

Audit Report

Of

M/s. Abhishek Steel Industries Limited

B/8-9, Sector - C, Sarora Industrial Area,
Sarora, Raipur – 493221 (CG).

For the year ended March 31, 2020



K P R K AND ASSOCIATES

Chartered Accountants



Independent Auditor's Report

To the Members of Abhishek Steel Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Abhishek Steel Industries Limited** ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 there under.

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 standalone Ind AS financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Basis for Qualified opinion

- (i) Attention drawn regarding non-provision of gratuity, whereof provision for gratuity are not as per Accounting Standard 15(Employee Benefits) (R), as the provision of gratuity amount is not determined and its effect on Statement of profit and loss cannot be ascertained with reasonable accuracy, which constitutes a departure from the Accounting Standards referred to in section 133 of the Companies Act '2013.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2020, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of matters

We draw attention to the following matters in the notes to the financial statements;

- (i) The management need to improve the effectiveness and efficiency of internal control of the company regarding the physical verification of inventories, Parties confirmation, recoveries of old dues and related party transactions.
- (ii) Stores inventory accounting and physical verification system are not adequate.

Our opinion is not modified in respect of these matters.

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 in terms of Section 143(11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.





2. 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 and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, except as per the above paragraph, the aforesaid standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements -Refer Note 31 to the standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K P R K & ASSOCIATES
Chartered Accountants
FRN - 103051W

CA. Swapnil M. Agrawal
Partner, M. No. 121269
9371455299, swapnilmagrawal@gmail.com
UDIN:20121269AAAAAM8060



Raipur, 30th June 2020



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S 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) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification and the process needs to be strengthened
 - (c) The title deeds of immovable properties are held in the name of the Company.
- ii. The Physical Verification of the inventory has been conducted at reasonable intervals by the management. In our opinion, the period of verification and the process needs to be strengthened
- iii. The Company has granted advances for purchase of raw materials to one party covered in the register maintained under section 189 of the Act.
 - a. The terms and conditions of the grant of such loans/advances are not prejudicial to the company's interest;
 - b. The payment of principal amount and interest are regular.
 - c. There is no overdue amount in respect of loans granted to the party listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us and the records examined by us, in respect loans, investments and guarantees, provisions of the section 185 and 186 of the Companies Act, 2013 have been complied with except in case of transaction in ordinary course of purchase and sale of materials.
- v. In our opinion and according to the information and explanations given to us, 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 Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, for maintenance of cost records under sub section (1) of section 148 of the Act, and are of the opinion that, prima facie the prescribed accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to examine whether they are accurate and complete.





- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute except:

Sl. No	Name of the Statute	Nature of the duties	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act.1944	Excise duty	2,425.46	2010-11	CG High Court
2	Income Tax Act, 1961	Income Tax	5.33	2011-12	CIT (A) Raipur
3	Income Tax Act, 1961	Income Tax	0.047	2012-13	CIT (A) Raipur
4	Income Tax Act, 1961	Income Tax	4.72	2014-15	CIT (A) Raipur
5	Income Tax Act, 1961	Income Tax	590.17	2006-07	Income Tax Appellate Tribunal
6	Income Tax Act, 1961	Income Tax	96.00	2008-09	Income Tax Appellate Tribunal
7	Income Tax Act, 1961	Income Tax	317.13	2009-10	Income Tax Appellate Tribunal
8	Income Tax Act, 1961	Income Tax	500.43	2010-11	Income Tax Appellate Tribunal
9	Income Tax Act, 1961	Income Tax	492.21	2011-12	Income Tax Appellate Tribunal
10	Income Tax Act, 1961	Income Tax	401.04	2012-13	Income Tax Appellate Tribunal
	Total		4,832.54		

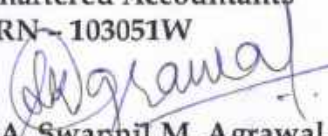
- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions, government or debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3 (ix) of the Order are not applicable.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.





- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule- V to the Companies Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014. are not applicable to it. Therefore, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xv. The Company has not entered into any non-cash transactions as referred in Section 192 of the Act with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For K P R K & ASSOCIATES
Chartered Accountants
FRN- 103051W


CA. Swapnil M. Agrawal
Partner, M. No. 121269
9371455299, swapnilmagrawal@gmail.com
UDIN:20121269AAAAAM8060



Raipur, 30th June 2020



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Abhishek Steel Industries Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

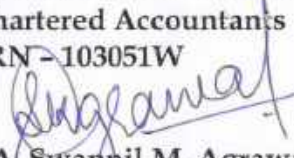
Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

Opinion

In our opinion, except the Physical verification of inventories and related party transactions, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Institute of Chartered Accountants of India"

For K P R K & ASSOCIATES
Chartered Accountants
FRN - 103051W


CA. Swapnil M. Agrawal
Partner, M. No. 121269
9371455299, swapnilmagrawal@gmail.com
UDIN:20121269AAAAAM8060
Raipur, 30th June 2020



Abhishek Steel Industries Limited
Balance Sheet as at 31st March 2020

Particulars	Notes No	31.03.2020 (Amount in INR)	31.03.2019 (Amount in INR)
ASSETS :			
(1) Non-current Assets			
a. Property, Plant & Equipment	3	122,288,394	121,695,503
b. Financial Assets			
i. Non Current Investments	4	49,218,300	49,218,300
ii. Loans	5	8,341,342	8,571,538
iii. Deferred tax Assets (net)	6	58,812,340	59,153,740
iv. Other financial assets		-	-
c. Other non-current assets	7	330,500	310,323
		238,990,876	238,949,404
(2) Current Assets			
a. Inventories	8	62,676,530	161,373,323
b. Financial Assets			
i. Trade Receivable	9	47,324,234	111,959,404
ii. Cash and cash equivalents	10	703,487	1,957,534
iii. Bank balance other than 'ii' above	10a	11,385,229	11,012,226
iv. Loans	11	16,248,177	18,109,101
v. Other financial assets		-	-
c. Current Tax Assets (Net)		-	-
d. Other current assets	12	34,139,502	3,985,324
		172,477,259	308,396,912
TOTAL ASSETS ::		411,468,135	547,346,316
EQUITY AND LIABILITIES :			
(1) Equity			
i. Equity Share capital	13	87,815,070	87,815,070
ii. Other Equity	14	39,481,052	65,809,321
		127,296,122	153,624,391
Liabilities			
(2) Non-current Liabilities :			
a. Financial Liabilities			
i. Borrowings	15	33,237,620	51,237,620
b. Provisions		-	-
c. Deferred tax Liabilities (net)		-	-
d. Other non current liabilities		-	-
		33,237,620.00	51,237,620.00
(3) Current Liabilities			
a. Financial Liabilities			
i. Borrowings	16	97,759,137	170,209,620
ii. Trade Payables	17	92,446,565	155,971,458
iii. Other financial liabilities	18	284,000	153,431
b. Other current liabilities	19	52,291,132	5,058,896
c. Provisions	20	8,153,460	10,115,900
d. Current Tax liabilities (net)	21	-	975,000
		250,934,393	342,484,305
TOTAL EQUITY AND LIABILITIES ::		411,468,135	547,346,316
SIGNIFICANT ACCOUNTING POLICIES	1 & 2		

As per our attached Report of even date
For, K P R K & ASSOCIATES

Chartered Accountants
Firm Registration No. 103051W

CA. Swapnil M. Agrawal
Partner
Membership No.121269



Date: 30th June 2020
Place: Raipur

For and on behalf of the Board

Rajesh Agrawal
Managing Director
DIN: 00806417

Rishikesh Dixit
Director
DIN 01006224

Preeti Gupta
Company Secretary

Abhishek Steel Industries Limited
Statement of Profit and loss for the year ended 31st March 2020

Particulars	Notes No	Year ended 31.03.2020 (Amount in INR)	Year ended 31.03.2019 (Amount in INR)
		Audited	Audited
INCOME			
a. Revenue From Operations :	22	1,556,702,961	1,454,131,197
b. Other income	23	1,971,887	1,159,164
I. Total Income		1,558,674,848	1,455,290,362
EXPENSES			
a. Cost of material consumed	24	1,234,168,403	1,227,665,919
b. Purchase in Stock In Trade		173,375,978	65,095,667
c. Changes in inventories of finished goods, stock in trade and work in progress	25	17,379,245	(10,335,496)
d. Employee benefits expense	26	4,074,973	9,013,039
e. Finance costs	27	16,332,129	22,838,924
f. Depreciation and amortisation Expenses	4	11,131,294	10,470,022
g. Other expenses	28	128,190,706	125,841,502
II. Total Expenses		1,584,652,728	1,450,589,577
III. Profit before tax from continuing operations before exceptional items (I-II)		(25,977,880)	4,700,785
IV. Exceptional Items	29	8,989	-
V. Profit for the year from continuing operations after Exceptional Items		(25,986,869)	4,700,785
VI. Tax expense:			
Current tax		-	975,000
Deferred tax		341,400	11,471,910
VII. Profit for the year from continuing operations		(26,328,269)	(7,746,125)
VIII. Profit/(Loss) for the period		(26,328,269)	(7,746,125)
VIX. Other Comprehensive Income			
a Items that will not be reclassified to Profit and Loss		-	-
i Remeasurements of defined benefit plans		-	-
b Items that will be classified to Profit and Loss		-	-
i Fair Value Changes in Investments classified through OCI		-	-
X. Total comprehensive Income for the Period (5+6)		(26,328,269)	(7,746,125)
XI. Paid-up Equity Share Capital (Face Value Rs.10 per share)		87,815,070	87,815,070
XII. Earnings per equity share:			
Basic	30	(3.00)	(0.88)
Diluted	30	(3.00)	(0.88)

As per our attached Report of even date

For, K P R K & ASSOCIATES

Chartered Accountants

Firm Registration No. 103051W

CA. Swapnil M. Agrawal

Partner

Membership No. 121269

Date: 30th June 2020

Place: Raipur



[Signature]
Rajesh Agrawal

Managing Director

DIN: 00306417

[Signature]
Preeti Gupta
Company Secretary

For and on behalf of the Board

[Signature]

Rishikesh Dixit

Director

DIN 01006224

Abhishek Steel Industries Limited
Cash Flow Statement For the year ended 31st March 2020

(Amount InRs.)

Particulars	Year ended 31st March 2020		Year ended March 2019	
A Cash Flow from Operating Activities				
Profit / (Loss) before tax		(25,986,869)		4,700,785
Adjustments for:				
Depreciation & Amortisation	11,131,294		10,470,022	
Interest Expense	12,860,676		19,395,545	
Loss / (Profit) on sale of assets	-			
Remeasurement of defined benefit plans	-	23,991,970		29,865,567
Operating Profit before Working Capital Changes		(1,994,399)		34,566,352
Adjustments for:				
Trade Receivables	64,635,170		10,300,506	
Inventories	98,696,693		60,702,113	
Loans	2,472,497		2,926,966	
Other Bank Balances			-	
Other Current Assets	(30,154,178)		74,075,454	
Other Non-Current Assets	(20,177)		(37,078)	
Trade Payables	(63,524,793)		(9,605,469)	
Other Financial Liabilities	130,569		(505,602)	
Other Current Liabilities	47,232,236		(140,487,628)	
Provisions	(1,962,440)	117,505,577	(1,161,518)	(3,792,256)
Net Cash generated from / (used) in Operating Activities		115,510,678		30,774,096
Taxes (Paid) / Refund (net)		(1,586,573)		(109,675)
Cash Flow before extraordinary items		113,924,105		30,664,421
Net Cash generated from / (used) in Operating Activities		113,924,105		30,664,421
B Cash Flow from Investing Activities				
(Purchase)/ Sale of Tangible Assets (Net)	(11,724,186)		(14,347,722)	
(Purchase)/ Sale of Investments (Net)	-		-	
Movement in Long Term Loans and Advances	230,196		(2,521,750)	
Net Cash generated from / (used in) Investing Activities		(11,493,990)		(16,869,472)
C Cash Flow from Financing Activities				
Interest Paid	(12,860,676)		(19,395,545)	
Proceeds from/(Repayment of) Long Term Loans	(18,000,000)		(4,200,911)	
Proceeds from/(Repayment of) Short Term Loans	(72,450,483)		1,529,045	
Net Cash generated from / (used in) Financing Activities		(103,311,159)		(22,067,412)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C+D)		(881,014)		(8,272,462)
Opening Balance of Cash and Cash Equivalents		12,969,760		21,242,222
Closing Balance of Cash and Cash Equivalents		12,088,716		12,969,760
Net increase / (decrease) in Cash and Cash Equivalents		(881,014)		(8,272,462)

As per our attached Report of even date

For, K P R K & ASSOCIATES

Chartered Accountants

Firm Registration No. 103051W

CA. Swapnil M. Agrawal

Partner

Membership No.121269



For and on behalf of the Board

Rajesh Agrawal
Managing Director
DIN: 00806417

Rishikesh Dixit
Director
DIN 01006224

Preeti Gupta
Company Secretary

Date: 30th June 2020

Place: Raipur

1. CORPORATE INFORMATION

Abhishek Steel Industries Limited have been engaged in manufacturing of Steel Structures in the shape of Angles, Beams, Joists, Channels, etc. It has high Capacity structural rolling mills with full fledged supportive SMS. The Company has kept pace with modern time, by continuously modernising its plant and equipments so that its product conform to specification as required by different customers. The company is a public limited company incorporated and domicile in India and has its registered office at Raipur, Chhattisgarh

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) and
- Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2018, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which include Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Property, Plant and Equipment (PPE)**

- i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- iii) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.
- iv) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except, in respect of Rolls, where useful life taken for one year only as per technical advise. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.
- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- vi) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- vii) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

b) Leases

- i) Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii) Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
- iii) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.
- iv) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- v) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.



c) Intangible assets

- i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised

d) Capital Work in Progress

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

e) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

f) Finance Cost

- i) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- iii) All other borrowing costs are expensed in the period in which they occur.

g) Inventories

- i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- ii) Cost of raw materials, stores and spares, packing materials, trading and other products are determined at Cost, with moving average price on FIFO basis

h) Impairment of non-financial assets - property, plant and equipment and intangible assets

- i) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- ii) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- iii) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) Provisions, Contingent Liabilities and Contingent Assets and Commitments

- i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.



- ii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

h) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

i) Foreign Currency Transactions

- i) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

j) Employee Benefits Expense**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.



k) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

l) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

m) Financial Instruments**i) Financial Assets****A Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B Subsequent measurementFinancial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

C Investment in subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost. On the date of transition, the fair value has been considered as deemed cost.

Investment in Equity shares & Mutual Funds etc., are classified at fair value through the profit and loss account.

D Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities**A Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

n) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Dividend Distribution

Dividend distribution to the shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

q) Statement of Cash Flows

- Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

2.3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



ABHISHEK STEEL INDUSTRIES LIMITED
ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2020
Note - 3 Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			DEPRECIATION			(Amount in Rs.)	
	AS ON 01.04.2019	ADDITION DURING THE YEAR	ADJUS- TMENT	TOTAL AS ON 31.03.2020	AS ON 01.04.2019	FOR THE YEAR	ADJUS- TMENT	TOTAL DEPRE- CIATION UP TO 31.03.2020
FREE HOLD LAND	18,955,288	-	-	18,955,288	-	-	-	18,955,288
LEASEHOLD LAND	2,492,332	-	-	2,492,332	154,556	-	-	2,337,776
OFFICE BUILDING	1,008,658	-	-	1,008,658	154,764	15,793	-	838,101
FACTORY SHED BUILDING	15,481,075	1,201,346	-	16,682,421	2,411,344	804,021	-	13,465,056
TUBE WELL	42,374	-	-	42,374	4,227	-	-	38,137
PLANT & MACHINERY	97,208,817	9,495,259	-	106,704,056	22,329,205	8,911,900	-	75,462,951
ELECTRICAL INSTALLATION	5,544,861	890,000	-	6,434,861	2,393,919	383,459	-	3,657,483
FURNACE	10,343,444	-	-	10,343,444	3,446,871	726,314	-	6,170,259
ROLLS	-	-	-	-	-	-	-	-
FURNITURE & FIXTURE	35,696	-	-	35,696	20,910	-	-	14,786
OFFICE EQUIPMENTS	300,300	137,601	-	437,901	63,668	48,902	-	325,331
COMPUTER	65,442	-	-	65,442	26,607	-	-	38,835
POLLUTION EQUIPMENT	129,000	-	-	129,000	90,945	31,605	-	6,450
VEHICLE	2,425,901	-	-	2,425,901	1,375,398	189,808	-	860,695
WEIGHBRIDGE	223,152	-	-	223,152	86,414	19,492	-	117,246
TOTAL (Rs.)	154,256,343	11,724,186	-	165,980,527	32,560,838	11,131,294	-	122,288,394
CAPITAL WORK IN PROGRESS	-	1,001,214	1,001,214	-	-	-	-	-
TOTAL	154,256,343	12,725,400	1,001,214	165,980,527	32,560,838	11,131,294	-	122,288,394
PREVIOUS YEAR (Rs.)	139,908,619	14,347,722	-	154,256,341	22,090,817	10,470,022	-	121,695,503
								117,817,803



Abhishek Steel Industries Limited
Notes on Financial Statement for the Year ended 31st March 2020
NOTE 4 NON CURRENT INVESTMENTS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Quoted Equity Shares (at cost)		
In Enterprises controlled by Key Managerial Person:		
Investment in 1349000 Equity Shares of Rs.10 each of Mahamaya Steel Limited Company (Market Value Rs.971.28 Lacs (P.Y.2249.46 Lacs))	2,220,300	2,220,300
Unquoted Equity Shares (at cost)		
In Enterprises controlled by Key Managerial Person:		
Investment in 828000 Share Equity Shares of Rs.10 each in Devi Iron and Power Private Limited	17,000,000	17,000,000
Unquoted Preference Shares (at cost)		
Investment in 283000 numbers, 9% Redeemable Non- Convertible, Non Cumulative, Non Participating Preference Shares of Rs.100 each in Devi Iron and Power Private Limited	29,998,000	29,998,000
TOTAL	49,218,300	49,218,300
Aggregate Amount of quoted Investment	2,220,300	2,220,300
Aggregate Amount of uquoted Investment	46,998,000	46,998,000
Aggregate Amount of Impairment in value of Investments	-	-

NOTE 5 LOANS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
(Unsecured, considered good unless otherwise stated)		
Security deposits	8,341,342	8,571,538
TOTAL	8,341,342	8,571,538

NOTE 6 DEFERRED TAX LIABILITIES (ASSETS)

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Opening Deferred Tax Liability/ (Deferred Tax Assets)	(59,153,740)	(70,625,650)
Add: Deferred Tax liability	341,400	-
Less: Deferred Tax Assets	-	11,471,910
Closing Deferred Tax Liability/ (Deferred Tax Assets)	(58,812,340)	(59,153,740)



NOTE 7 OTHER NON CURRENT ASSETS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Prepaid Expenses	52,441	43,245
Interest Accrued But Not Due	278,059	267,078
TOTAL	330,500	310,323

NOTE 8 INVENTORIES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
<i>(As taken, valued and certified by the management)</i>		
Raw materials	11,024,994	10,152,104
Finished Goods	42,660,308	60,039,553
Stores and spares	8,991,328	91,181,666
TOTAL	62,676,630	161,373,323

NOTE 9 TRADE RECEIVABLES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
<i>(Unsecured, considered good and certified by management)</i>		
1) Outstanding for a period exceeding six months from the date they are due for payment	43,063,760	36,320,186
2) Other Debts	4,260,474	75,639,218
Total Debts	47,324,234	111,959,404
TOTAL	47,324,234	111,959,404

NOTE 10 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
<i>(As Certified by the Management)</i>		
Cash on hand	149,321	27,610
TOTAL A	149,321	27,610
Balances with Banks	554,166	1,929,924
TOTAL B	554,166	1,929,924
TOTAL (A+B)	703,487	1,957,534



NOTE 10 (a) Other Bank Balances

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Fixed Deposits with Bank	11,385,229	11,012,226
Deposits with original maturity for more than 3 months but less than 12 months		
TOTAL	11,385,229	11,012,226

NOTE 11 LOANS

TOTAL	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Deposits with Government Authorities	16,248,177	18,109,101
TOTAL	16,248,177	18,109,101

NOTE 12 OTHER CURRENT ASSETS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Advances for Raw Materials		
- To Related Parties	-	-
- To Others	31,008,809	1,018,108
Advances for Stores, Consumables and Expenses	2,934,193	2,949,184
Staff, Tour & Imprest advances	196,500	18,032
TOTAL	34,139,502	3,985,324

NOTE 13 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Authorised:		
94,00,000 Equity Shares of Rs. 10/- each	94,000,000	94,000,000
	94,000,000	94,000,000
Issued, Subscribed & Paid-up Capital:		
87,81,507 Equity Shares of Rs. 10/- each	87,815,070	87,815,070
TOTAL	87,815,070	87,815,070



Abhishek Steel Industries Limited		
Notes on Financial Statement for the Year ended 31st March 2020		
Note 13 i The Company has only one class of Share referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.		
NOTE 13a RECONCILIATION OF THE NUMBER OF EQUITY SHARES		
Reconciliation of the number of shares outstanding at the beginning and at the end of the year:		
No of Equity shares outstanding at the beginning of the year	8,781,507	8,781,507
No of Equity shares outstanding at the end of the year	8,781,507	8,781,507

NOTE 13b NUMBER OF SHARES HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	Number of shares as at 30th March 2020	Number of shares as at 31st March 2019
Equity Shares:		
Rajesh Agrawal on behalf of Rajesh Agrawal HUF	602,236	602,236
Rajesh Agrawal	961,369	961,369
Escort Finvest Private Limited	3,185,000	3,185,000
Mahamaya Steel Industries Limited	2,788,200	2,788,200
Mahalaxmi Technocast Limited	750,950	750,950
	8,237,755	8,287,755

NOTE 14 OTHER EQUITY

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Securities Premium Account:		
Opening Balance	163,362,500	163,362,500
TOTAL A	163,362,500	163,362,500
Capital Reserve		
Opening Balance	17,825,799	17,825,799
TOTAL B	17,825,799	17,825,799
General Reserve:		
Opening Balance	9,724,858	9,724,858
TOTAL C	9,724,858	9,724,858
Surplus(Profit and Loss Account):		
Opening Balance	(125,103,836)	(117,357,711)
Add: Profit/(Loss) for the period	(26,328,269)	(7,746,125)
TOTAL D	(151,432,105)	(125,103,836)
TOTAL (A+B+C+D)	39,481,052	65,809,321



Abhishek Steel Industries Limited
Notes on Financial Statement for the Year ended 31st March 2020

NOTE 15 BORROWING

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Unsecured Loan		
Antriksha Commerce Pvt.Limited	3,437,620	3,437,620
Escort Finvest Pvt.Limited	29,800,000	29,800,000
Rajesh Agrawal	-	18,000,000
	33,237,620	51,237,620

NOTE 16 BORROWINGS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Cash Credit facilities Andhra Bank*	84,062,392	99,901,473
Letter of Credit facilities of Andhra Bank: Andhra Bank	13,696,745	70,308,147
* (The above facilities are secured by hypothecation of Raw Material, Finished Goods, Stores & Spares and other Current Assets of the Company and personal guarantees of directors)		
TOTAL	97,759,137	170,209,620

*There is no default in payment of interest and principal for the year.

NOTE 17 TRADE PAYABLES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Creditors for Raw Material and Stores		
Related Party	76,079,546	139,830,937
Others	13,478,911	13,576,779
Creditors for Services and Expenses	2,888,208	2,563,742
TOTAL	92,446,665	155,971,458

Micro, Small and Medium Enterprise: Under the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'), certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company has identified the supplier covered under the Act and auditor has relied on the same. Based on the information available with the company following disclosure as under:

	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Principal amount due and outstanding as at	-	-
Interest due and Unpaid as at	Nil	Nil
Interest paid to Supplier	Nil	Nil
Payment made to the supplier beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil
Interest accrued and remaining unpaid as at 31 st March 2020	Nil	Nil
Amount of further interest remaining due and payable in succeeding years	Nil	Nil



Abhishek Steel Industries Limited**Notes on Financial Statement for the Year ended 31st March 2020****NOTE 18 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Current maturities of Long term Loan	-	38,531
Other Payable	284,000	114,900
TOTAL	284,000	153,431

NOTE 19 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Advances from Customers	-	820,260
Related Party	52,291,132	4,238,636
Others	-	-
TOTAL	52,291,132	5,058,896

NOTE 20 PROVISIONS

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Provision for Employees' Salary & Related Expenses	7,761,441	2,997,940
Provision for Statutory dues	148,977	6,883,960
Other Provisions	243,042	234,000
TOTAL	8,153,460	10,115,900

NOTE 21 CURRENT TAX LIABILITIES

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Provision for Tax	-	975,000
TOTAL	-	975,000

NOTE 22 REVENUE FROM OPERATIONS

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Sale of products	1,556,702,961	1,454,131,197
TOTAL	1,556,702,961	1,454,131,197

NOTE 23 - OTHER INCOME

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Interest Income on FDR	751,965	717,902
Interest Income on Others	1,219,922	296,753
Other Non Operating Income	-	144,509
TOTAL	1,971,887	1,159,164



NOTE 24 - Value of imported and indigenous raw materials, spare parts and components consumed:

Particulars	For the year ended on 31st March 2020		For the year ended on 31st March 2019	
	Value (Rs.)	(%)	Value (Rs.)	(%)
Raw Materials Consumed				
Imported	-	-	-	-
Indigenously obtained	1,234,168,403	100.00	1,227,665,919	100.00
Sub-Total (a)	1,234,168,403	100.00	1,227,665,919	100.00
Spare Parts and Components Used				
Imported*	-	-	-	-
Indigenously obtained	49,147,674	100.00	53,332,795	100.00
Sub-Total (b)	49,147,674	100.00	53,332,795	100.00
Total (a+b)	1,283,316,077		1,280,998,714	

*Value includes full landed cost

24a - CIF Value of Imports

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Raw materials	-	-
Components and Spare Parts*	-	-
Total	-	-

* Value includes expenses incurred up to the port

Note 24b - On Raw materials, goods purchased and Work in Progress

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Raw Material Op. Stock	10,152,104	64,061,811
Purchases during the year	1,235,041,293	1,173,756,212
Consumption	1,234,168,403	1,227,665,919
Raw Material Cl. Stock	11,024,994	10,152,104
Raw Material Consumed	1,234,168,403	1,227,665,919



Abhishek Steel Industries Limited		
Notes on Financial Statement for the Year ended 31st March 2020		
NOTE 25 (INCREASE) / DECREASE STOCKS OF FINISHED GOODS		
Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Stock (At Commencement)		
Finished goods	60,039,553	49,704,057
Stock (At End)		
Finished goods	42,660,308	60,039,553
(Increase)/Decrease In Stock Of Finished Goods	17,379,245	(10,335,496)
(Increase)/Decrease In Stock Of Finished Goods	17,379,245	(10,335,496)

NOTE 26 EMPLOYEE BENEFIT EXPENSE		
Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Office Salaries	3,984,674	3,386,130
Staff welfare expenses	90,299	5,626,909
TOTAL	4,074,973	9,013,039

NOTE 27 FINANCE COSTS		
Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Interest Expense	12,860,676	19,395,545
Bank Charges	3,471,453	3,443,379
TOTAL	16,332,129	22,838,924



NOTE 28 OTHER EXPENSES

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
A. Manufacturing Expenses		
Power and Fuel	36,999,774	27,357,255
Workers' Salaries, wages and other Benefits	32,736,135	33,911,761
Contribution to Provident Fund & ESIC	703,652	1,298,822
Consumption Of Stores & Consumables	49,147,674	53,332,795
Water charges	39,192	41,952
Repairs and maintenance -		
Machinery	316,666	156,100
Building & Others	10,508	86,179
TOTAL A	119,953,602	116,184,864
B. Administrative, Selling & Distribution Expenses		
Rent, Rates & Taxes	112,545	124,728
Directors Remuneration	4,200,000	4,200,000
Legal & Professional Charges	444,793	538,828
Travelling & Conveyance	-	48,038
Telephone Expenses	40,167	70,276
Auditors Remuneration: (Refer Below)	200,000	200,000
Other Administrative Expenses	2,168,880	892,600
Selling & Distribution Expenses	1,070,720	3,582,168
TOTAL B	8,237,105	9,656,638
TOTAL (A+B)	128,190,706	125,841,502

NOTE 28A PAYMENT TO AUDITORS

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Statutory Audit fees	150,000	150,000
Internal Auditor	50,000	50,000
TOTAL	200,000	200,000



ABHISHEK STEEL INDUSTRIES LIMITED
Notes on Financial Statement for the Year ended 31st March, 2018
NOTE 29 EXCEPTIONAL ITEM

Particulars	For the year ended on 31st March 2020 Rs.	For the year ended on 31st March 2019 Rs.
Prior Period Income /(Expenditure)	8,989	-
TOTAL	8,989	-

NOTE 30 EARNING PER EQUITY SHARE

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Net profit available for Equity Share Holder	(26,328,269)	(7,746,125)
Weighted Average Number of equity shares outstanding during the year	8,781,507	8,781,507
Nominal Value of equity shares	10	10
Earning Per shares(Basic\ Diluted)	(3.00)	(0.88)

NOTE 31 CONTIGENT LIABILITY

Particulars	As at 31st March 2020 Rs.	As at 31st March 2019 Rs.
Excise Duty & Income Tax liabilities under appeal & adjudication along with liability	483,253,762	486,457,989
Corporate Guarantees given for advances of a body corporate(related parties)	490,000,000	304,000,000



NOTE 32 RELATED PARTY DISCLOSURE

Disclosure of transactions with related parties, as required by Accounting Standard - 18 "Related Party Disclosures" has been set-out in a separate statement annexed to this schedule. Related parties as defined under Clause 3 of the Accounting Standard have been identified on the basis of representations made by Key Managerial Personnel and information available with the Company.

A) Name of the related party and nature of relationship where control exists:

Nature of Relationship	Name of Related Party
A. Key Managerial Persons	1. Shri Ramanand Agrawal 2. Shri Rajesh Agrawal 3. Smt. Rekha Agrawal 4. Shri Rishikesh Dixit
B. Relatives of Key Managerial Persons	1. Rajesh Agrawal HUF 2. Shri Anand Agrawal
C. Enterprise over which Key management and their relatives exercise significant influence with whom transactions have taken place during the year	1. Mahamaya Steel Industries Limited 2. Shree Shyam Sponge & Power Limited 3. Antriksh Commerce Private Limited 4. Callidora Traders Private Limited 5. Mark Vision Multi Services Private Limited 6. Devi Iron & Power Private Limited 7. Mahalaxmi Technocast Limited 8. Escort Finvest Private Limited

(ii) Transaction during the year with related parties:

Nature of Transactions	Associate and Enterprises where KMP or their relatives hold significant influence.		Key Managerial Person & their relatives		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Sale of Finished Goods/Fixed assets/Trading Sale	2799.64	2508.95	0.00	0.00	2799.64	2508.95
2. Purchase of Raw Materials/Capital Goods/Trading Purchase	39.25	14430.28	0.00	0.00	39.25	14430.28
3. Conversion Income Received	3.23	0.00	0.00	0.00	3.23	0.00
4. Transportation Charges Paid	0.00	14.16	0.00	0.00	0.00	14.16
5. Managerial Remuneration	0.00	0.00	42.00	42.00	42.00	42.00
6. Interest Paid	0.00	39.17	0.00	0.00	0.00	39.17
7. Unsecured Loan Received	0.00	0.00	0.00	0.00	0.00	0.00
8. Unsecured loans repaid	0.00	4.00	180.00	40.00	180.00	44.00
9. Corporate Guarantees	4900.00	3040.00	0.00	0.00	4900.00	3040.00
10. Accounts Receivable	300.00	0.00	0.00	0.00	300.00	0.00
11. Accounts Payable	1245.97	1406.51	2.84	1.77	1248.81	1408.28
12. Loans Payable	332.38	332.38	-	180.00	332.38	512.38

c) Details of Material Transactions

Transactions which are more than 10% or the Total Transactions of the same type with related parties during the year:

Particulars	2019-20	2018-19
<u>Sale of Finished Goods/Fixed assets/Trading Sale</u>		
Mahamaya Steel Industries Ltd.	2797.77	2249.00
Mahalaxmi technocast Limited	1.87	259.95
<u>Purchase of Raw Materials/Capital Goods/Trading Purchase</u>		
Mahamaya Steel Industries Ltd.	39.25	6758.74
Mahalaxmi technocast Limited	0.00	7671.54
<u>Conversion Income Received</u>		
Mahamaya Steel Industries Ltd.	3.23	0.00
<u>Transportation Charges Paid</u>		
Rajesh Agrawal (HUF)	0.00	14.16
<u>Managerial Remuneration</u>		
Smt. Rekha Agrawal	30.00	30.00
Shri Rishikesh Dixit	12.00	12.00



<u>Inrerest Paid</u>		
Antriksh Commerce Private Limited	0.00	2.64
Mahalaxmi technocast Limited	0.00	36.53
<u>Unsecured loans repaid</u>		
Antriksh Commerce Private Limited	0.00	2.00
Escort Finvest Private Limited	0.00	2.00
Rajesh Agrawal	180.00	40.00
<u>Corporate Guarantees</u>		
Devi Iron and Power Private Limited	4900.00	3040.00
<u>Accounts Receivable</u>		
Devi Iron and Power Private Limited	300.00	0.00
<u>Accounts Payable</u>		
Smt. Rekha Agrawal	2.00	1.00
Rajesh Agrawal (HUF)	0.00	0.62
Shri Rishikesh Dixit	0.84	0.15
Mahamaya Steel Industries Ltd.	485.17	8.20
Mark Vision Multi Services Private Limited	0.00	0.00
Mahalaxmi technocast Limited	760.80	1398.31
<u>Loans Payable</u>		
Shri Rajesh Agrawal	0.00	180.00
Smt. Rekha Agrawal	0.00	0.00
Escort Finvest Private Limited	298.00	298.00
Antriksh Commerce Private Limited	34.38	34.38

As per our attached Report of even date
For, K P R K & ASSOCIATES
Chartered Accountants
Firm Registration No. 103051W

CA. Swapnil M. Agrawal
Partner
Membership No. 121269

Date: 30th June 2020
Place: Raipur



For and on behalf of the Board

Rajesh Agrawal

DIN: 00806417

Rishikesh Dixit
Director
DIN 01006224

Preeti Gupta
Company Secretary

33 CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- Maintain financial strength to attain AAA ratings domestically and investment grade ratings internationally.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions

The gearing ratio at end of the reporting period was as follows.

(Amount in Rs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current Liabilities (Other than DTL)	33,237,620	51,237,620
Current maturities of Long Term debts	-	38,531
Short-term Borrowings	97,759,137	170,209,630
Gross Debt	130,996,757	221,485,771
Cash and Cash Equivalents	703,487	1,957,534
Net Debt (A)	130,293,269	219,528,237
Total Equity (As per Balance Sheet) (B)	127,296,122	153,624,391
Net Gearing (A/B)	1.02	1.43

34 FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

Fair Value measurement hierarchy:

(In Rs Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets		
At Amortized Cost		
Trade Receivables	-	-
Cash and Bank Balances	-	-
Loans	-	-
Other Financial Assets	-	-
At FVTPL		
Investments	-	-
At FVTOCI		
Investments	-	-
Financial Liabilities		
Borrowings	-	-
Trade Payables	-	-
Other Financial Liabilities	-	-
Foreign Currency Risk		
No Exposure to foreign currency	-	-
Commodity Price Risk		
Commodity price risk arises due to fluctuation in	-	-

The company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent



NOTE 35 NOTES ON ACCOUNTS

(A) Parties' accounts are subject to confirmation. Consequential effects adjustment, presently unascertainable, will be provided as and when confirmed.

(B) Trade Receivables, Loans & Advances and Deposits include certain over due accounts. Balances in the accounts of certain debtors, loans and advances required to be confirmed / reconciled. However, in the opinion of the Board, all current assets, loans and advances would be realized in ordinary course of the business at the value as stated.

(C) In the opinion of the Board, the provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.

(D) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

(E) Separate segment wise reporting is not called for in view of the fact that entire revenue of the Company is from structural manufacturing and all business activities are in India only.

(F) Figures of the previous year have been reworked, rearranged/regrouped and reclassified wherever considered

See accompanying Notes 1 to 35 forming part of the Financial Statements.

As per our attached Report of even date
For, K P R K & ASSOCIATES
Chartered Accountants
Firm Registration No. 103051W

CA Swapnil M. Agrawal
Partner
Membership No. 121269

Date: 30th June 2020
Place: Raipur



Rajesh Agrawal
Managing Director
DIN: 00806417

For and on behalf of the Board

Rishikesh Dixit
Director
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Preeti Gupta
Company Secretary