANKAJ AGARWAL]
Partner
M. No. 443450

RHETAN ROLLING MILLS PRIVATE LIMITED

AUDITED STANDALONE BALANCE SHEET AS AT 31ST MARCH , 2020

| Particulars | Note No | Figures as at the end of current reporting period | Figures as at the end of the previous reporting period |
|--|---------|---|--|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 2 | 40,000,000 | 40,000,000 |
| (b) Reserves and Surplus | 3 | (30,808,753) | (12,568,733) |
| (c) Money received against share warrants | | | |
| 2 Share application pending for allotment | | - | - |
| 3 Non-current Liabilities | | | |
| (a) Long-term borrowings | 4 | 154,170,370 | 109,840,000 |
| (b) Deferred Tax liabilities (Net) | 5 | 6,857,119 | (1,383) |
| (c) Other Non Current Liabilities | | - | - |
| (d) Long term provisions | | - | - |
| 4 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 85,230,581 | - |
| (b) Trade Payables | 7 | | |
| total outstanding dues of micro enterprises and small enterprises | | - | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 44,631,302 | - |
| (c) Other Current Liabilities | 8 | 4,588,802 | 750,082 |
| (d) Short term provisions | 9 | 300,963 | - |
| Total Equity & Liabilities | | 304,970,384 | 138,019,966 |
| II. ASSETS | | | |
| 1 Non-current Assets | | | |
| (a) Property Plant and Equipment | 10 | | |
| Tangible Assets | | 89,454,781 | 37,716,772 |
| Capital Work in Progress | | - | 50,966,653 |
| Intangible assets | | - | - |
| Intangible assets under development | | - | - |
| (b) Non Current Investments | 11 | 10,439,359 | 10,439,359 |
| (c) Deferred Tax Assets (Net) | | - | - |
| (d) Long-term loans and advances | 12 | 19,153,660 | 24,375,044 |
| (e) Other Non Current Assets | 13 | 5,900,671 | 6,646,509 |
| 2 Current Assets | | | |
| (a) Current Investments | | | |
| (b) Inventories | 14 | 84,725,229 | - |
| (c) Trade Receivables | 15 | 73,204,436 | - |
| (d) Cash and cash equivalents | 16 | 1,438,131 | 933,340 |
| (e) Short Term Loans and Advances | | - | - |
| (f) Other Current Assets | 17 | 20,654,117 | 6,942,288 |
| TOTAL RS... | | 304,970,384 | 138,019,966 |

NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an Integral part of Balance Sheet


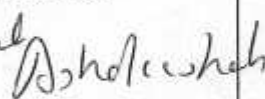
This is the Balance Sheet referred to in our Report of even date.

FOR AND ON BEHALF OF
SUNIL PODDAR & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO.:110603W


[CA. PANKAJ AGARWAL]
PARTNER
M.No. 443450



FOR AND ON BEHALF OF
RHETAN ROLLING MILLS PVT. LTD.

SHALIN A SHAH
DIRECTOR
DIN: 00297447

ASHOK C SHAH
DIRECTOR
DIN: 02467830

PLACE: Ahmedabad
DATE: 30th July, 2020
UDIN : 20443450AAAALN3957

RHETAN ROLLING MILLS PRIVATE LIMITED

AUDITED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020


| Particulars | Note No | Figures as at the end of current reporting period | Figures as at the end of the previous reporting period |
|---|---------|---|--|
| I Revenue from operations (Net) | 18 | 200,083,773 | - |
| III Other Income | 19 | 742,181 | 447,823 |
| III Total Revenue (I + II) | | 200,825,954 | 447,823 |
| IV Expenses | | | |
| Cost of Material Consumed | 20 | 193,164,660 | - |
| Purchase of Stock in Trade | | - | - |
| Change in inventories of Finished Goods and WIP | 21 | (36,613,466) | - |
| Employee Benefit Cost | 22 | 5,354,194 | - |
| Finance Costs | 23 | 2,994,733 | 6,530 |
| Depreciation and Amortisation Expense | 24 | 2,422,884 | 116,545 |
| Other Expenses | 25 | 32,092,553 | 356,928 |
| Total Expenses (IV) | | 199,415,559 | 480,003 |
| V Profit before exceptional and extraordinary items and tax (III - IV) | | 1,410,395 | (32,180) |
| VI Exceptional Items | | - | - |
| VII Profit before extra ordinary items and tax (V-VI) | | 1,410,395 | (32,180) |
| VIII Extra ordinary Items | | - | - |
| IX Profit/(Loss) before tax (VII-VIII) | | 1,410,395 | (32,180) |
| X Tax Expense : | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | 5 | 361,963 | 4,301 |
| (3) MAT Credit Entitlement | | - | - |
| XI Profit (Loss) for the period from continuing operations (VII-VIII) | | 1,048,431 | (36,481) |
| XII Profit/(loss) from discontinuing operations | | - | - |
| XIII Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV Profit (Loss) for the period (XI + XIV) | | 1,048,431 | (36,481) |
| X Earning Per Share: | | | |
| - Basic | | 2.62 | (0.09) |
| - Diluted | | 2.62 | (0.09) |

NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

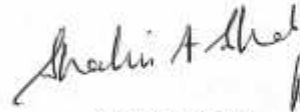
This is the Profit & Loss Statement referred to in our Report of even date.

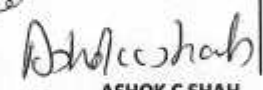
FOR AND ON BEHALF OF
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[CA. PANKAJ AGARWAL]
PARTNER
M.No. 443450



FOR AND ON BEHALF OF
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SHALIN A SHAH
DIRECTOR
DIN: 00297447


ASHOK C SHAH
DIRECTOR
DIN: 02467830

PLACE: Ahmedabad
DATE: 30th July, 2020
UDIN : 20443450AAAALN3957

RHETAN ROLLING MILLS PRIVATE LIMITED

AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2020

| PARTICULARS | 2019-20 | 2018-19 |
|---|----------------------|---------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES : | | |
| Net Profit before tax as per Profit & Loss Account | 1,410,395 | (32,180) |
| Adjustment for : | | |
| Depreciation | 2,422,884 | 116,545 |
| Loss on sale of plant & machinery | - | 170,200 |
| Interest Income | (572,650) | (446,473) |
| Preliminary Expenses Written Off | 745,838 | 121,800 |
| | 2,596,072 | (37,928) |
| Operating Profit before Working Capital Changes | 4,006,467 | (70,108) |
| Working Capital Changes | | |
| Adjustment for | | |
| Trade Payables | 44,631,302 | |
| Inventories | (84,725,229) | |
| Trade Receivables | (73,204,436) | |
| Other current Assets | (13,711,828) | (19,428,332) |
| Other Current Liabilities | 3,838,720 | 226,835 |
| Other Non Current Liabilities | 300,963 | |
| Net Changes in Working Capital | (122,870,508) | (19,201,497) |
| Cash Generated from operations | (118,864,041) | (19,271,605) |
| Cash Flow from Exceptional Claim | - | - |
| Direct Tax Paid During the Year (Net off Refund Received) | - | - |
| NET CASH FROM OPERATING ACTIVITIES | (118,864,041) | (19,271,605) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES : | | |
| Dividend Income | - | - |
| Other Investments | - | - |
| Sale of Property Plant & Equipment | 90,800,631 | 1,888,306 |
| Purchase of Property Plant & Equipment | (106,786,784) | (48,167,169) |
| NET CASH FLOW FROM IN INVESTING ACTIVITIES | (15,986,153) | (46,278,863) |
| CASH FLOWS FROM FINANCING ACTIVITIES : | | |
| Interest Income | 572,650 | 446,473 |
| Proceed from Short term borrowings | 85,230,581 | - |
| Short Term Loan And Advances | 5,221,384 | 780,182 |
| Proceed from Unsecured Loan | 44,330,370 | 64,390,000 |
| NET CASH FROM FINANCING ACTIVITIES | 135,354,986 | 65,616,655 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 504,791 | 66,188 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 933,340 | 867,153 |
| CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR | 1,438,131 | 933,340 |

FOR AND ON BEHALF OF
SUNIL PODDAR & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO.:110603W

[CA. PANKAJ AGARWAL]
PARTNER
M.No. 443450



FOR AND ON BEHALF OF
RHETAN ROLLING MILLS PVT. LTD.

Shalin A. Shah
Shalin A. Shah
DIRECTOR
DIN : 00297447

Ashok C. Shah
Ashok C. Shah
DIRECTOR
DIN : 02467830

PLACE: Ahmedabad
DATE: 30th July, 2020
UDIN : 20443450AAAAALN3957

RHETAN ROLLING MILLS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES

CORPORATE INFORMATION

RHETAN ROLLING MILLS PRIVATE LIMITED was incorporated on 26/06/1984. Formerly known as Shree Ghantakarna Rolling Mills Private limited was converted into Rhetan Rolling Mills Private Limited. The Company has been promoted by Mr. Shalin Shah.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any explained below.

(i) Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof except those specified otherwise.

(ii) Use of Estimates and Judgments

In preparation of the financial statements, the Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.



(iii) Valuation Of Inventories:

The cost of inventory is determined on Weighted Average cost formula method on relevant categories of inventories on a consistent basis after providing for obsolete, slow moving and defective inventories wherever necessary.

The cost of inventory / finished goods consists of cost of purchase, cost of conversion and cost incurred in bringing the inventory / finished goods to their present location and condition.

Inventories have been valued at lower of cost and net realizable value. Net realizable value has been determined by management.

(iv) Revenue Recognition:

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

a) Revenue from Operation:

Sales revenue is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price. Sales comprise trading sales and are exclusive of excise duty and local taxes and sales return.

The various Discounts and rate differences on the Sales those accepted/rejected are accounted in the year, however if the same is of material amount effecting the current year profit/loss are separately shown under the Prior Period head of the profit and loss account.

b) Other operational revenue

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

c) Other Income:

Interest income is recorded at accrued or due whichever is earlier at applicable interest rate and other items of other income are accounted as and when the right to receive arises.

(v) Tangible Assets:

a) Tangible Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises purchase price including import duties and other non-refundable taxes or levies, expenditure incurred in the course of construction or acquisition, administrative and other general overhead expenses that are directly attributable to the cost of bringing the asset to its working condition for the purpose of use for the business.



b) Base of measurement followed by the Company is "Cost Model."

(vi) Capital Work in Progress

Tangible and intangible assets not ready for intended use on the date of balance sheet are disclosed as capital work in progress. Work in progress includes unallocated expenditure pending for capitalization.

(vii) Intangible Assets:

Intangible Assets are recorded at acquisition cost when the asset is identifiable, non- monetary in nature, without physical substance and it is probable that such expenditure is to result in future economic benefits to the entity.

(viii) Depreciation:

Freehold land is not depreciated. Other items of the tangible assets are depreciated over the useful life of the assets prescribed in the Part C of the Schedule II of the Companies Act, 2013. The value of the asset for depreciation over the period is considered reducing the determined residual value of the asset not more than 5% of the asset. Residual value for building has been considered at 5%. In respect of other assets residual value has been taken at NIL rate. For the purpose of calculation of Depreciation, the method followed by company is Straight Line Method (SLM). The depreciation is provided from the date of the asset ready to use for the commercial operations. The useful lives taken for the purpose of depreciation of different assets are prescribed as follows:

| Particulars | Useful Life |
|------------------------|-------------|
| Building | 30 years |
| Plant & Machinery | 15 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Computers | 3 years |
| Electric Installation | 10 years |
| Vehicle | 8 years |

(ix) Consolidated Financial Statement

As per the requirement and rules of the consolidated financial statement, the company will follow the same for the preparation of consolidated financial Statement as and when it is required.

(x) Investment in Associates in Consolidated financial Statement:

As per the requirement and rules of the consolidated financial statement, the company will follow the same for the preparation of consolidated financial Statement.



(xi) Leases:

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership, are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.

(xii) Government Grants:

- a) Government grants of the nature of contribution towards capital expenditure (to the extent utilized in the year) are treated as of Capital Fund.
- b) Government grants for meeting the revenue expenditure are treated as income of the year in which they are realized, except that they will be treated as accrued income where sanctions have been issued before the last day of the year and there is reasonable certainty of collection and realization.
- c) Unutilized government grants are treated as funds to be carried forward and refunded, as per government directions and exhibited as a Liability.

(xiii) Foreign currency transaction:

- a) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at yearend rates. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of contract is recognized as exchange difference and the premium paid on forward contract has been recognized over the life of the contract if the forward contract is entered.
- c) Any income or expense on account of exchange difference either on settlement or on translation at the year-end rate is recognized in the profit and loss account except for such adjustment of exchange difference arising on long term foreign currency monetary items in so far they are relatable to the acquisition of a depreciable capital assets which are adjusted to the cost of assets and depreciated over the remaining useful life of such assets.
- d) The premium or discount on the Forward Exchange Contract entered into hedge foreign currency risk of an existing asset/liability is recognized / amortized as an income/expense



over the life of the contract in the statement of profit and loss account for the trade transaction and capitalized to the asset in case the same is capital expenditure.

(xiv) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Impairment of Tangible and intangible assets:

The Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal.

An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(xvi) Investment:

All the investment held by the company are long term investments. The investments are valued at their cost of acquisition plus incidental expenses for the acquisition if any incurred, irrespective of any diminution in the value of investments. Provisions for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

(xvii) Provisions and Contingent liabilities:

Provisions are recognized when the present obligation of the past event gives rise to a probable outflow embodying economic benefits on settlement, and the amount of obligation can be reliably estimated.

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

Provisions and contingent liability are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



(xviii) Provision for Current and Deferred Tax:

Taxes on income are computed using Tax Deferral Assets or Liability method where taxes accrue in the same period, the respective revenue and expenses arises. The differences that result between the profit offered for income tax and the profit as per financial statements are identified and Deferred Tax Liability is recognized for timing difference, that originate in one accounting period and reverse in another based on the tax effect of the prevailing enacted regulation in force.

Deferred Tax Assets are recognized subject to prudence, only, if there is reasonable certainty that they will be realized and are subject to appropriate reviews at each balance sheet date for the purpose of measurement of Deferred Tax Liability or Assets, the applicable tax rates and enacted regulations expected to apply in the year in which the temporary differences are expected to be recovered or settled are applied.

Minimum Alternative Tax Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax furnishing the specified period. In the year, MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the profit and loss statement and shown as MAT Credit entitlement.

(xix) Borrowing Cost:

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition/construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized, at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete. All other borrowing costs are recognized as an expense in the year in which they are incurred.

(xx) Retirement Benefits:

Company does not have any defined benefit plan. The company does not permit accumulating of unused leaves. The company does not provide any long-term employee benefits.

(xxi) Sundry Debtors:

No provision has been made for the bad and doubtful debts. The bad debts are charged to revenue in the year of, as and when they arise.

(xxii) Earnings Per Share:

Basic Earnings Per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



For the purpose of calculation of Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential shares.

(xxiii) Cash & Cash Equivalents:

Cash and cash equivalents for the propose of cash flow statement comprise of cash in hand, cash at bank, fixed deposit, margin money deposit and short-term deposit in bank with original maturity of 12 months or less.



Note - 2 : SHARE CAPITAL

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--|----------------------------|---------------------------|
| 1. | AUTHORISED EQUITY SHARE CAPITAL | | |
| | 4,00,000 Equity Shares of Rs. 100/- each. | 40,000,000 | 40,000,000 |
| 2. | ISSUED, SUBSCRIBED & PAID UP EQUITY SHARE CAPITAL | | |
| | 4,00,000 Equity Shares of Rs.100/- each, fully paid. | 40,000,000 | 40,000,000 |
| | | <u>40,000,000</u> | <u>40,000,000</u> |

3. Reconciliation of number of shares outstanding at the beginning & at the end of the reporting period

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | |
|---|-----------------------|------------|-----------------------|------------|
| | No of Shares | Value Rs. | No of Shares | Value Rs. |
| -- At the beginning of the year | 400,000 | 40,000,000 | 400,000 | 40,000,000 |
| -- Movement during the period | - | - | - | - |
| -- Outstanding at the end of the period | 400,000 | 40,000,000 | 400,000 | 40,000,000 |

4. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of the Shareholders | As at 31st March 2020 | | As at 31st March 2019 | |
|--------------------------|-----------------------|--------------|-----------------------|--------------|
| | No of Shares | % of Holding | No of Shares | % of Holding |
| Shalin A Shah | 100 | 0.01% | 100 | 0.01% |
| Ashoka Metcast Ltd | 399,900 | 99.99% | 399,900 | 99.99% |
| Total | 400,000 | 100% | 400,000 | 100% |

5. 3,99,900 shares are held by Ashoka Metcast Ltd. (Holding Company) as on 31.03.2020.

No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance sheet is prepared.

Note - 3 : RESERVES & SURPLUS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|---|---------------------------------|---------------------------|
| a | General Reserve | | |
| | Balance brought forward from previous year | A 738,500 | 738,500 |
| b | Revaluation Reserve | | |
| | Balance brought forward from previous year | 18,605,585 | 19,780,334 |
| | Add/(Less) : On account of Sale of Asset | (12,791,913) | (1,174,749) |
| | Closing Balance | B <u>5,813,672</u> | <u>18,605,585</u> |
| C | Profit & Loss Account | | |
| | Balance brought forward from previous year | (31,912,818) | (31,876,337) |
| | Add/(Less) : Net Profit/ (Net Loss) for the year | 1,048,431 | (36,481) |
| | Add DTL / DTA Adjusted for Previous years | (6,496,539) | |
| | Surplus in the statement of Profit & Loss Account | C <u>(37,360,925)</u> | <u>(31,912,818)</u> |
| | TOTAL | (A + B + C) <u>(30,808,753)</u> | <u>(12,568,733)</u> |



Note - 4 : LONG TERM BORROWINGS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|---------------------------------------|----------------------------|---------------------------|
| | UNSECURED LOAN | | |
| | Loans & advances from related parties | 154,170,370 | 109,840,000 |
| | TOTAL | 154,170,370 | 109,840,000 |

Terms of repayment for unsecured loans

To be repayable on demand

Note - 5: Deferred Tax Liability

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--|----------------------------|---------------------------|
| I | Balance at the beginning | (1,383) | (5,684) |
| | Add/(Less) : On account of depreciation | 1,110,299 | 4,301 |
| | Add/(Less) : On account of current year losses | (748,336) | - |
| | Add / (Less) : Earlier Year DTA adjustment | 6,496,539 | - |
| | Balance at the end | 6,857,119 | (1,383) |



Note - 6 : SHORT TERM BORROWINGS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--|----------------------------|---------------------------|
| i | Loans Repayable on demand (Secured) | | |
| | From Banks | | |
| | Working Capital Loan | 85,230,581 | - |
| | TOTAL | 85,230,581 | - |

Above Working Capital Loan are secured by hypothecation of Company's Stock and Receivables and Collateral Security of block of all fixed assets of company.
Moreso, the above working capital loan has been sanctioned on personal guarantees of Mr. Ashok Shah and Shalin Shah and corporate guarantee of Ashoka Metcast Ltd.

Note - 7 : Trade Payables

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|-------------------------------------|----------------------------|---------------------------|
| i | Sundry Payables | | |
| | Dues to micro and small enterprises | - | - |
| | Dues to Others | 44,631,302 | - |
| | TOTAL | 44,631,302 | - |

Note:-

The Company do not have the details of MSME status of their creditors. Hence the company is unable to separate dues to SME and non SME and henceforth they have disclosed all the creditors under the status of non SME.

Note - 8 : OTHER CURRENT LIABILITIES

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|---------------------------------------|----------------------------|---------------------------|
| i | Other Payables | | |
| | Duties and Taxes | 89,269 | - |
| | Other Current Liability | 1,150,000 | 647,621 |
| | Advances from customers | 100,000 | - |
| | Creditor for Capital Goods | | |
| | - Dues to micro and small enterprises | | |
| | - Dues to Others | 1,355,962 | 102,461 |
| | Creditors for Expenses | | |
| | - Dues to micro and small enterprises | | |
| | - Dues to Others | 1,893,571 | - |
| | TOTAL | 4,588,802 | 750,082 |

Note:-

The Company do not have the details of MSME status of their creditors. Hence the company is unable to separate dues to SME and non SME and henceforth they have disclosed all the creditors under the status of non SME.



NOTE - 10
PROPERTY PLANT & EQUIPMENT

| ASSETS | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | | | |
|---|-------------------|--------------------|--------------------|--------------------|------------------------|---------------|-------------------|------------------|-------------------|-------------------|
| | AS ON 01/04/2019 | ADDITION | DEDUCTION | AS ON 31/03/2020 | DEPR. AS ON 01/04/2019 | DEDUCTION | DEP. FOR THE YEAR | AS ON 31/03/2020 | WDV 31/03/2019 | WDV 31/03/2020 |
| A. Tangible Assets | | | | | | | | | | |
| Land | 6,000,000 | | | 6,000,000 | - | | | | 6,000,000 | 6,000,000 |
| Building | 2,656,426 | 21,881,147 | | 24,537,573 | - | | 370,576 | 370,576 | 24,166,997 | 2,656,426 |
| Plant and Machinery | 28,107,685 | 57,374,787 | 27,849,644 | 57,632,829 | 30,437 | | 1,797,623 | 1,828,060 | 55,804,769 | 28,077,248 |
| Office Equipment | - | 51,794 | - | 51,794 | - | | 6,467 | 6,467 | 45,327 | - |
| Furniture and Fixtures | 17,967 | - | - | 17,967 | 16,792 | | 276 | 17,068 | 899 | 1,175 |
| Computer | 53,250 | 35,806 | 53,250 | 35,806 | 50,588 | 50,588 | 8,512 | 8,512 | 27,294 | 2,663 |
| Electric Installations | 402,771 | 2,669,667 | - | 3,072,438 | 115,522 | | 158,608 | 274,131 | 2,798,307 | 287,249 |
| Vehicles | 807,071 | - | 5,420 | 801,651 | 115,060 | 5,420 | 80,822 | 190,462 | 611,189 | 692,011 |
| Sub Total (A) | 36,045,170 | 82,013,201 | 27,908,314 | 92,150,057 | 326,399 | 56,008 | 2,422,884 | 2,695,275 | 89,454,781 | 37,716,772 |
| B. Capital Work In Progress | | | | | | | | | | |
| Factory Building | 13,961,178 | 3,908,615 | 17,767,793 | - | - | | | | - | 13,961,178 |
| Plant & Machinery | 28,572,485 | 17,495,607 | 46,068,092 | - | - | | | | - | 28,572,485 |
| Electric Installation | 1,981,369 | 237,210 | 2,218,579 | - | - | | | | - | 1,981,369 |
| Pre - Operating Exp. (To Be Capitalised) | 6,451,622 | 3,234,151 | 9,685,773 | - | - | | | | - | 6,451,622 |
| Sub Total (B) | 50,966,653 | 24,773,583 | 75,740,237 | - | - | - | - | - | - | 50,966,653 |
| Current Year | 89,011,823 | 106,786,784 | 103,648,551 | 92,150,057 | 326,399 | 56,008 | 2,422,884 | 2,695,275 | 89,454,781 | 88,683,425 |
| Previous Year | 44,077,910 | 48,167,169 | 3,233,256 | 89,011,823 | 211,854 | - | 116,545 | 328,399 | 88,683,425 | 43,866,056 |



Note - 9 : SHORT TERM PROVISIONS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|------------------------|----------------------------|---------------------------|
| i | Others | | |
| | Provision for Expenses | 300,963 | |
| | TOTAL | 300,963 | - |

Note - 11 : NON CURRENT INVESTMENT

| S.I. | Particulars | No. Of shares | No. Of shares | As at | As at |
|------|---|-------------------|------------------|-------------------|-------------------|
| | | 31st March , 2020 | 31st March, 2019 | 31st March , 2020 | 31st March, 2019 |
| i | Investment in Equity Shares (Non Trade) | | | | |
| | Quoted | | | | |
| | Others | | | | |
| | Lesha Industries Ltd | 545,940 | 54,594 | 2,101,850 | 2,101,850 |
| | Ashnisha Industrles Ltd | 145,584 | 145,584 | 3,287,509 | 3,287,509 |
| | Gujarat Natural Resources Ltd | 505,000 | 505,000 | 5,050,000 | 5,050,000 |
| | TOTAL | | | 10,439,359 | 10,439,359 |
| | Market value of Quoted Investment | | | 5,909,714 | 6,224,815 |

Note - 12 : LONG TERM LOANS & ADVANCES

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--------------------------|----------------------------|---------------------------|
| | Unsecured | | |
| i | Security Deposits | 8,928,084 | 8,981,134 |
| ii | Capital Advances | 719,103 | 7,104,910 |
| iii | Other loans and advances | | |
| | Loan to staff | 325,000 | 500,000 |
| | Loan to others | 9,181,473 | 7,789,000 |
| | TOTAL | 19,153,660 | 24,375,044 |

Note - 13 : Other Non Current Assets

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--------------------------------------|----------------------------|---------------------------|
| I | Others | | |
| | Deferred Revenue Expenditure | 5,616,341 | 6,240,379 |
| | Preliminary Expenses not written off | 284,330 | 406,130 |
| | TOTAL | 5,900,671 | 6,646,509 |



Note - 14 : Inventories

| S.I. | Particulars | As at | As at |
|------|------------------|-------------------|------------------|
| | | 31st March , 2020 | 31st March, 2019 |
| i | Raw Materials | 46,298,353 | - |
| ii | Work in Progress | 839,821 | - |
| iii | Finished goods | 26,203,222 | - |
| iv | Stores & Spares | 1,813,410 | - |
| v | Scrap | 9,570,423 | - |
| | TOTAL | 84,725,229 | - |

Note - 15 : TRADE RECEIVABLES

| S.I. | Particulars | As at | As at |
|------|---|-------------------|------------------|
| | | 31st March , 2020 | 31st March, 2019 |
| i | Outstanding for a period exceeding six months from its due date Unsecured, Considered Good : | - | - |
| ii | Others Unsecured, Considered Good : | 73,204,436 | - |
| | TOTAL | 73,204,436 | - |

Note - 16 : CASH AND CASH EQUIVALENTS

| S.I. | Particulars | As at | As at |
|------|---|-------------------|------------------|
| | | 31st March , 2020 | 31st March, 2019 |
| i | Balances with Banks - In Current Account | 1,252,386 | 145,430 |
| ii | Cash on hand Cash Balance | 185,746 | 787,910 |
| | TOTAL | 1,438,131 | 933,340 |



Note - 17 : OTHER CURRENT ASSETS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|----------------------------------|----------------------------|---------------------------|
| i | Balance with Revenue Authorities | 17,345,675 | 6,527,365 |
| ii | Others | | |
| | Prepaid Expenses | 118,919 | 13,097 |
| | Other Receivables | 858,211 | 401,826 |
| | Advance to Suppliers | 2,331,312 | - |
| | TOTAL | 20,654,117 | 6,942,288 |

Note - 18 : REVENUE FROM OPERATIONS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|-------------------------|----------------------------|---------------------------|
| i | Sale of Products | 200,076,731 | - |
| ii | Other Operating Revenue | 7,042 | - |
| | TOTAL | 200,083,773 | - |

Note - 19 : OTHER INCOME

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|------------------------------|----------------------------|---------------------------|
| | Interest income | 572,650 | 446,473 |
| | Other non operating Income | | |
| | Excess provision written off | 25,220 | 1,350 |
| | Balance written off | 144,311 | - |
| | TOTAL | 742,181 | 447,823 |

Note - 20 : Cost of Material Consumed

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--------------------------------------|----------------------------|---------------------------|
| I | Raw Materials | | |
| | Opening Stock of Raw Materials | - | - |
| | Add: Purchase of Materials | 239,463,013 | - |
| | Less: Closing Stock of Raw Materials | 46,298,353 | - |
| | TOTAL | 193,164,660 | - |

Note - 21 : CHANGE IN INVENTORIES OF STOCK IN TRADE, WORK IN PROCESS AND FINISHED GOODS

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|----------------------|----------------------------|---------------------------|
| i | Opening Stock | | |
| | Finished Goods | - | - |
| | WIP | - | - |
| ii | Closing stock | | |
| | Finished Goods | 26,203,222 | - |
| | Work in process | 839,821 | - |
| | Scrap | 9,570,423 | - |
| | TOTAL | (36,613,466) | - |



Note - 22 : EMPLOYEE BENEFIT COST

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|---|----------------------------|---------------------------|
| i | Salaries and bonus expenses | 5,203,256 | - |
| ii | Employee Welfare Expense | 110,241 | - |
| iii | Contribution to provident and other funds | 40,697 | - |
| | TOTAL | 5,354,194 | - |

Note - 23 : FINANCE COST

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|-------------------------------------|----------------------------|---------------------------|
| i | Interest Expense | | |
| | Working Capital Facility | 2,958,963 | - |
| | | 2,958,963 | - |
| ii | Other Financial Cost | | |
| | Bank Charges | 9,810 | 6,530 |
| | Other Processing & Related Expenses | 25,960 | - |
| | | 35,770 | 6,530 |
| | TOTAL | 2,994,733 | 6,530 |

Note - 24 : DEPRECIATION AND AMORTISATION EXPENSE

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|--------------|----------------------------|---------------------------|
| i | Depreciation | 2,422,884 | 116,545 |
| | TOTAL | 2,422,884 | 116,545 |

Note - 25 : OTHER EXPENSES

| S.I. | Particulars | As at 31st March , 2020 | As at 31st March, 2019 |
|------|---|----------------------------|---------------------------|
| i | Manufacturing Expenses | | |
| | Stores & Spares Consumed | 7,744,402 | - |
| | Power & Fuel | 11,118,377 | - |
| | Wages to contractors | 6,381,687 | - |
| | Loading & Unloading Expense | 77,396 | - |
| | Material Handling Charges | 1,180,126 | - |
| | Roll Design Charges | 111,100 | - |
| | Miscellaneous manufacturing expense | 404,248 | - |
| | | 27,017,336 | - |
| ii | Other Administrative and Selling Expense | | |
| | Audit Fees | 75,000 | 7,500 |
| | Director Remuneration | 200,000 | - |
| | Donation | 11,000 | - |
| | Freight & Forwarding Charges | 2,439,271 | - |
| | Miscellaneous Expense | 10,474 | 28,468 |
| | Insurance Expense | 95,866 | - |
| | Printing & Stationery Expense | 32,975 | - |
| | Membership Fees | 6,000 | - |
| | Travelling expenses and Conveyance | 125,616 | 15,515 |
| | Legal & Professional Charges | 351,040 | - |
| | Loss on sale of asset | - | 170,200 |
| | Repair and Maintenance Expense | - | - |
| | Buidling | 24,000 | - |
| | Vehicle | 11,433 | - |
| | Plant & Machinery | 65,050 | - |
| | Others | 182,653 | - |
| | Preliminary Expenses written Off | 121,800 | 121,800 |



| | | |
|--|-------------------|----------------|
| Deferred Revenue Expenditure written off | 624,038 | - |
| Income Tax Exp | 16,680 | - |
| Rates & Taxes | 134,925 | 13,445 |
| Security Expense | 401,726 | - |
| Software Expense | 5,000 | - |
| Telephone & Internet Charges | 50,031 | - |
| Office Exp | 87,076 | - |
| Website Exp | 3,564 | - |
| | 5,075,217 | 356,928 |
| TOTAL | 32,092,553 | 356,928 |



DISCLOSURE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020:

(i) Accounting for Taxes on Income:

- (a) Deferred tax assets/liabilities Charges/credit during the year given in Note "5" of the Balance Sheet.
- (b) The provision of current taxes has been made in the accounts as the taxable income computed as per Income Tax Act, 1961.

(ii) Related Party Disclosures:

During the year the company has entered into transactions with the related parties. Those transactions along with related balances as at the Balance Sheet date and for the year ended are presented in the following.

List of related parties with whom transaction have taken place during the year along with nature and volume of transactions.

| Name of the person | Relation with the Company |
|---------------------|---------------------------|
| Ashoka Metcast Ltd. | Holding Company |
| Shalin Shah | Director |
| Ashok Shah | Director |

➤ **Transactions with the Related parties**

The transactions entered during the year with the above parties are tabulated as below and the same are at length's price.

| Sl. | Nature of Transactions | Current Year | Previous Year |
|-----|------------------------|--------------|---------------|
| 1 | Remuneration | 200000 | |
| 2 | Loan Taken | 45055370 | 800000 |
| 3 | Loan Repaid | 175000 | 1620000 |

(iii) Segmentation Reporting:

Primary Segment Reporting (Business Segment):

During the year company is in single business segments that is in manufacturing of TMT bars, hence the reporting on the primary business segment in pursuance to Accounting Standard No.17 issued by ICAI is not applicable.

Secondary Reporting (Geographical Segment):

Geographical environment in which company operates does not materially differ considering the political and economic environment, the type of customers, assets employed and the risk associated in respect of each of the geographical area. Hence the reporting on the secondary business segment in pursuance to accounting Standard No. 17 issued by ICAI is not applicable.



(iv) Earnings Per Share:

| Particulars | 2019-20 | 2018-19 |
|--|-------------|---------------|
| Profit Available to Equity Share Holders (A) | 10,48,431 | (36,481) |
| Number of Equity Share at the beginning | 4,00,000 | 4,00,000 |
| Shares allotted during the year | - | - |
| Proportionate No. of Equity Shares (B) | 4,00,000 | 4,00,000 |
| Basic Earnings Per Share (A/B) | 2.62 | (0.09) |
| Potential Earnings (C) | 10,48,431 | (36,481) |
| Potential No. of Equity Shares (D) | 4,00,000 | 4,00,000 |
| Diluted Earnings Per share (C/D) | 2.62 | (0.09) |

(v) World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown as effective from March 25, 2020 and the Company temporarily suspended the operations and manufacturing activities in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 31, 2020. However, the production and supply of goods has commenced as on 8th May 2020 after obtaining permissions from the appropriate government authorities. The Company has made assessment of its liquidity position for the financial year 2020-21 and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as on balance sheet date.

(vi) There are no contingent liabilities as on balance sheet date which needs to be disclosed more so there is no inflow or outflow of foreign currency during the financial year 2019-20.

(vii) Previous year figures have been regrouped and rearranged as and when required to bring uniformity in comparison with current year figures

For and on behalf of
M/s. SUNIL PODDAR & COMPANY
Chartered Accountants
Firm Reg. No. 110603W

[C.A. PANKAJ AGARWAL]
Partner
M. No. 443450



For and on behalf of
RHETAN ROLLING MILLS PRIVATE LIMITED

[SHALIN A SHAH]
Director
DIN :00297447

[ASHOK C SHAH]
Director
DIN :02467830

Place: Ahmedabad
Date: 30th July, 2020.
UDIN: 20443450AAAALN3957

Place: Ahmedabad
Date: 30th July, 2020.