BRG Iron & Steel Co. Private Limited

Statement of Profit and Loss for the period ended March 31, 2020

Particulars	Notes	For the year ended March 31,2020 Rs.in Lacs	For the year ended March 31,2019 Rs.in Lacs
I. Income			
Revenue from Operations	22	21,572.96	31,200.19
Other Income	23	551.66	732.83
Total Revenue		22,124.62	31,933.02
II. Expenses			
Cost of material consumed	24	16,459.86	26,855.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	6,763.00	22,520.80
Employee benefits expense	26	2,083.94	2,268.28
Finance costs	27	6,395.82	11,088.09
Depreciation and amortization expense	3	6,608.50	7,423.71
Other expenses	28	19,307.33	28,442.92
Total Expenses		57,618.45	98,599.13
III. Profit before tax		(35,493.83)	(66,666.11)
IV. Tax expenses			
Current tax			
Income tax for earlier years		-	-
Deferred tax		-	-
Total tax expenses		-	-
V. Profit for the year		(35,493.83)	(66,666.11)
VI. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	29	24.04	53.58
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year		24.04	53.58
VII. Total Comprehensive Income for the year (V + VI)		(35,469.79)	(66,612.53)
VIII. Basic and diluted Earnings per equity share of face value of Rs. 10/- each	32	(4.41)	(8.27)
Summary of Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3-43		

The notes referred to above form an integral part of the financial statements

As per our Report attached of even date
For S. Poddar & Co.
Chartered Accountants
Firm Regn. No. 320294E

Khusboo Tayal
Partner
Membership No. 069828
Kolkata
Date : 4th day of Dec.,2020
UDIN: 21069828AAAABE5471

For BRG Iron & Steel Co. Private Limited

Company Secretary
Prithwish Chatterjee
Membership No.
52605

Taken on Record
Kannan Tiruvengadam
Liquidator
Regn No.- IBBI/IPA-001/IP-P00253/2017-18/10482

Kannan Tiruvengadam
IP Reg. No.
IBBI/IPA-001/IP-P00253/2017-18/10482
Insolvency Professional

BRG Iron & Steel Co. Private Limited
Balance Sheet as at March 31, 2020

	Particulars	Notes	As at March 31,2020 Rs.in Lacs	As at March 31,2019 Rs.in Lacs
	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant and equipment	3	51,798.93	58,400.07
	(b) Capital work-in-progress	3	8,706.29	8,706.29
	(c) Intangible assets	3	2.71	4.65
	(d) Financial Assets			
	(i) Other financial asset	4	2,252.92	2,253.03
	(e) Deferred tax assets (net)	5	-	-
	(f) Other assets	6	760.43	760.43
			63,521.28	70,124.47
2.	**Current assets**			
	(a) Inventories	7	38,744.12	53,284.69
	(b) Financial Assets			
	(i) Trade receivables	8	2,774.49	8,395.58
	(ii) Cash and Cash equivalents	9	438.25	709.41
	(iii) Other Financial Assets	10	219.62	197.33
	(c) Current Tax Assets	11	26.02	26.02
	(d) Other current assets	12	4,728.00	5,288.83
			46,930.50	67,901.86
	Total Assets		110,451.78	138,026.33
	EQUITY AND LIABILITIES			
	EQUITY			
1.	**Shareholders' Funds**			
	(a) Share Capital	13	80,570.87	80,570.87
	(b) Other Equity	14	(257,153.95)	(221,684.16)
	Total Equity		(176,583.08)	(141,113.29)
	LIABILITIES			
2.	**Non-current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	119,518.21	116,467.11
	(b) Provisions	16	270.21	225.80
	(c) Other non current liabilities (Net)		-	-
			119,788.42	116,692.91
3.	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	147,258.26	143,645.11
	(ii) Trade Payables	18		
	-total outstanding dues of micro enterprises and small enterprises		149.48	110.51
	-total outstanding dues of creditors other than micro enterprises and small enterprises		8,350.01	6,946.81
	(iii) Other financial liabilities	19	938.28	1,198.21
	(b) Other Current Liabilities	20	10,479.60	10,478.51
	(c) Provisions	21	70.75	67.51
			167,246.38	162,446.65
	Total Liabilities		287,034.80	279,139.56
	Total equity and liabilities		110,451.78	138,026.33
	Summary of Significant Accounting Policies	1 & 2		
	Notes on Financial Statements	3-43		

The notes referred to above form an integral part of the financial statements

As per our Report attached of even date

For S. Poddar & Co.
Chartered Accountants
Firm Regn. No. 320294E

Khusboo Tayal
Partner
Membership No. 069828
Kolkata
Date : 4th day of Dec.,2020
UDIN - 21069828AAAABE5471

For BRG Iron & Steel Co. Private Limited

Company Secretary
Prithwish Chatterjee
Membership No. 52605

Taken on Record
Kannan Tiruvengadam
Liquidator
Regn No.- IBBI/IPA-001/IP-P00253/2017-18/10482

BRG Iron & Steel Co. Private Limited

Statement of Changes in Equity for the year ended 31st March 2020

(a) Equity Share Capital

Particulars	Number of Shares	Rs.
Equity Shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31st March 2019	805,708,696	8,057,086,960
As at 31st March 2020	805,708,696	8,057,086,960

Rs. in lacs

(a) Other Equity

Particulars	Reserves and Surplus							Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Amalgamation Reserve	Investment Reserve	General Reserve	Retained Earnings		
Balance at 1st April 2018			39,441			44	(194,686)	129	(155,072)
Transfer/Adjustment during the year									-
Profit / (Loss) for the year							(66,666)		(66,666)
Other Comprehensive Income for the year								54	54
Total Comprehensive Income for the year							(66,666)	54	(66,612)
Balance at 31st March 2019			39,441	-	-	44	(261,352)	183	(221,684)
Transfer/Adjustment during the year									
Profit / (Loss) for the year							(35,494)		(35,494)
Other Comprehensive Income for the year								24	24
Total Comprehensive Income for the year							(35,494)	24	(35,470)
Balance at 31st March 2020			39,441			44	(296,846)	207	(257,154)

(i) A description of the purposes of each reserve within equity shall be disclosed in the Note 13

Summary of Significant Accounting Policies 1 & 2

Notes on Financial Statements 3-43

The notes referred to above form an integral part of the financial statements

As per our Report attached of even date
For S. Poddar & Co.
Chartered Accountants
Firm Regn. No. 320294E

Khusboo Tayal
Partner
Membership No. [illegible]828
Kolkata
Date : 4th day of Dec. 2020

UDIN: 21069828AAAABE5471

For BRG Iron & Steel Co. Private Limited

Company Secretary
Prithwish Chatterjee
Membership No.
52605

Taken on Record
Kannan Tiruvengadam
Liquidator
Regn No.- IBBI/IPA-001/IP-P00253/2017-18/10482

BRG Iron & Steel Co. Private Limited
Cash Flow Statement for the year ended March 31, 2020

		Year ended March 31,2020 Amount in Rs. Lacs	Year ended March 31,2019 Amount in Rs. Lacs
A.	**Cash Flow from Operating Activities**		
	Profit / (Loss) before tax for the period	(35,469.79)	(66,666.11)
	Adjustments for :		
	Depreciation and Amortization Expense	6,608.50	7,423.71
	Finance Costs	6,395.82	11,088.09
	Interest Income	(168.24)	(115.25)
	Liabilities no longer required written back	-	(40.60)
	(Gain)/Loss on sale of Property, Plant and Equipment	-	(3.34)
	Loss on exchange difference	15.42	14.46
	Insurance Claim Received	(1.85)	(546.22)
	Operating Profit/ (Loss) before changes in operating assets and liabilities	(22,620.14)	(48,845.24)
	Adjustments for changes in operating assets and liabilities:		
	(Increase) / Decrease in trade receivables	5,605.68	2,745.70
	(Increase) / Decrease in inventories	14,540.58	35,997.25
	(Increase) / Decrease in Loan, other financial assets and other assets	538.65	1,647.99
	Increase / (Decrease) in trade payable and other liability	1,183.34	13,068.13
	Increase / (Decrease) in provisions	47.66	64.43
	Bad debts recovered	-	40.60
	Cash (used in) Operations	(704.25)	4,718.85
	Direct Taxes (paid)/ refund	-	-
	Net Cash (used in) Operating Activities	(704.25)	4,718.85
B.	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment, intangible assets, including CWIP / capital advances	(5.41)	(4,475.71)
	Interest Income and dividend income	168.24	115.25
	Proceeds from receipt of insurance claim	1.85	546.22
	Sale of Vehicles	-	9.20
	Net Cash used from / (used in) Investing Activities	**164.68**	**(3,805.04)**
C.	**Cash Flow from Financing Activities**		
	Repayment of non-current borrowings/Loan Taken	3,061.10	5,067.42
	Proceeds from current borrowings (net)	3,613.14	5,562.29
	Finance Costs	(6,395.82)	(11,088.09)
	Net Cash used from / (used in) Financing Activities	**268.42**	**(458.39)**
	Net increase / (decrease) in cash and cash equivalent (A + B + C)	**(271.16)**	**455.43**
D.	**Cash and cash equivalents**		
	Net increase / (decrease) in cash and cash equivalent	(271.16)	455.43
	Cash and cash equivalents at the beginning of the year	709.41	253.98
	Cash and cash equivalents at the end of the year	**438.25**	**709.41**
(a)	Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
	In Current Accounts	133.58	406.16
	Fixed Deposits with banks	302.47	302.47
	Cash in Hand	2.20	0.78
	Cash and cash equivalents as at 31st March 2020	**438.25**	**709.41**

*

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)' issued by The Institute of Chartered Accountants of India.

The accompanying Notes form an integral part of these Financial Statements.

As per our Report attached of even date

For S. Poddar & Co.
Chartered Accountants
Firm Regn. No. 320294E

Khusboo Tayal
Partner
Membership No. 069828
Kolkata
Date : 4th day of Dec.,2020
UDIN: 21069828AAAABE5471

For BRG Iron & Steel Co. Private Limited

Company Secretary
Prithwish Chatterjee
Membership No.
52605

Taken on Record
Kannan Tiruvengadam
Liquidator
Regn No.- IBBI/IPA-001/IP-P00253/2017-18/10482

Summary of Significant Accounting Policies

1. Corporate Information

BRG Iron & Steel Co. Private Limited ('BRG' or 'the Company') having domicile presence in the State of West Bengal, India, has been incorporated under the Companies Act on 12th December 2002. The Company is primarily engaged in the manufacture and sale of Mild & Stainless-Steel Slab, Billets, Plates, H.R. Coil / Sheets, C.R. Coil / Sheets, Circles, Ferro Alloys.

2. Significant Accounting Policies

2.A. Basis of Preparation

2.A.1 Compliance with Ind AS

The Financial Statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments that are measured in terms of relevant Ind AS at fair values/amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months.

All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

2.A.2 Historical cost convention

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:-

- certain financial assets and liabilities including derivative instruments measured at fair value
- defined benefit plans - plan assets measured at fair value

2.A.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is current when it is:

Expected to be realised or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realised 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.

The Company classifies all other liabilities as non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3: inputs for the asset or liability which are not based on observable market data.

2.B. Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost of acquisition or deemed cost on the date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of cost of acquisition or construction and includes, where applicable, inward freight, duties and taxes, installation expenses, professional fees, borrowing costs, initial estimates of the cost of dismantling, cost of replacing parts of the property, plant and equipment's and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner and purposes. Capital Spare parts which are integral part of the plant and equipment are capitalized.

When significant parts of plant and equipment are required to be replaced at intervals, the same are capitalized and old component is derecognized.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on PPE commences when the assets are ready for their intended use.

Depreciation on all Property, Plant and Equipments is provided as per Schedule II of Companies Act, 2013 under Written Down Value Method over estimated useful lives for each category of assets as under:

Asset	Useful lives (estimated by the management) (Years)
Office building	60
Factory building	30
Plants and machinery	25
Furniture and fixtures	10
Office equipment	5
Vehicles	8
Construction equipment	15
Computer	3

- The residual value of assets has been considered as five percent of the original cost of the assets as per Schedule II of the Act.

- Depreciation is provided on pro-rata basis on additions and deletions of Property, Plant and Equipment during the year.

- In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

- Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Capital work-in-progress

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at historical cost.

Transition to Ind AS

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

2.C. Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes, where applicable, less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

The Company currently have computer software as part of intangible assets, which is being amortised over a period of 6 years using Written Down value Method.

2.D. Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

2.E. Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

2.F. Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non- current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classifications of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets 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 are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial instruments

The Company de-recognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

2.G. Inventories

(i) Inventories are valued at lower of the cost or estimated net realizable value. Goods lying with Consignment Agent are valued at lower of cost or transfer price to agent. Cost of raw materials and stores and spares are ascertained on 'First-in-First-out' basis, and the cost of work-in-progress and finished goods are ascertained on weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same.

Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and excise duty.

2.H. Foreign Currency Transactions

Presentation Currency:

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

Transactions and Balances:

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account.

2.I. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

2.J. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

2.K. Employee Benefits

Short term Employee benefits are accrued in the year services are rendered by the employees.

Provident & Family Pension Fund: In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme by the Central Government/Trust at a determined rate. The company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

Gratuity: Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in acturial assumptions of the defined benefit obligation are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Leave Encashment Benefits: The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.L. Revenue

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

2.M. Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.N. Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.O. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized 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 are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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 realized, 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 assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

2.P. Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.Q. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.R. Segment reporting

The Company is engaged in the business of manufacture and sale of Mild & Stainless Steel Slab, Billets, Plates, H.R. Coil / Sheets, C.R. Coil / Sheets, Circles, Ferro Alloys which come under a single business segment known as 'Iron & Steel'. The financial performance relating to this single business segment is evaluated regularly by the Managing Director and management personnel (Chief Operating Decision Makers).

2.S. Cash dividend and non-cash distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.T. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimated useful lives of property, plant and equipment and intangible assets.

Estimation of defined benefit obligation – Note 31

Impairment of trade receivables – Note 37

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.U. Accounting standards or amendments in the accounting standards adopted on/from April 1, 2018:

Ind-AS 115, "Revenue from Contracts with Customers" issued on March 28, 2018, which provides a unified five step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are met rather than based on the transfer of risks and rewards. Ind-AS 115 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue.

The standard supersedes the erstwhile standard, viz., Ind-AS 18 "Revenue" and Ind-AS 11"Construction Contracts". Ind-AS 115 clarifies how to identify a performance obligation, determine whether a company is a principal or an agent. The Company's revenue is predominantly derived from the single performance obligation to transfer steel products under arrangements in which the transfer of risks and rewards of ownership and the fulfillment of the Company's performance obligation occur at the same time. As part of the adoption process, the Company established revised processes and controls and assessed its performance obligations underlying the revenue recognition, estimation of variable considerations including rebates, customized products and principal versus agent considerations. Henceforth, the adoption of this standard did not have a material impact on the financial statements of the Company. The additional required disclosures are presented in Note 20 of the financial statements.

Appendix B of Ind AS 21, Foreign currency transactions and advance consideration issued on March 28, 2018- which provides a guidance about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Company adopted the following amendments which did not have any material impact on the financial statements of the Company.

2.V. Recent accounting pronouncements effective for annual periods beginning on or after April 1, 2019:-

Ind AS 116, Leases:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which will replace Ind-AS 17 "Leases". This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for annual periods beginning on or after April 1, 2019. An initial review and assessment of the Company's lease arrangements indicates that most of these arrangements will meet the definition of a lease under Ind-AS 116.

The company is in the process of evaluating the impact of Ind-AS 116 on its financial statement. It is expected that the application of Ind-AS 116 shall have a significant impact on the financial statements of the company.

Ind-AS 12, Income taxes:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind- AS 12. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements.

Further, there have been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

Ind-AS 109, Financial Instruments:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

Ind-AS 23, Borrowing Costs:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company does not expect that the adoption of this amendment will have a material impact to its standalone financial statements

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Notes to financial statements as at and for the year ended March 31, 2020

3. Property, Plant and Equipment and Intangible Assets

(Amount in Rs. Lacs)

		GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
SL. NO.	Particulars	AS AT 01.04.19	ADDITIONS DURING THE YEAR	DELETION /ADJUSTMENTS DURING THE YEAR	AS AT 31.03.20	AS AT 31.03.19	DEPRECIATION FOR THE YEAR	DELETION /ADJUSTMENTS DURING THE YEAR	AS AT 31.03.20	AS AT 31.03.20	AS AT 31.03.19
A) PROPERTY, PLANT AND EQUIPMENT:-											
1	LAND FREEHOLD	1,525.08	-	-	1,525.08	-	-	-	-	1,525.08	1,525.08
2	OFFICE BUILDING	1,940.11	-	-	1,940.12	269.54	81.25	-	350.80	1,589.32	1,670.57
3	FACTORY BUILDING	11,666.25	-	-	11,666.26	3,001.28	896.60	-	3,897.88	7,768.38	8,664.98
4	PLANT & MACHINERY	68,485.54	4.50	-	68,490.05	22,023.47	5,605.66	-	27,629.14	40,860.91	46,462.07
5	VEHICLES	47.81	-	-	47.81	34.54	5.73	-	40.27	7.54	13.26
6	FURNITURE & FIXTURES	95.83	-	-	95.83	61.21	10.75	-	71.96	23.87	34.62
7	OFFICE EQUIPMENT	20.05	-	-	20.05	15.90	1.91	-	17.81	2.24	4.15
8	COMPUTER	24.80	0.91	-	25.71	13.99	2.26	-	16.24	9.47	10.81
9	CONSTRUCTION EQUIPMENTS	24.99	-	-	24.99	10.47	2.40	-	12.87	12.12	14.52
		83,830.46	5.41	-	83,835.90	25,430.39	6,606.56	-	32,036.97	51,798.93	58,400.07
B) INTANGIBLE ASSETS:-											
1	COMPUTER SOFTWARE	15.06	-	-	15.05	10.40	1.94	-	12.34	2.71	4.65
C)	CAPITAL WORK-IN-PROGRESS	8,706.29			8,706.29	-	-	-	-	8,706.29	8,706.29
	TOTAL	92,551.81	5.41	-	92,557.24	25,440.80	6,608.50	-	32,049.30	60,507.94	67,111.02

Note:-

3.1 (i) Freehold land includes a portion of land which was acquired by Land Acquisiton Officer, N.H.Division, Collectorate, Dhenkanal, Odisha,during the FY 2018-19. (refer Note 19.1(i) for details)

(Rs. in lacs)

4. Other financial assets

	As at 31st March, 2020	As at 31st March, 2019
Balances with bank (Fixed deposits - with original maturity period of more than 12 months)	-	-
Security deposits		
Unsecured, considered good	2,252.92	2,253.03
Total	**2,252.92**	**2,506.09**

* Subject to bank balance confirmation

5. Deferred Tax Assets (net)

	As at 31st March, 2020	Current year charge/ (Credit to P&L / OCI)	As at 31st March, 2019	Current year charge/ (Credit to P&L / OCI)
a) Deferred Tax Assets				
Expenses allowable against taxable income in future years	-	-	-	-
MAT Credit entitlement				
	-	-	-	-
b) Deferred Tax Liabilities				
Timing difference in depreciable assets	-	-	-	-
Net Deferred Tax Asset / (Liability)	-	-	-	-

6. Other assets

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	760.43	760.43
MAT Credit Entitlement	-	
Total	**760.43**	**760.43**

* Subject to balance confirmation

(Rs. in lacs)

7. Inventories	Note No.	As at 31st March, 2020	As at 31st March, 2019
Valued at Lower of Cost or Net Realisable Value			
Raw materials	7.1	30,766.22	37,128.02
Intermediate goods / Work-in-progress		112.36	4,178.67
Finished goods		1,110.73	3,807.42
Stores and spares	7.1	6,754.81	8,170.58
Total		**38,744.12**	**53,284.69**

7.1 (i) Raw materials include Material at port amounting to Rs. 2,36,65,43,339.05(31 March 2019- Rs. 2,96,85,86,614.05) which have been detained by the Commissioner of Customs as per Order dated 29/03/2017. As per CA(IB) No 575/KB/2019 C.P.(IB) No 513/KB/2018 the Commissioner of Customs (Port) has auctioned raw material lying at port , having book value of Rs 60.20 Crore for Rs 10.60 Crore
The balancing figure i.e of Rs 49.60 Crore has been shown under the head "loss from auction sale" in Profit and Loss account of current year

(Rs. in lacs)

8. Trade receivables	Note No.	As at 31st March, 2020	As at 31st March, 2019
Trade Receivables considered Good - Secured			
Trade Receivables considered Good - Unsecured	8.1	6,785.20	12,429.59
Trade Receivables which have significant increase in credit risk			
Trade Receivables - Credit impaired			
		6,785.20	12,429.59
Less: Allowance for Expected Credit losses		(4,010.71)	(4,034.01)
Total		**2,774.49**	**8,395.58**

* Subject to balance confirmation

8.1 Trade Receivables are non- interest bearing and are generally on terms of 30 To 90 Days. The ageing of receivables are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
0-90 days past due	117.93	394.80
Above 90 days	2,656.56	8,000.78
TOTAL	2,774.49	8,395.58

8.2
(i) Trade Receivables are non- interest bearing and are generally on terms of 30 To 90 Days.
(ii) Credit quality of a customer is assessed based on an appraisal of customer background and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.

9. Cash and Cash Equivalents (As certified by the management)

(Rs. in lacs)

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks*		
In Current Accounts	133.58	406.16
Other bank balances	-	-
Fixed Deposits with banks*		
(Bank deposits with maturity less than 12 months)		
- Balances held as margin money or security against borrowings, guarantees and other commitments	280.15	280.15
- Other deposits with bank	22.32	22.32
Cash in Hand*	2.20	0.78
Cheques, darfts in hand	-	-
Total	438.25	709.41

* Subject to bank balance confirmation
* At various locations as certified by the management

(Rs. in lacs)

10. Others Financial Assets - Current	As at 31st March, 2020	As at 31st March, 2019
Security deposits		
Unsecured, considered good	-	-
Others		
Interest accrued but not due on deposits	219.62	197.33
Total	219.62	197.33

(Rs. in lacs)

11. Current Tax Assets (Net)	As at 31st March, 2020	As at 31st March, 2019
Income tax (TDS,TCS, Self Assessment tax paid)	26.02	26.02
Total	26.02	26.02

(Rs. in lacs)

12. Other Current Assets	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good, unless otherwise stated)		
Balances with Statutory Authorities		
VAT, GST and other taxes/duties	1,404.62	1,586.40
Prepaid Expenses	16.39	1.54
Advance to Suppliers	3,286.25	3,692.31
Others	20.74	8.57
Total	4,728.00	5,288.83

(Rs. in lacs)

13. Share Capital	As at 31st March, 2020	As at 31st March, 2019
a) Authorised:		
810,000,000 (31 March 2019: 400,000,000) Equity Shares of Rs.10/- each with voting rights	81,000.00	81,000.00
	81,000.00	**81,000.00**
b) Issued, Subscribed and fully paid-up Shares:		
805,708,696 (31 March 2019: 394,473,807) Equity Shares of Rs. 10/- each fully paid up	80,570.87	80,570.87
	80,570.87	**80,570.87**

c) Details of shareholders holding more than 5% shares along with number of shares held:

Name of Shareholders	As at 31st March, 2020 No. of shares	% holding	As at 31st March, 2019 No. of shares	% holding
Equity shares of Rs. 10/- each fully paid up				
1. Evika Vincom Pvt. Ltd.	44,429,183	5.51%	44,429,183	5.51%
2. UCO Bank	53,275,711	6.61%	53,275,711	6.61%
3. Andhra Bank	50,557,326	6.27%	50,557,326	6.27%
4. State Bank of India	134,102,238	16.64%	134,102,238	16.64%

d) Reconciliation of the shares outstanding is set out below:

	2019-20 No. of shares	2018-19 No. of shares
Equity Shares		
Of Rs. 10/- each fully paid up		
At the beginning of the period	805,708,696	805,708,696
Add: Shares issued during the year	-	-
Outstanding at the end of the period	**805,708,696**	**805,708,696**

e) The company has not allotted any share pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.

f) There is no call unpaid on share of the company as on 31-03-2020 and on 31-03-2019

g) No shares has been forfeited by the company during the current year as well as during the previous year.

h) No Shares has been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment

i) Terms/rights attached to each class of shares
Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Rs. in lacs)

14. Reserves and Surplus	As at 31st March, 2020	As at 31st March, 2019
A. Securities Premium	39,441.09	39,441.09
B. General Reserve	44.32	44.32
C. Subsidy Reserve	-	-
D. Retained Earnings	(296,845.53)	(261,351.70)
E. Other Comprehensive Income	206.16	182.12
Total	**(257,153.95)**	**(221,684.16)**

Refer Statement of Changes in Equity for movement in balances of Reserves.

Securities Premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security

Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company.

Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Statement of Profit and Loss.

BRG Iron & Steel Co. Private Limited
Notes to financial statements as at and for the year ended March 31, 2020

(Rs. in lacs)

15. Borrowings	Note no.	As at 31st March, 2020	As at 31st March, 2019
At Amortised cost			
Secured			
Term loan from Banks	15.1	117,849.30	114,996.87
Other loan and advances from Banks	15.1	1,668.91	1,470.24
Other loan and advances from others	15.1	-	-
Total		**119,518.21**	**116,467.11**

15.1 (a) Terms & Conditions:

(I) Loans against Equipments/Vehicles are secured by way of hypothecation of respective equipments/vehicles.

(II) Pursuant to the continuing defaults of the company in repayment of borrowings in previous years, a corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Kolkata Bench of the National Company Law Tribunal ("NCLT") dated 5th March 2019. The company is under moratorium persuant to regulation 14 of IBC 2016, so no current maturties of the term loans has been shown in the finacial statements. Refer Note 41 for details of CIR Process.

(III) During the FY 2016-17, financial year Lenders (bankers) invoked Strategic Debt Restructuring (SDR) by conducting a Joint Lenders' Forum (JLF) meeting on 26/07/2016 to enable the lenders to convert part of outstanding loan to fully paid equity shares of the company because Company was not able to achieve the viability milestone while implementing Corporate Debt Restructuring to revive the company during FY 2013-14.

(i) The Company (borrower) agrees and confirms that the interest rate applicable to the Restructured Facilities as set out in the Master Restructuring Agreement and respective sanction letters of the Lenders shall continue to be applicable on the outstanding amounts of the Restructured Facilities.

(ii) The Company (borrower) agrees and confirms that the securities created/extended for the Restructured facilities and guarantee furnished by the guarantors shall continue to be valid and unaffected and shall continue to secure the outstanding amounts of the Restructured facilities.

(iii) Further as per RBI Notification No. BP.BC.34/21.04.132/2016-17 dated November 10,2016, Clause C.8 "The new promoter should have acquired at least 26 per cent of the paid up equity capital of the borrower's company and shall be the single largest shareholder of the borrower company. Further, the new promoter shall be in 'control' of the borrower company as per the definition of 'control' provided in the Companies Act 2013/regulations issued by the Securities and Exchange Board of India/any other applicable regulations/accounting standards as the case may be. Accordingly part of outstanding loan has been converted into fully paid up equity share capital and now Lenders are holding more than 51% of total share capital and effect of the same has been provided in to this financial statement.

(b) Nature of securities:

(i) All the Term Loans shall have first pari-passu charge on both present and future fixed assets of Unit-I, Unit-II & Unit-III and second pari passu charge on both present and future current assets of the company for consortium member banks.
(ii) Working Capital facilities shall have first pari passu charge on both present and future current assets and second pari-passu charge on both present and future fixed assets of Unit-I, Unit-II & Unit-III of the company.
(iii) Promoters/ Promoters group to pledge 100% of their shareholding to the CDR lenders
(iv) Personal Guarantee of Directors
(v) Corporate Guarantees of Group Companies namely Evika Vincom Pvt. Ltd., Pafco Laboratories Ltd., Ashdil Trading Company Pvt. Ltd., Advin Fiscal Services Pvt. Ltd., Ledo Vyapaar Pvt. Ltd. and Modsna Tie-up Pvt. Ltd.

(c) Repayment terms

Particulars	Current	Non Current 2-8 Yrs
Term loan from banks		
as on 31 March 2020	-	117,849.30
as on 31 March 2019	-	114,996.87
Other loan and advances from Banks		
Finance against equipment / vehicle / premisies as on 31 March 2020	-	1,668.91
Finance against equipment / vehicle / premisies as on 31 March 2019	-	1,470.24

(Rs. in lacs)

16. Provisions	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefit - Gratuity (Refer Note No. 30)	253.50	210.72
Provision for leave encashment	16.71	15.08
Total	**270.21**	**225.80**

(Rs. in lacs)

17. Borrowings	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
At Amortised cost			
Secured			
From Banks		142,768.26	139,155.11
Unsecured			
From related parties		440.00	440.00
From other parties		4,050.00	4,050.00
		147,258.26	**143,645.11**

(Rs. in lacs)

18. Trade Payables	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
total outstanding dues of micro enterprises and small enterprises	18.1	149.48	110.51
total outstanding dues of creditors other than micro enterprises and small enterprises	18.1	8,350.01	6,946.81
Total		8,499.48	7,057.31

* Subject to balance confirmation

18.1 (i) "Disclosure of payables to MSME vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

The dues to MSME to the extent available with the company is given below:

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) The principal amount and the interest due thereon remaining unpaid to suppplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	149.48	110.51
- Interest due		
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006		
d) The amount of interest accrued and remaining unpaid at the end of each accounting year		
e) The amount of further interest remaining due and payable even in the succeeding years, until such datre when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		

(ii) Trade payables are normally settled on 30 to 180 day terms

(iii) 2) The Company is undergoing liquidation process and accordingly aggregate of claims as on 5th March 2019, submitted by various Financial, Operational Creditors and dues to workmen & employees are ` 3464.53 Cr, ` 1047.81 Cr and `0.43 Cr respectively. However, claim admitted by the liquidator for these Financial, Operational Creditors and dues to workmen & employees are ` 3461.46 Cr, ` 392.87 Cr and `0.11 Cr respectively. The book balance for such creditors as on 31st March 2020 is ` 2664.60 Cr and ` 84.99 Cr `respectively.

(Rs. in lacs)

19. Other Financial liabilities	Refer Note No.	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long term borrowings		-	-
Interest accrued but not due on borrowings		-	-
Payable for capital expenditure		-	-
Payable to employees		492.71	583.76
Advance from customers		139.44	142.64
Security deposits		203.34	203.34
Other Payables		102.79	268.47
Total		938.28	1,198.21

(Rs. in lacs)

20. Other Current Liabilities	As at 31st March, 2020	As at 31st March, 2019
Statutory liabilities	10,479.60	10,478.51
Total	10,479.60	10,478.51

(Rs. in lacs)

21. Provisions	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefit - Gratuity (Refer Note No. 31)	55.00	56.66
Provision for leave encashment	15.75	10.85
Total	70.75	67.51

BRG Iron & Steel Co. Private Limited
Notes to financial statements as at and for the year ended March 31, 2020

22. Revenue from Operations

(Rs. in lacs)

	For the year ended March 31,2020	For the year ended March 31,2019
Sale of products (mild and stainless steel items)	21,572.96	31,043.81
Sale of services (job work charges)	-	156.38
Total	**21,572.96**	**31,200.19**

23 Other Income

(Rs. in lacs)

	Refer Note No.	For the year ended March 31,2020	For the year ended March 31,2019
Interest income			
From fixed deposit with banks and others		168.24	115.25
Insurance claim received		1.85	546.22
Bad debt recovered		-	40.60
Profit on sale of car		-	3.34
Discount on Poor quality material		378.39	-
Others		3.18	27.41
Total		**551.66**	**732.83**

24 Cost of material consumed

(Rs. in lacs)

	For the year ended March 31,2020	For the year ended March 31,2019
Inventory at the beginning of the year	37,128.02	42,257.10
Add: Purchases during the year	10,114.16	21,801.14
Less: Inventory at the end of the year	(30,766.22)	(37,128.02)
Cost of Raw Material Consumed	**16,475.97**	**26,930.22**
Less: Expenses trasfered to Repairs & maintenance- P& M	(16.11)	(74.90)
TOTAL	**16,459.86**	**26,855.33**

Note:-
1. Purchases are net of amount of High Seas Sales.
2. Purchases includes reimursements of expenses to custom house agents.

25 Changes in inventories of finished goods and work-in-progress

(Rs. in lacs)

	For the year ended March 31,2020	For the year ended March 31,2019
Inventories at the end of the year:		
Finished goods	1,110.73	3,807.42
Intermediate goods / Work-in-progress	112.36	4,178.67
Inventories at the beginning of the year:		
Finished goods	3,807.42	23,725.81
Intermediate goods / Work-in-progress	4,178.67	6,781.08
Net (increase) / decrease	**(6,763.00)**	**(22,520.80)**

26 Employee benefits expense

(Rs. in lacs)

	For the year ended March 31,2020	For the year ended March 31,2019
Salaries, Wages and Bonus	1,995.18	2,167.43
Contribution to Provident and other funds	64.12	79.12
Staff Welfare Expenses	24.64	21.73
Total	**2,083.94**	**2,268.28**

27 Finance costs

(Rs. in lacs)

	For the year ended March 31,2020	For the year ended March 31,2019
Interest Expenses	6,394.21	11,076.27
Other Borrowing Cost	1.61	11.83
Total	**6,395.82**	**11,088.09**

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Notes to financial statements as at and for the year ended March 31, 2020

(Rs. in lacs)

28 Other expenses	Note No.	For the year ended March 31,2020	For the year ended March 31,2019
Consumption of stores and spare parts		2,571.35	3,229.44
Loss on Auction Sale at port	7.1	4,960.33	-
Water charges		34.41	34.36
Power and fuel		5,269.39	6,585.27
Selling & distributional Expenses		325.93	82.04
Rent		22.64	26.50
Repairs to buildings		-	0.65
Repairs to machinery		1,061.19	2,888.45
Repairs to others		3.01	10.99
Insurance		26.06	13.38
Auditors' Remuneration			-
- As Auditors		14.50	14.50
Rates and taxes		23.43	20.99
Custom Duty		-	10,437.12
Filing fees		0.01	0.17
Allowance for Expected Credit Loss		4,010.71	4,034.01
Social responsibility Expenses*		7.93	9.06
Prior period expenses		15.34	4.74
Exchange Fluctuation		15.42	14.48
Miscellaneous Exp		732.21	1,032.98
Liquidation Expenses		8.00	-
CIRP Expenses		205.47	3.80
		19,307.33	**28,442.92**

* As per section 135 of Companies Act 2013, the Company falls under the purview of CSR i.e. atleast 2% of average net profit made during three preceeding financial years is to be spent in CSR activities. As required CSR Committee has been formed and CSR policies have been defined But the average net profit of the Company during three immediately preceeding financial years comes to nil, therefore the Company is not required to spend on CSR activities. Though the Company had spent some part on such activities.

(Rs. in lacs)-

29 Other Comprehensive Income	For the year ended March 31,2020	For the year ended March 31,2019
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	24.04	53.58
	24.04	**53.58**

(Rs. in lacs)

30 Tax Expense	For the year ended March 31,2020	For the year ended March 31,2019
Current Tax for the year	-	-
Less: MAT Credit Entitlement	-	-
	-	-
Current tax	-	-
Deferred tax	-	-
	-	-
Income tax for earlier years	-	-

31 Employee benefit obligations / expenses

(i) Post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs. 67.32 lakhs has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

(ii) Post Employment Defined Benefit Plan-Gratuity (Unfunded)

Gratuity is paid to employees under the Payment of Gratuity Act, 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company.

Balance sheet amount:	For the year ended March 31,2020	For the year ended March 31,2019
Present value of defined benefit obligation at beginning of period	267.36	257.62
Current Service cost	38.37	35.39
Interest cost/Income	20.59	19.83
Total amount recognised in profit or loss	**326.32**	**312.84**
Remeasurements (gains)/losses		
- Change in Demographic assumptions		
- Change in Financial assumptions	16.50	2.06
- Experience Variance (i.e Actual Experience vs assumptions)	(34.32)	(47.54)
Total amount recognised in Other Comprehensive Income	**(17.82)**	**(45.48)**
Benefits paid		
Present value of defined benefit obligation at end of period	**308.50**	**267.36**

Principal Actuarial Assumption Used:	As at March 31, 2020	As at March 31,2019
Discount Rates	7.00%	7.70%
Expected Salary increase rates	6.00%	6.00%
Attrition rate		
- Upto 25 years	8.00%	8.00%
- 26 to 30 years	7.00%	7.00%
- 31 to 35 years	6.00%	6.00%
- 36 to 40 years	5.00%	5.00%
- 41 to 45 years	4.00%	4.00%
- 46 to 50 years	3.00%	3.00%
- 51 to 55 years	2.00%	2.00%
- Above 56 years	1.00%	1.00%
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflow) is 11 Years

The expected maturity analysis of undiscounted gratuity benefit is as follows

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2020					
Defined benefit obligation	55.00	42.07	164.13	3273.96	3,535.16
As at 31 March 2019					
Defined benefit obligation	58.66	66.55	104.42	339.78	569.41

Sensitivity Analysis

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date

	As at 31st March, 2020		As at 31st March, 2019	
	Decrease by	Increase by	Decrease by	Increase by
Discount Rate (+/-1%)	26.76	23.21	19.32	22.22
Salary Growth Rate (-/+1%)	23.62	26.80	19.70	21.79
Attrition Rate (-/+1%)	1.69	1.46	2.57	2.25

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk Exposure:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit, the most significant of which are as follows:

Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk:

This is the risk that the company is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities.

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000). An upward revision of maximum gratuity limit will result in gratuity plan obligation.

BRG Iron & Steel Co. Private Limited
Notes to financial statements as at and for the year ended March 31, 2020

32 Earnings / (loss) per equity share

	For the year ended March 31,2020	For the year ended March 31,2019
(i) Basic		
a. Profit after tax	(35,493.83)	(66,666.11)
b. (i) Number of Equity Shares at the beginning of the year	805,708,696.00	805,708,696.00
(ii) Number of Equity Shares at the end of the year	805,708,696.00	805,708,696.00
(iii) Weighted average number of Equity Shares outstanding during the year	805,708,696.00	805,708,696.00
(iv) Face Value of each Equity Share (Rs.)	10.00	10.00
c. Basic Earning per Share [a / (b(iii)] (Rs.)	(4.41)	(8.27)
(ii) Diluted		
a. Dilutive potential Equity Shares		
b. Weighted Average number of Equity Shares for computing Dilutive earning per Share	805,708,696.00	805,708,696.00
	(4.41)	(8.27)

33 Contingent liabilities and Commitments

(Rs. in lacs)

	As at 31st March, 2020	As at 31st March, 2019
A. Contingent liabilities		
(a) Claims against the Company not acknowledged as debts :		
(i) Commissioner Central Excise, Bhubaneshwar	250.80	250.80
(ii) Jt. DG of Foreign Trade: EPCG & Advance Import Licence	10,496.64	10,496.64
(iii) EPCG & Advance Import Licence	17,419.55	15,991.46
(iv) Trade Payable - Vendors filed cases in High Court	7,199.69	7,199.69
(v) Entry Tax - Orissa	1,608.05	1,608.05
(vi) VAT - Orissa	19,256.47	19,256.47
(vii) CST - Orissa	479.95	479.95
(viii) VAT - WB	4,718.94	4,718.94
(vi) Income Tax for Asstt. Year 2009-10 to 2014-15	-	6,352.45
(vii) Income Tax for Asstt. Year 2010-11 to 2017-18	116,106.83	-
(viii) Interest on term Loan & WCL	Not ascertainable	Not ascertainable
(ix) Right to Recompense (Rs. In Crores)	389.83	310.30
B. Commitments		
(a) Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	-	-

34 Operating leases

The Company has lease agreement for few premises which are in the nature of operating lease. The tenure of lease are less than 1 year and are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent.

	As at 31st March, 2020	As at 31st March, 2019
Lease payments recognised in the statement of Profit and Loss during the year	22.64	26.50

35 Segment information

The business activity of the company falls within one operating segment viz. Mild & Stainless steel and substantially sale of the product is within the country. Hence, the disclosure requirement of IndAS 108 of Segment Reporting issued by the Ministry of Corporate Affairs is not considered applicable.

BRG Iron & Steel Co. Private Limited
Notes to financial statements as at and for the year ended March 31, 2020

36 Financial Instruments disclosure

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	Ref Note No.	As at 31st March, 2020	As at 31st March, 2019
Financial Assets			
Measured at Amortised Cost			
Trade receivables	8	2,774.49	8,395.58
Cash and Cash Equivalents	9	438.25	709.41
Other financial assets	4,10	2,472.54	2,450.35
Total financial assets measured at amortised cost		5,685.28	11,555.34
Measured at Cost		-	-
Total financial assets measured at cost		-	-
Measured at Fair Value through Profit or Loss		-	-
Total Financial Assets measured at Fair Value through Profit or Loss		-	-
Measured at Fair Value through Other Comprehensive Income		-	-
Total Financial Assets measured at Fair Value through Other Comprehensive Income		-	-
Financial Liabilities			
Measured at Amortised Cost			
Non Current borrowings	15	119,518.21	116,467.11
Current borrowings	17	147,258.26	143,645.11
Trade Payables	18	8,499.48	7,057.31
Other financial liabilities	19	938.28	1,198.21
Total financial liabilities measured at amortised cost		276,214.24	268,367.75
Measured at Fair Value through Profit or Loss		-	-
Total financial liabilities measured at Fair Value through Profit or Loss		-	-

(B) Fair Values

Class wise fair value of the Company's financial instruments:

Particulars	As at 31st March, 2020	As at 31st March, 2019
	-	-

(C) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Note: The Company does not Have any financial assets which are measured at fair value as on the reporting date.

37 Financial Risk Management objectives and policies

The Company's principal financial liabilities comprise borrowings in domestic currency, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits, that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Market risk

Market risk means that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits. Market risk comprises two types of risk: 'Foreign currency risk', 'Interest rate risk', and 'Price risk on traded goods'.

(a) Foreign currency risk

The company undertakes transactions in USD/ EURO/ YEN/ GBP and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters.

The Company has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31 March 2020 and 31 March 2019 are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
	USD	USD
Financial Assets:		
Advances to Suppliers	492.00	492.00
Financial Liabilities:		
Trade payables	262,075.69	262,075.69
Net Forex exposure	(261,583.69)	(261,583.69)
	GBP	GBP
Financial Assets:		
Trade receivables	-	-
Financial Liabilities:		
Trade payables	16,238.60	16,238.60
Net Forex exposure	(16,238.60)	(16,238.60)
	EURO	EURO
Financial Assets:		
Trade receivables	37,190.18	37,190.18
Financial Liabilities:		
Trade payables	66,100.01	66,100.01
Net Forex exposure	(66,100.01)	(28,909.83)
	YEN	YEN
Financial Assets:		
Advances to Suppliers	39,380.00	39,380.00
Financial Liabilities:		
Trade payables	-	-
Net Forex exposure	39,380.00	39,380.00

Foreign currency sensitivity

The company primarily deals in USD and thus is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises from such receivables and payables.

There was no export & import by the company during the year.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

Particulars	Changes in USD rate	Foreign currency Payable (net)(INR)	Effect on profit/ (loss) before tax
	%		
As at 31st March 2020			
Weakening of INR	5%	(985,986.09)	(985,986.09)
Strengthening of INR	-5%	985,986.09	985,986.09
As at 31st March 2019			
Weakening of INR	5%	(904,704.19)	(904,704.19)
Strengthening of INR	-5%	904,704.19	904,704.19

Particulars	Changes in GBP rate	Foreign currency Payable (net)(INR)	Effect on profit/ (loss) before tax
	%		
As at 31st March 2020			
Weakening of INR	5%	(75,571.20)	(75,571.20)
Strengthening of INR	-5%	75,571.20	75,571.20
As at 31st March 2019			
Weakening of INR	5%	(73,459.85)	(73,459.85)
Strengthening of INR	-5%	73,459.85	73,459.85

Particulars	Changes in EURO rate	Foreign currency Payable (net)(INR)	Effect on profit/ (loss) before tax
	%		
As at 31st March 2020			
Weakening of INR	5%	(120,047.49)	(120,047.49)
Strengthening of INR	-5%	120,047.49	120,047.49
As at 31st March 2019			
Weakening of INR	5%	(112,318.16)	(112,318.16)
Strengthening of INR	-5%	112,318.16	112,318.16

Particulars	Changes in YEN rate	Foreign currency Payable (net)(INR)	Effect on profit/ (loss) before tax
	%		
As at 31st March 2020			
Weakening of INR	5%	137,140.85	137,140.85
Strengthening of INR	-5%	(137,140.85)	(137,140.85)
As at 31st March 2019			
Weakening of INR	5%	123,101.88	123,101.88
Strengthening of INR	-5%	(123,101.88)	(123,101.88)

(b) Interest rate risk

The company is exposed to interest rate risk due to fluctuation in rates as the rat of interest varies due to change in MCLR of respective banks and change in the credit rating of the company.

The company monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(i) Interest rate risk exposure

The carrying amount of interest-bearing financial instruments as of 31 March 2020 & 31 March 2019 are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Variable rate financial liabilities	147,258	143,645
Variable rate financial assets	-	-

(ii) Sensitivity analysis on the fair value of financial instruments with fixed interest rate

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(iii) Sensitivity analysis on the cash flows of financial instruments with variable interest rate

As of 31 March 2020 and 31 March 2019, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 0.5%, the changes in interest expense for the years ended 31 March 2020 and 31 March 2019 were as follows:

Particulars	Impact on profit before tax	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest rates - increase by 50 basis points		
Interest rates - decrease by 50 basis points		

Price Risk on Traded Goods

The company is impacted by the price volatility of goods in which the Company trades. To minimize the risk related to price of traded goods, the Company obtain order for sales from buyers prior to purchase of goods with immediate despatch to buyer.

B Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

(i) Credit risk exposure

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The maximum exposure to credit risk as of 31 March 2020 and 31 March 2019 are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade receivables (net)	2,774.49	8,395.58
Cash and Cash Equivalents	436.25	709.41
Other Financial Assets	219.62	197.33

(ii) Impairment losses on financial assets

Refer the table below for reconciliation of loss allowance in respect of Trade Receivables:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loss allowance at the beginning of the year	4,034	-
Add: Loss Allowance provided during the year	4,011	4,034
Less: Loss Allowance reversed during the year		-
Loss allowance at the end of the year	8,045	4,034

No significant changes in estimation techniques or assumptions were made during the reporting period.

Trade Receivables are non- interest bearing and are generally on terms of 30 To 90 Days. The ageing of receivables are as follows:

Particulars		As at 31st March, 2020	As at 31st March, 2019
0-90 days past due		117.93	394.80
Above 90 days		2,656.56	8,000.78
TOTAL		2,774.49	8,395.58

C Liquidity Risk

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

The table provides undiscounted cash flow towards non-derivative financial liability and net settled derivative financial liabilities into relevant maturities based on the remaining period at balance sheet date to contractual maturity date.

Particulars	0 - 180 days	181 - 365 days	Payable in more than 1 year	Total
As at 31st March 2020				
Non Current borrowings	-	-	119,518.21	119,518.21
Current borrowings	147,258.26	-	-	147,258.26
Trade Payables *	8,499.48	-	-	8,499.48
Other financial liabilities	938.28	-	-	938.28
	156,696.03	-	119,518.21	276,214.24
As at 31st March 2019				
Non Current borrowings	-	-	116,467.11	116,467.11
Current borrowings	143,645.11	-	-	143,645.11
Trade Payables *	7,057.31	-	-	7,057.31
Other financial liabilities	1,198.21	-	-	1,198.21
	151,900.64	-	116,467.11	268,367.75

Trade payebles might include some creditors which are due for more than one year. In absence of requred information, the same has been reclassified as Current Liabilities under IndAS.

38 CAPITAL MANAGEMENT

A. Risk management

The fundamental goal of capital management are to: - safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and - maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of company's capital management, capital includes issued capital and all other equity reserves. The company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt divided by total equity. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summerises the capital of the Company:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total borrowings	266,776.47	260,112.23
Less: Cash and cash equivalents	(438.25)	(709.41)
Net Debt	266,338.22	259,402.82
Equity	(176,583.08)	(141,113.29)
Total Capital (Equity + Net Debt)	89,755.15	118,289.53
Net Debt to Equity ratio	-1.51	-1.84

39 Related Party Disclosure persuant to Ind AS 24

(a) Related Parties	Name of the Related Parties
(i) Where Control Exist	
Holding Company	-
Ultimate Holding Company	-
(i) Others	
Enterprise having significant influence	a) Rahirun Vinimay Pvt Ltd.
	b) Cynosure Tracon Pvt.Ltd.
	c) Evika Vincom Pvt. Ltd.
	d) Ashdil Trading Co. Pvt. Ltd.
	e) Anudeep Consultants Pvt.Ltd.
	f) Integrated Pipes & Tubes Pvt. Ltd
	g) Ledo Vyapaar Pvt. Ltd.
	h) Modana Tieup Pvt Ltd
	i) RCD Trading Pvt. Ltd.
	j) Bhuvee Packaging & Ancillary Pvt. Ltd.
	k) Jai Hanumania Steel Pvt. Ltd.
	l) Bhuvee Stenovate Pvt Ltd
	m) BRG Industries Pvt Ltd
	n) BRG International Pvt Ltd
	o) BRG Metal & Power Pvt. Ltd.
	p) Integrated Engg Solution Pvt. Ltd.
	q) Sunrise Merchandise Pvt. Ltd.
	r) Allworth Merchandise Pvt. Ltd.
	s) Advin Fiscal Services Pvt. Ltd.
	t) Stenovate Synergies & Exports Pvt. Ltd.
	u) Jay Gum Chemicals India Pvt. Ltd.
	v) Wellman Sales Agency Pvt. Ltd.
	w) Aarpee Commercial Co. Pvt. Ltd.
	x) Daga Business & Credit Pvt. Ltd.
	y) Ramesh Merchantile Pvt. Ltd.
	z) Ravlon Commodities Pvt. Ltd.
	aa) Vital Commercial Co. Pvt. Ltd.
	ab) Yukon Merchandise Pvt. Ltd.
	ac) Carol Syntex Pvt. Ltd.
	ad) BRG Tie-up Pvt. Ltd.
	ae) Kecore Tradecare Pvt. Ltd.
	af) Palco Laboratories Pvt. Ltd.
	ag) Shyam Ferro Alloys Ltd
Key Managerial Personnel	Anjani Kumar Goyal
	Jai Kumar Goyal
	Sandeep Goyal
	Himanshu Goyal

(b) Details of Transactions with Related Parties

(Rs. in Lacs)

Nature of Transactions	Name of related parties	31 March 2020	31 March 2019
Purchase	Bhuvee stenovate Private Limited	42.91	197.36
Purchase	Rahirun vinimay Private Limited	2,879.14	8,709.60
Purchase	Shyam Ferro Alloys Ltd	-	4,607.62
Purchase	Stenovate Synergies & Exports Pvt. Ltd.	1.42	267.67
Sales	Bhuvee stenovate Private Limited	(967.01)	3,898.33
Sales	Rahirun vinimay Private Limited	13,911.94	22,964.47
Sales	Shyam Ferro Alloys Ltd	-	1,595.75
Outstanding Balance	Bhuvee stenovate Private Limited	(5.10)	2,382.99
Outstanding Balance	Rahirun vinimay Private Limited	(4,611.29)	(3,285.38)
Outstanding Balance	Evika Vincom pvt. Ltd.	(176.00)	(176.00)
Outstanding Balance	Allworth Merchandise Private Limited	(254.00)	(254.00)
Outstanding Balance	Ledo Vyapaar pvt. Ltd.	(5.00)	(5.00)
Outstanding Balance	Modana Tie Up Pvt. Ltd.	(5.00)	(5.00)
Outstanding Balance	RCD Trading Pvt. Ltd.	7.78	-
Outstanding Balance	BRG Metal & Power Pvt. Ltd.	(9.37)	-
Outstanding Balance	Stenovate Synergies & Exports Pvt Ltd	(1.42)	-

(c) Details of balances with Related Parties

	Key Managerial Personnel		Enterprise having significant influence	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Receivable	-	-	7.78	2,382.99
Payable	-	-	5,087.48	3,723.38

(c) Details of compensation paid to KMP

	For the year ended March 31,2020	For the year ended March 31,2019	For the year ended March 31,2020	For the year ended March 31,2019
Short-Term Employee Benefits	-	-	-	-
Post-Employement Benefits	-	-	-	-
Long-Term Employee Benefits	-	-	-	-
Termination Benefits	-	-	-	-
Employee Share Based Payments	-	-	-	-
Total Compensation	-	-	-	-

BRG Iron & Steel Co. Private Limited
Notes to financial statements as at and for the year ended March 31, 2020

40 During the FY 2017-18, the company had received notice from few financial creditors, who have filed petition before Hon'ble National Company Law Tribunal (NCLT) on 15th March 2018 to initiate Corporate Insolvency Resolution Process under Section 7 of Insolvency & Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjucating Authority (Rules, 2016, which was admitted by the Hon'ble NCLT on 5th March 2019.

Accordingly, the Company has undergone Corporate Insolvency Resolution Process (CIR Process) under the provisions of the Insolvency and Bankruptcy Code 2016 (IBC) in terms of order dated 5th March 2019 passed by Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. Pursuant to the initiation of CIR Process, vide aforesaid order, the adjudicating authority of the Bench had appointed Mr. Kannan T., as the Interim Resolution Professional (IRP) to carry out the functions as mentioned under the code after which Committee of Creditors (CoC) approved the appointment of Mr. Kannan T., the IRP as Resolution Professional (RP) and Mr Kannan T was appointed as the Liquidator as per the order passed by Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. for Liquidation which was received on 03/02/2020. Since then the liquidation process has been initiated "as going concern basis" as per the order recieved.

The Liquidator has power and duties as per section 35 to 54 of the Insolvency and bankruptcy Code, 2016 read with Insolvency and bankruptcy Board Of India (Liquidation Process) Regulations, 2016. The Liquidation process has started due to 330 days of CIRP period have expired on January 28, 2020.

The Company is undergoing liquidation process and accordingly **aggregate** of claims as on February 03, 2020, submitted by various Financial, Operational Creditors and dues to workman & employees are ` 3484.63 Cr, ` 1047.81 Cr and ` 0.43 Cr respectively. However, claim admitted by the liquidator for these Financial, Operational Creditors and dues to workman & employees are ` 3461.48 Cr, ` 392.87 Cr and ` 0.11 Cr respectively. The book balance for such creditors as on 31st March 2020 is ` 2564.80 Cr and ` 84.99 Cr ' respectively.

Also, there are claims, submitted beyond the due date, which have been currently rejected by liquidator and pending approval by NCLT, no provision has been made hence not commented upon.

41 The management has prepared the Company's financial statements on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs.35,459.79 Lakhs during the year ended 31st March 2020 and have accumulated losses of Rs.2,57,153.95 Lakhs as on that date. As of this date, the company's total liabilities exceed its total assets and its networth has been fully eroded. The financial performance of the Company had deteriorated substantially.

42 These financial statements have been approved by the Liquidator of the Company on 4th Dec., 2020

43 **Previous year figures:**
The previous year figures are reclassified where considered necessary to conform to this year's classification.

As per our Report attached of even date
For S. Poddar & Co.
Chartered Accountants
Firm Regn. No. 320294E

Ktayal

Khusboo Tayal
Partner
Membership No. 069828
Kolkata
Date : 4th day of Dec.,2020
UDIN: 21069828AAAABE5471

For BRG Iron & Steel Co. Private Limited

Company Secretary
Prithwish Chatterjee
Membership No.
52808

Taken on Record
Kannan Tiruvengadam
Liquidator
Regn No.- IBBI/IPA-001/IP-P00253/2017-18/10482

Kannan Tiruvengadam
Reg. No.
IBBI/IPA-001/IP-P00253/2017-18/10482
Insolvency Professional

S. Poddar & Co.
Kolkata
Chartered Accountants