

*CONFIDENTIAL*

*STATUTORY AUDIT REPORT*

*OF*

*PHIL ISPAT PRIVATE LIMITED*

*Registered Office:- First floor, Plot No 63& 66,  
Ph No 113 Mother Teresa Ward No. 43,  
Jalvihar Colony Raipur*

*FINANCIAL YEAR 2020-21*

*AUDITORS*

*M/S NATWAR VINOD & CO.  
CHARTERED ACCOUNTANTS  
"KRITI", RAJENDRA NAGAR  
LINK ROAD  
BILASPUR (C.G)*

*PH. NO. : 07752 - 404691 , 412696*

# NATWAR VINOD & CO.

CHARTERED ACCOUNTANTS

Kriti, Rajendra Nagar

Bilaspur (CG) – 495001

Ph. No.: 07752-412696

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
PHIL ISPAT PRIVATE LIMITED  
First floor, Plot No 63 & 66,  
Ph No 113 Mother Teresa Ward No. 43,  
Jalvihar Colony, Raipur (C.G.)

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of PHIL ISPAT PRIVATE LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

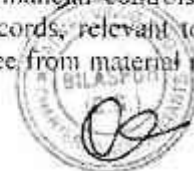
#### Basis for Opinion

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

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

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



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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

### **Emphasis of Matter**

The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements. (We draw attention to the Note No. 4.22 to the standalone financial statements)

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - v. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our audit report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
  - vii. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:



a)The Company has disclosed the impact if any of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements as referred in Note No. 4.11.

b)The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise,

c)There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For, NATWAR VINOD & CO.**

**Firm Reg. No. 007700C**

**Chartered Accountants**



**(V.K.MITTAL)**

**Partner**

**Membership No. : 074285**

**UDIN : 21074285AAAADU5384**

**Place: Bilaspur**

**Date: 04/08/2021**

**Annexure - A to the Independent Auditor's Report**

*Referred to "Report on Other Legal and Regulatory Requirements" section of our Report of even date*

*Based on the audit procedure performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanation given to us and the books of accounts and other records examine by us in the normal course of audit, we report that:*

- i (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As per information and explanation given to us, the fixed assets have been physically verified by the management during the year, in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the Immovable Properties are held in the name of the company.
- ii. According to the information and explanations given to us, inventories have been physically verified by the management at regular intervals during the year which are reasonable to size & nature of the company. There was no material discrepancies noticed.
- iii. The company has not granted any loans, secured or unsecured during the year to Companies, Firms or other Parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause iii(a) to iii(c) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investments made & guarantees given.
- v. The Company has not accepted any deposits from the public. Hence, this clause of order is not applicable on the company.
- vi. The Company has maintained the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues, including Income-tax, Custom Duty, GST and other material statutory dues, as applicable, with the appropriate authorities in India.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of statutory dues as at March 31, 2021 which have not been deposited on account of a dispute are as follows:



S.N.	Name of the Statute	Nature of Dues	Amount	Date of Order	Period	Forum in which dispute is pending
1	Chhattisgarh Value Added Tax	VAT	Rs. 2,09,105 (Rs.32,000 Paid Against above Amount under protest)	05.11.2020	F.Y. 2015-16	The Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.)
2	Chhattisgarh Value Added Tax	Entry Tax	Rs. 4,47,687 (Rs.67,500 Paid Against above Amount under protest)	05.11.2020	F.Y. 2015-16	The Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.)

viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has taken loans from banks during the year and has not defaulted in the repayment of dues to banks during the year.

ix. The Company has taken term loans from the bank during the year and the amount have been used for the purpose for which the funds were raised.

x. During the course of our examination of the books of accounts and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of such case by the management.

xi. The company is a Private Limited Company, hence this clause of Paragraph 3 of the order is not applicable to the company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been duly disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the order is not applicable to the company.

Place: Bilaspur  
Date: 04/08/2021

For, NATWAR VINOD & CO.  
Firm Reg. No. 007700C  
Chartered Accountants



(V.K.MITTAL)

Partner

Membership No. : 074285

UDIN : 21074285AAAADU5384

## NATWAR VINOD & CO.

CHARTERED ACCOUNTANTS

Kriti, Rajendra Nagar

Bilaspur (CG) – 495001

Ph. No.: 07752-412696

### **Annexure - B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of PHIL ISPAT PRIVATE LIMITED ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, NATWAR VINOD & CO.

Firm Reg. No. 007700C

Chartered Accountants



(V.K.MITTAL)

Partner

Membership No. : 074285

UDIN : 21074285AAAADU5384

Place: Bilaspur

Date: 04/08/2021

**PHIL ISPAT PRIVATE LIMITED**  
**First floor, Plot No 63 & 66, Ph No 113, Jalvihar Colony Raipur**  
**CIN: U27101CT2004PTC016701**  
**BALANCE SHEET AS AT 31.03.2021**

Particulars	Notes	(Amount in Rupees)	
		As at the year ended March 31,	
		2021	2020
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital		4,94,43,500	4,94,43,500
(b) Reserves and Surplus	2.1	50,78,46,293	41,05,02,000
	2.2	<u>55,72,89,793</u>	<u>45,99,45,500</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term borrowings		28,23,98,457	42,06,19,074
(b) Deferred Tax Liabilities	2.3	2,31,14,881	1,34,28,460
(c) Non Current liabilities	2.4	17,69,772	17,69,772
	2.5	<u>30,72,83,110</u>	<u>43,58,17,306</u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings		10,13,07,752	8,63,12,669
(b) Trade Payables	2.6		
(i) Total Outstanding dues to Micro and Small Enterprises	2.7	3,90,345	65,549
(ii) Total Outstanding dues to other than Micro and Small Enterprises			
(c) Other Current liabilities		11,87,78,806	18,84,08,124
	2.8	<u>14,90,83,282</u>	<u>6,34,65,700</u>
<b>TOTAL</b>		<u>36,95,60,185</u>	<u>33,82,52,042</u>
<b>II ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipments			
(i) Tangible assets			
(b) Non Current Investment	2.9	62,31,97,990	65,75,52,917
(c) Long term loans & advances	2.10	11,20,51,670	10,81,25,000
(d) Pre Operative Expenses	2.11	5,17,26,249	2,99,31,711
	2.12	15,65,036	-
		<u>78,85,40,945</u>	<u>79,56,09,628</u>
<b>(2) Current Assets</b>			
(a) Inventories		22,49,15,863	23,87,45,711
(b) Trade receivables	2.13	6,98,59,476	4,85,20,217
(c) Cash & Cash Equivalents	2.14	3,40,34,799	1,46,51,189
(d) Short-term loans and advances	2.15	11,67,82,005	13,64,88,103
	2.16	<u>44,55,92,143</u>	<u>43,84,05,219</u>
<b>TOTAL</b>		<u>1,23,41,33,088</u>	<u>1,23,40,14,848</u>

Significant accounting policies & notes on accounts

The accompanying notes are an integral part of the financial statements

2,3 & 4

As per our report of even date

For, Natwar Vinod & Co.  
Chartered Accountants  
Firm Reg No. 007700C

V.K.Mittal  
Partner  
i. No 074285  
Bilaspur  
Date: 04/08/2021  
DIN : 21074285AAAADU5384

For and on behalf of the Board of Directors

Vijay Anand Jha  
Director  
DIN: 00826102  
Raipur  
Date: 04/08/2021



Prasant K. Mohra  
Director  
DIN: 06668452  
Raipur  
Date: 04/08/2021

**PHIL ISPAT PRIVATE LIMITED**  
**First floor, Plot No 63& 66, Ph No 113, Jalvihar Colony Raipur**  
**CIN: U27101CT2004PTC016701**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2021**

Particulars	Notes	(Amount in Rupees)	
		For the year ended on March 31,	
		2021	2020
<b>(I) Revenue From Operations</b>	3.1	2,90,69,80,931	1,20,84,53,552
<b>(II) Other Income</b>	3.2	23,34,403	70,28,589
<b>(III) Total Revenue</b>		<b>2,90,93,15,335</b>	<b>1,21,54,82,141</b>
<b>(IV) EXPENSES</b>			
Cost of Material Consumed	3.3	2,12,09,79,069	1,01,06,51,279
Purchase of Goods		1,82,06,459	4,63,86,512
Change in inventories of finished good, Work in progress and Stock-in-Trade	3.4	3,40,31,837	(6,19,51,572)
Employee Benefit Expenses	3.5	5,44,34,764	2,12,93,453
Finance Costs	3.6	5,82,54,441	3,22,88,822
Depreciation and Amortization Expenses	2.9	7,22,46,260	1,57,56,051
Other Expenses	3.7	40,48,32,416	7,26,33,962
		<b>2,76,29,85,245</b>	<b>1,13,70,58,508</b>
<b>(V) Profit Before Exceptional Items, Extraordinary Items and Tax</b>		<b>14,63,30,089</b>	<b>7,84,23,633</b>
<b>(VI) Exceptional Items</b>		-	-
<b>(VII) Extraordinary Items</b>		-	-
<b>(VIII) Profit/(Loss) Before Tax (VI-VII)</b>		<b>14,63,30,089</b>	<b>7,84,23,633</b>
<b>(IX) Tax Expenses:</b>			
(1) Current tax		2,82,50,000	82,75,000
(2) Deferred tax Liabilities/(Assets)		96,86,421	1,16,11,613
(3) Old Income Tax		1,10,49,375	-
<b>(X) Profit / (Loss) for the Period from Continuing Operations</b>		<b>9,73,44,293</b>	<b>5,85,37,020</b>
<b>(XI) Profit/(Loss) from Discontinuing Operations Before Tax</b>		-	-
<b>(XII) Tax Expenses of Discontinuing Operations</b>		-	-
<b>(XIII) Profit/(Loss) from Discontinuing Operations After Tax</b>		-	-
<b>(XIV) Profit / (Loss) for the Period</b>		<b>9,73,44,293</b>	<b>5,85,37,020</b>
<b>(XV) Earning per equity share :</b>			
Basic/Diluted	3.8	19.69	11.84
Significant accounting policies & notes on accounts	2,3 and 4		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For, Natwar Vinod & Co.

Chartered Accountants

Firm Reg No. 007760C

(V.K.Mittal)  
  
 Partner

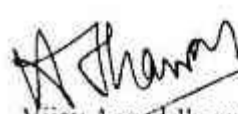
M. No 074285


Bilaspur

Date: 04/08/2021

UDIN : 21074285AAAADU5384

For and on behalf of the Board of Directors

(Vijay Anand Jhany)  
  
 Director  
 DIN: 00826103  
 Raipur  
 Date: 04/08/2021

(Prasant K. Mohta)  
  
 Director  
 DIN: 06668452  
 Raipur  
 Date: 04/08/2021



**PHIL ISPAT PRIVATE LIMITED**  
 First floor, Plot No 63& 66, Ph No 113, Jalvihar Colony, Raipur

**CIN: U27101CT2004PTC016701**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021 [AS PER AS-3]**

Year Ended 31st March, 2021		Year Ended 31st March, 2020	
Amount	Amount ₹	Amount	Amount ₹

**A CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit after Tax		9,73,44,293	5,85,37,020
Adjustments for:			
Depreciation	7,22,46,260		1,57,56,051
Deffered Tax	96,86,421		1,16,11,613
Interest & Finance Income	(20,88,800)		(11,60,253)
Interest & Finance Charges	3,24,54,775		3,22,18,480
		11,22,98,656	5,84,25,891
Operating Profit before Working Capital Changes		20,96,42,949	11,69,62,911
Adjustments for:			
Decrease/(Increase) in Current Assets	1,21,96,687		38,84,00,923
Increase/(Decrease) in Current Liabilities	1,63,13,060	2,85,09,747	13,00,92,351
Cash generated from operations		23,81,52,696	51,84,93,274
Income Tax paid			63,54,56,186
Net Cash flow from Operating activities		23,81,52,696	63,54,56,186

**B CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(3,79,18,734)		(57,11,08,021)
Decrease/(Increase) in Long term loans & advances	(2,17,94,539)		(10,60,58,616)
Sale of Fixed Assets	27,401		
Purchase of Investments	(39,26,670)		
Interest Received	20,88,800		11,60,253
Preoperative Expenses	(15,65,036)		
Net Cash used in Investing activities		(6,30,88,777)	(67,60,06,384)

**C CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from Issue of Share Capital			
Proceeds/(Payment) from Long term Borrowings	(13,82,20,617)		3,78,01,816
Proceeds/(Payment) from Short term Borrowings	1,49,95,083		3,44,41,694
Interest paid	(3,24,54,775)		(3,22,18,480)
Net Cash used in financing activities		(15,56,80,309)	4,00,25,030
Net increase in cash & Cash Equivalents During the Year (A+B+C)		1,93,83,610	(5,25,169)
Add:-Cash and Cash equivalents as at 01.04.20		1,46,51,189	1,51,76,358
Cash and Cash equivalents as at 31.03.21		3,40,34,799	1,46,51,189

**AS PER OUR REPORT ATTACHED**

FOR, NATWAR VINOD & CO.  
 FIRM REG. NO. 007700C  
 CHARTERED ACCOUNTANTS

(VINOD KUMAR MITTAL)  
 PARTNER  
 M.NO.074285  
 Bilaspur  
 Date: 04.08.2021  
 UDIN : 21074285AAAAADU5384

**FOR & ON BEHALF OF THE BOARD**

Vijay Anand  
 Director  
 DIN: 00826300  
 Raipur  
 Date: 04.08.2021

Prasant K. Mohita  
 Director  
 DIN: 06668452  
 Raipur  
 Date: 04.08.2021



## PHIL ISPAT PRIVATE LIMITED

### 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31ST, 2021:

#### 2.1 Share Capital:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
<b>Authorised Share Capital</b>		
5,000,000 (5,000,000) Equity shares of face value of Rs 10 each	5,00,00,000	5,00,00,000
<b>Issued, subscribed &amp; fully paid up shares</b>		
4,944,350 (4,944,350) Equity shares of face value of Rs 10 each	4,94,43,500	4,94,43,500
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>4,94,43,500</b>	<b>4,94,43,500</b>

(i) The company has only one class of shares referred to as equity shares having face value of ₹10/- Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Share in respect of each class in the company held by the holding company:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
Gopal Sponge & Power Private Limited (Equity Shares)	35,96,580	35,96,580

(iii) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Name of the Share Holder	As at March 31,			
	2021		2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Gopal Sponge & Power Private Limited	35,96,580	72.74%	35,96,580	72.74%
V A Transport Private Limited	11,11,100	22.47%	11,11,100	22.47%

(iv) Details of shareholder/s holding more than 5% shares is set out below:

Name of the Share Holder	As at March 31,			
	2021		2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Gopal Sponge & Power Private Limited	35,96,580	72.74%	35,96,580	72.74%
V A Transport Private Limited	11,11,100	22.47%	11,11,100	22.47%

(v) Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Particulars	As at March 31,			
	2021		2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the Beginning of the Year	49,44,350	4,94,43,500	49,44,350	4,94,43,500
Add: Shares issued	-	-	-	-
Less: Shares Forfeited	-	-	-	-
Shares at the Ending of the Year	<b>49,44,350</b>	<b>4,94,43,500</b>	<b>49,44,350</b>	<b>4,94,43,500</b>



## **PHIL ISPAT PRIVATE LIMITED**

### **2.2 Reserves & Surplus:**

<b>Particulars</b>	<i>(Amount in Rupees)</i>	
	<b>As at March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b><u>Securities Premium</u></b>		
Balance as per the last financial statement	17,28,31,300	17,28,31,300
Additions during the year	-	-
Closing Balance	17,28,31,300	17,28,31,300
<b><u>Surplus/(Deficit) in the Statement of Profit &amp; Loss</u></b>		
Profit (Loss) - Opening Balance	23,76,70,700	17,91,33,680
Add; Net Profit after tax transferred from Statement of Profit and Loss	9,73,44,293	5,85,37,020
Profit (Loss) - Closing Balance	33,50,14,993	23,76,70,700
<b>Total Reserves &amp; Surplus</b>	<b>50,78,46,293</b>	<b>41,05,02,000</b>



## PHIL ISPAT PRIVATE LIMITED

### 2.3 Long Term Borrowings:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
<b>Term Loan</b>		
<b>Secured</b>		
from HDFC Bank		
BMW Car		
Term Loan for Plant & Machinery	-	26,74,212
	22,45,37,457	19,19,49,177
<b>Unsecured</b>		
from Other Body Corporates		
from Related Parties	-	30,353
	5,78,61,000	22,59,65,332
<b>Total Long Term Borrowings</b>	<b>28,23,98,457</b>	<b>42,06,19,074</b>

#### Nature of Security

#### Term of Repayment

- (i) Term loan from HDFC Bank, Raipur amounting to Rs.26,74,212.00 (Rs. 26,74,212.00 in Current Liability) is secured by first and exclusive charge on Asset (Car) acquired out of it.
- Repayable in 37 installments commencing from 05.01.2019. Last installment is due on 05.01.2022 Rate of interest 8.70 % p.a.
- (ii) Term loan from HDFC Bank, Raipur amounting to Rs. 22,45,82,195.00 (Rs. 5,94,24,990.00 in Current Liability) is secured by first charge on plant and Machinery, land and building at village Dighora and Siltara and collaterally secured by stock and book debts and personal guarantee of Directors and corporate guarantee of Gopal Sponge & Power Private Limited.
- Repayable in 68 installments commencing from 07.02.2019. Last installment is due on 07.09.2024. Rate of interest on term loan is 9.35%
- (iii) Term loan from HDFC Bank, Raipur amounting to Rs.39,29,139.00 (Rs. 29,04,004.00 in Current Liability) is secured by first and exclusive charge on Asset (DG Set) acquired out of it.
- Repayable in 17 installments commencing from 05.03.2021. Last installment is due on 05.07.2022 Rate of interest 8.67 % p.a.
- (iv) Term loan from HDFC Bank, Raipur amounting to Rs.6,50,00,000.00 (Rs. 81,79,887.00 in Current Liability) is secured by first charge on Plant & Machinery, land and building at village Dighora and Siltara and collaterally secured by Stock and book debts and personal guarantee of Directors and corporate guarantee of Gopal Sponge & Power Private Limited.
- Repayable in 48 installments commencing from 07.11.2020. Last installment is due on 07.10.2024 Rate of interest 7.50% p.a.
- (v) Term loan from HDFC Bank, Raipur amounting to Rs.24,52,916.00 (Rs. 9,17,912.00 in Current Liability) is secured by first and exclusive charge on Asset (Loader) acquired out of it.
- Repayable in 35 installments commencing from 01.11.2020. Last installment is due on 01.09.2023 Rate of interest 8.19% p.a.



## PHIL ISPAT PRIVATE LIMITED

### 2.4 Deferred Tax Liabilities (Net):

(Amount in Rupees)

Particulars	(Amount in Rupees)		
	As at March 31, 2021	Current Year Charge / (Credit)	As at March 31, 2020
Deferred Tax Assets	1,29,676	-	1,29,676
	<u>1,29,676</u>	<u>-</u>	<u>1,29,676</u>
Deferred Tax Liabilities (Depreciation on fixed assets)	2,32,44,557	96,86,421	1,35,58,136
	<u>2,32,44,557</u>	<u>96,86,421</u>	<u>1,35,58,136</u>
<b>Net Deferred Tax Liabilities</b>	<u>2,31,14,881</u>	<u>96,86,421</u>	<u>1,34,28,460</u>

### 2.5 Non Current Liability:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
Provision for Gratuity	17,69,772	17,69,772
<b>Total Non Current Liability</b>	<u>17,69,772</u>	<u>17,69,772</u>

### 2.6 Short Term Borrowings:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
<b>Loan repayable on demand</b>		
<u>Secured</u>		
Working Capital Loan	10,13,07,752	8,63,12,669
<b>Total Short Term Borrowings</b>	<u>10,13,07,752</u>	<u>8,63,12,669</u>

1. **Security (Primary)** : Hypothecation by way of first and exclusive charge on all present and future stocks, advance to suppliers, fixed deposits and book debts and Plant and Machinery.

#### 2. **Collateral**

Extention of EM over Land, Industrial plots & building of the Company situated at Vill- Dighora, Muru Tehsil, Takhatpur, Dist. Bilaspur & Siltara, Raipur (C.G.).

#### 3. **Guarantee**

- Personal Guarantee of the director Mr. Vijay Anand Jhanwar and Prashant Kumar Mohta
- Corporate Guarantee of M/s Gopal Sponge & Power Pvt. Ltd.





## PHIL ISPAT PRIVATE LIMITED

### 2.7 Trade Payables:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
(i) Total outstanding dues of MSME's	3,90,345	65,549
(ii) Total outstanding dues of creditors other than MSME's		
:-for Others	3,98,52,643	1,71,05,186
:-for Raw Materials	7,89,26,163	17,13,02,938
<b>Total Trades Payable</b>	<b>11,91,69,151</b>	<b>18,84,73,673</b>

### 2.8 Other Current Liabilities:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
(i) Current Maturities of Long Term Borrowings	7,41,01,005	5,25,34,857
(ii) <u>Advance from Customers</u>		
:- Others	5,91,234	37,951
(iii) <u>Statutory Payables</u>		
EPF Payable	4,09,581	2,16,181
ESI Payable	1,19,721	28,291
TDS Payable	43,66,470	26,42,799
Old Income Tax Payable	1,08,97,612	-
GST Payable	2,67,38,596	-
Electricity Duty Payable	1,48,642	-
(iv) <u>Other Payables</u>		
Audit Fees Payable	92,500	66,600
Salary & Wages Payable	36,33,758	13,82,916
Electricity Charges Payable	2,61,69,170	16,15,998
CSR Payable	17,80,000	-
Telephone Expense Payable	399	2,918
Director's Salary Payable	30,000	49,34,765
Rates & Taxes Payable	4,594	2,424
<b>Total Other Current Liabilities</b>	<b>14,90,83,282</b>	<b>6,34,65,700</b>



**PHILISPAT PRIVATE LIMITED**

**2.9 Property, Plant & Equipments:**

(Amount in Rupees)

Particulars	Gross Block				Depreciation			Net Block	
	As at April 1, 2020	Additions	Disposal	As at March 31, 2021	As at April 1, 2020	For the Year	Reversal	As at March 31, 2021	As at March 31, 2020
<b>A. Tangible Assets</b>									
Land & Site Developments	2,72,15,510	18,48,440	-	2,90,63,950	13,40,267	-	-	2,77,23,683	2,58,75,243
Factory Building & Shed	11,63,29,960	-	-	11,63,29,960	1,36,32,469	97,48,923	-	9,29,48,568	10,26,97,491
Plant & Machineries	72,70,66,030	3,47,16,838	-	76,17,82,868	20,95,98,071	5,88,85,450	-	49,32,99,347	51,74,67,959
Office Equipments	25,95,919	-	-	25,95,919	18,89,944	2,33,796	-	4,72,179	7,05,975
Vehicles	2,25,96,358	12,47,455	40,000	2,38,03,813	1,18,58,257	33,24,092	12,599	86,34,063	1,07,38,101
Computers & Printers	6,10,617	1,06,001	-	7,16,618	5,42,469	53,998	-	1,20,151	68,148
<b>Total</b>	<b>89,64,14,394</b>	<b>3,79,18,734</b>	<b>40,000</b>	<b>93,42,93,128</b>	<b>23,88,61,477</b>	<b>7,22,46,260</b>	<b>12,599</b>	<b>62,31,97,990</b>	<b>65,75,52,917</b>
Previous Year	32,53,06,373	57,11,08,021	-	89,64,14,394	22,31,05,426	1,57,56,051	-	65,75,52,917	10,22,00,947



## PHIL ISPAT PRIVATE LIMITED

### 2.10 Non-Current Investments

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
<u>(At Cost)</u>		
<u>A. Trade</u>		
<u>(a) Investment in Equity Instruments of Associates</u>		
(i) Vraj Metaliks Pvt. Ltd. 1,04,00,000 (As at 31 March 2020 : 1,04,00,000) Equity Shares of Rs.10 each Fully Paid up	10,40,00,000	10,40,00,000
(ii) Chhattisgarh Steel & Power Limited 15,27,776 (As at 31 March 2020 : 15,27,776) Equity Shares of Rs.10 each Fully Paid up	41,25,000	41,25,000
(iii) MVK Industries Private Limited 3,92,667 (As at 31 March 2020 : 0) Equity Shares of Rs.10 each Fully Paid up	39,26,670	-
<b>Total Non Current Investments</b>	<b>11,20,51,670</b>	<b>10,81,25,000</b>

### 2.11 Long term Loans and Advances:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
(i) Security Deposit Unsecured- Considered Good	4,25,80,407	2,60,88,407
(ii) Deposit for VAT Appeal	99,500	2,43,000
(iii) Income Tax Refundable	70,70,683	21,08,889
(iv) Commercial Tax Refundable	2,43,367	3,84,938
(v) Advances to Suppliers	5,91,592	5,91,592
(vi) Prepaid Expenses	11,40,700	5,14,885
<b>Total Long Term Loan and Advances</b>	<b>5,17,26,249</b>	<b>2,99,31,711</b>



## PHIL ISPAT PRIVATE LIMITED

### 2.12 Pre Operative Expenses:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
(i) Preoperative Expenses	15,65,036	-
<b>Total Pre Operative Expenses</b>	<b>15,65,036</b>	<b>-</b>

### 2.13 Inventories:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
a Raw Materials at Plant	18,86,87,816	16,99,64,592
b Finished Goods	2,98,65,014	6,39,60,257
c By Product	2,87,907	2,24,501
d Stores & Spares	60,75,126	45,96,361
<b>Total Inventories</b>	<b>22,49,15,863</b>	<b>23,87,45,711</b>

\* Refer Notes 4.4 for method of valuation

### 2.14 Trade Receivables:

(Amount in Rupees)

Particulars	As at March 31,	
	2021	2020
Outstanding More Than Six Months Unsecured, Considered Good	-	-
Outstanding Less Than Six Months Unsecured, considered good From Others	6,98,59,476	4,85,20,217
<b>Total Trade Receivable</b>	<b>6,98,59,476</b>	<b>4,85,20,217</b>



# PHIL ISPAT PRIVATE LIMITED

## 2.15 Cash and Cash Equivalents:

Particulars	(Amount in Rupees)	
	As at March 31,	
	2021	2020
<b>(i) Cash &amp; Cash Equivalents</b>		
(a) Balances in Current Accounts with bank		
(b) Cash on hand	54,257	99,413
	10,25,772	3,98,589
<b>(ii) Balances with banks held as security against LC/BG</b>		
FD (maturity more than one year)	3,29,54,770	1,41,53,187
<b>Total Cash and Cash Equivalents</b>	<b>3,40,34,799</b>	<b>1,46,51,189</b>

There are no restrictions of any kind on usage of the above bank balances in Current Account. Cash on Hand has been taken as certified by the Management.

The details of balances as on Balance Sheet dates with banks are as follows:

Particulars	(Amount in Rupees)	
	As at March 31,	
	2021	2020
In Current Account		
HDFC Bank Ltd, Raipur (01522320008197)	54,257	99,413
<b>Total</b>	<b>54,257</b>	<b>99,413</b>

## 2.16 Short term Loans and Advances:

Particulars	(Amount in Rupees)	
	As at March 31,	
	2021	2020
<b>(i) Loans &amp; Advances to Others</b>		
<b><u>Unsecured, considered good</u></b>		
Advances for Fixed Assets	14,00,000	55,68,578
Advances to Employees	5,65,910	5,00,000
<u>Advances to Suppliers for Raw Materials</u>		
-: Others	10,35,83,909	4,14,42,278
Advances to Suppliers for Stores	30,81,361	89,654
	10,86,31,180	4,76,00,511
<b><u>Unsecured, considered doubtful</u></b>		
Advance to Suppliers for Raw Materials	28,59,116	29,28,610
Less : Provision for doubtful Advances	28,59,116	29,28,610
	-	-
(ii) Prepaid Expenses	25,88,704	39,77,959
(iii) Interest Accrued but not Due	11,93,830	2,18,011
(iv) EMD with MSTC	40,00,000	21,50,000
(v) Goods & Service Tax	3,68,291	8,25,41,622
<b>Total Short term Loans and Advances</b>	<b>11,67,82,005</b>	<b>13,64,88,103</b>



# PHIL ISPAT PRIVATE LIMITED

## 3.1 Revenue from Operations:

Particulars	<i>(Amount in Rupees)</i>	
	For the year ended on March 31,	
	2021	2020
<u>Sale of Products</u>		
(i) Sponge Iron	1,51,18,88,184	93,21,48,311
(ii) M.S.Billets	84,35,29,450	-
(iii) TMT Bar	44,70,07,439	-
(iv) Dolochar	1,43,44,018	50,28,259
(v) Iron Ore Fines	6,96,75,040	1,11,58,048
(vi) Pellet	-	25,99,61,534
(vii) Pig Ion	1,61,74,682	-
(viii) Slag	5,37,038	-
(ix) Waste & Scrap	24,37,630	1,57,400
(x) Dedusting dust	13,87,450	-
<b>Total Revenue from operations</b>	<b>2,90,69,80,931</b>	<b>1,20,84,53,552</b>

## 3.2 Other Income:

Particulars	<i>(Amount in Rupees)</i>	
	For the year ended on March 31,	
	2021	2020
<u>Other Non-operating income</u>		
Interest Received from Deposits	20,88,800	11,60,253
Interest on Income Tax Refund	-	1,334
Commission Received	-	22,04,851
Profit on Sale of Vehicle	87,566	-
Sundry Balance Written off	80,639	-
Transit Insurance	77,398	62,151
Machine Rental Service	-	36,00,000
<b>Total Other Income</b>	<b>23,34,403</b>	<b>70,28,589</b>



## PHIL ISPAT PRIVATE LIMITED

### 3.3 Cost of Material Consumed:

Particulars	<i>(Amount in Rupees)</i>	
	For the year ended on March 31,	
	2021	2020
Opening Stock	16,99,64,592	6,43,10,588
Purchases	1,76,48,30,589	96,45,98,494
Freight Inward & Handling Charges	37,48,71,703	15,17,06,789
<b>Total</b>	<b>2,30,96,66,884</b>	<b>1,18,06,15,871</b>
Less: Closing Stock	18,86,87,815	16,99,64,592
<b>Consumption</b>	<b>2,12,09,79,069</b>	<b>1,01,06,51,279</b>
<u>Imported Indigenous Raw Material Consumed</u>		
Indigenous	2,12,09,79,069	1,01,06,51,279
Percentage	100.00%	100.00%
Imported	-	-
Percentage	0.00%	0.00%
<u>Details of Raw Material Consumed</u>		
(i) Coal	51,48,55,130	23,49,53,997
(ii) Iron ore, Iron Ore Lumps, Pellets	1,20,74,37,091	77,23,15,208
(iii) Dolomite	89,36,342	27,47,074
(iv) Sponge Iron	8,15,64,146	1,44,500
(v) Pig Iron	13,78,72,907	-
(vi) Scrap	13,33,22,730	3,70,500
(vii) Ferro Alloys	3,69,90,723	1,20,000
<b>Total Cost of Material Consumed</b>	<b>2,12,09,79,069</b>	<b>1,01,06,51,279</b>

### 3.4 Change in Finished Goods, Work in progress and stock in trade :

Particulars	<i>(Amount in Rupees)</i>	
	For the year ended on March 31,	
	2021	2020
<b>Opening Stock:</b>		
Finished Goods & By Products	6,41,84,758	22,33,186
<b>Closing Stock:</b>		
Finished Goods & By Products	3,01,52,921	6,41,84,758
<b>Net Change in Inventories of Finished Goods/WIP</b>	<b>3,40,31,837</b>	<b>(6,19,51,572)</b>



## PHIL ISPAT PRIVATE LIMITED

### 3.5 Employee Benefit Expenses:

(Amount in Rupees)

Particulars	For the year ended on March 31,	
	2021	2020
Salary, Wages & Bonus	4,02,00,659	1,11,63,081
EPF (Management Contribution)	23,76,941	8,06,582
ESI (Management Contribution)	8,46,481	3,02,470
Leave Salary	3,65,237	4,25,266
Staff Welfare Expenses	2,85,446	2,36,054
Director's Salary	1,03,60,000	83,60,000
<b>Total Employees Benefit Expenses</b>	<b>5,44,34,764</b>	<b>2,12,93,453</b>

### 3.6 Finance Cost:

(Amount in Rupees)

Particulars	For the year ended on March 31,	
	2021	2020
<u>Interest Exp</u>		
Bank Interest	3,24,54,775	86,03,945
Interest on Inter corporate deposits	2,57,38,281	2,36,14,535
Interest on Govt. Dues	52,331	29,809
Interest on TDS	9,054	40,533
<b>Total Finance Cost</b>	<b>5,82,54,441</b>	<b>3,22,88,822</b>

### 3.7 Other Expenses:

(Amount in Rupees)

Particulars	For the year ended on March 31,	
	2021	2020
<b>A. <u>Direct Expenses</u></b>		
Consumption of Diesel	1,91,22,662	98,61,283
Consumption of Stores & Spares	11,81,11,108	99,42,499
Electricity Duty & Charges	17,39,99,818	2,63,86,476
Sampling, testing & Analysing Charges	3,03,844	69,581
Repairs & Maintenance	1,81,26,162	99,50,498
Production Charges	3,69,58,868	64,76,500
Vehicle Hire Charges	2,61,559	1,18,780
Commission on Purchase	1,14,03,687	-
Transporting charges	13,79,186	-
Water Charges	20,58,236	-
<u>Imported &amp; Indigenous Store &amp; Spare Parts Consumed</u>		
Indigenous	11,81,11,108	99,42,499
Percentage	100%	100%
Imported	-	-
Percentage	-	-
<b>TOTAL A</b>	<b>38,17,25,130</b>	<b>6,28,05,617</b>





**PHIL ISPAT PRIVATE LIMITED***(Amount in Rupees)*

Particulars	For the year ended on March 31,	
	2021	2020
<b>B. Indirect Expenses</b>		
Auditor's Remuneration	1,00,000	50,000
Bank Commission & Charges	22,54,806	12,05,726
Brokerage/ Commission	53,46,057	18,35,742
CSR Expenses	25,70,000	10,27,708
Repair & Maintenance (Computer)	40,306	20,300
Conveyance Expenses	7,26,622	5,87,606
Insurance Charges	7,75,349	5,14,789
Factory Office Expenses	8,660	52,657
Legal & Professional Expenses	33,49,638	19,39,627
Security Charges	37,44,016	11,09,547
Donation & Subscription	1,36,200	2,17,300
Stationary & Printing	3,65,220	1,03,436
Sundry Balance W/off	-	2,13,970
Telephone Expenses	2,77,088	1,59,687
Misc. Expenses	2,42,715	3,26,314
Transportation Outward	10,91,396	-
Prior Period Expenses	8,77,346	-
Advertisement Expenses	16,245	4,16,805
Lease Rent	10,65,623	47,131
Office Rent	1,20,000	-
<b>TOTAL B</b>	<b>2,31,07,287</b>	<b>98,28,345</b>
<b>TOTAL (A+B)</b>	<b>40,48,32,416</b>	<b>7,26,33,962</b>

**Prior Period Expenses:***(Amount in Rupees)*

Particulars	For the year ended March 31,	
	2021	2020
Entry Tax & VAT (F.Y. 2014-15)	6,26,975	-
Electricity Charges (F.Y. 2018-19)	31,371	-
Electricity Charges (F.Y. 2019-20)	2,19,000	-
<b>Total Prior Period Expenses</b>	<b>8,77,346</b>	<b>-</b>



## PHIL ISPAT PRIVATE LIMITED

### 3.8 Earning per Share:

Particulars	<i>(Amount in Rupees)</i>	
	For the year ended March 31,	
	2021	2020
Profit / (Loss) for the Period	9,73,44,293	5,85,37,020
Weighted average No. of equity shares outstanding during the year	49,44,350	49,44,350
Nominal value per Equity share	10	10
Basic/Diluted Earning per Share	19.69	11.84



**PHIL ISPAT PRIVATE LIMITED**

**CIN: U27101CT2004PTC016701**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**  
**FOR THE YEAR ENDED ON 31.03.2021**

**4.1 SIGNIFICANT ACCOUNTING POLICIES**

(a). **BASIS OF ACCOUNTING**:-The Financial Statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013 ["the 2013 Act"] in terms the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provisions of the 2013 Act. The Financial Statements of the company have been prepared on accrual basis under the historical cost convention, and in accordance with the applicable Accounting Standards and relevant presentational requirements of the 2013 Act. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

(b). **REVENUE RECOGNITION**:-The company generally follows mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.

**4.2 PROPERTY, PLANT & EQUIPMENTS**

Property, Plant & Equipments are valued at cost. The cost of Property, Plant & Equipments comprises of Purchase Price (Net of GST) and all other attributable cost of bringing the assets to working condition for intended use.

**4.3 DEPRECIATION**

Depreciation on Property, Plant & Equipments are provided under Written Down Method (WDV) at the rates specified in schedule II to the Companies Act, 2013. Depreciation on Additions / Deletion is provided on pro – rata basis.

**4.4 INVENTORIES**

(a) Cost of raw materials valued at lower of cost or net realisable value. The valuation is net of the amount written off for obsolescence. Iron Ore fines valued at Net Realisable Value.

(b) Finished Goods are valued at lower of cost or net realizable value and excludes GST. Cost comprises of cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and conditions.

(c) Stores and spares, tools and tackles are valued "At Cost or Market Value whichever is lower".

(d) By Product is valued at net realizable value.

(e) Cost of Inventory is assigned by using First in, first out cost formulae.

**4.5 TRADE RECEIVABLES, ADVANCES AND TRADE PAYABLES**

Trade receivables are stated after making adequate provision for debt considered to be doubtful. Specific debts and advances identified as irrecoverable or doubtful are written off. Similarly Trade payables are written off after considering position of payments.

**4.6 TAXES ON INCOME**

a. Current Income Tax Payable is determined as per provisions of Income Tax Act and on the basis of income of the year.

b. In accordance with Accounting Standard 22 – "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, amount of the deferred tax for timing differences between the book and tax profit for the year is to accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

c. Deferred Tax

Depreciation as per Income Tax Act,1961 - Rs. 11,07,33,312.00

Depreciation as per Companies Act,2013 - Rs. 7,22,46,260.00

Difference - Rs. 3,84,87,052.00

Tax Effect (DTL) - Rs. 96,86,421.00



## PHIL ISPAT PRIVATE LIMITED

### 4.7 PURCHASES / SALES

- a. Purchases are net of GST.
- b. Sale of Capital Goods / Assets is not included in Sales.

### 4.8 GST

- a. Closing stock of finished goods is exclusive of GST.
- b. GST Paid on Capital Goods is claimed under Input.

### 4.9 RESEARCH & DEVELOPMENT

No Research & Development carried on during the year.

### 4.10 CLAIMS

No claims lodged or receivable before/from Government.

### 4.11 CONTINGENT LIABILITIES NOT PROVIDED FOR

(A) Claims not acknowledged by the Company as debt :

(a) A demand of Rs. 2,09,105 has been raised for VAT (the company has paid Rs.32,000 under protest) against the Company for the F.Y.2015-16 under Chhattisgarh Value Added Tax Act,2005 against which Company has filed Appeal before The Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the accounts.

(b) A demand of Rs. 4,47,687 has been raised for Entry Tax (the company has paid Rs.67,500 under protest) against the Company for the F.Y.2015-16 under Chhattisgarh Value Added Tax Act,2005 against which Company has filed Appeal before The Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the accounts.

(c) Company has provided counter guarantee for the loan amount of Vraj Metaliks Private Limited of Rs. 10.00 Cr.

### 4.12 IMPAIRMENT OF ASSETS

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to Statement of Profit and Loss. During the year no such impairment of assets arose.

### 4.13 INVESTMENTS

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments, wherever applicable.

### 4.14 EMPLOYEES RETIREMENT BENEFITS

The company has no defined contribution plan, defined benefit plan and termination benefit in respect of gratuity/ leave encashment payable to the employees at future date, as required under AS-15 (Revised) and as such no disclosure has been given. The provision for all known liabilities and payables are adequate and not in excess of amount reasonably necessary.

### 4.15 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 4.16 LOANS & ADVANCES

In the opinion of the management and to the best of their knowledge and belief, the value of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.



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## 4.17 Related Party Disclosure

### A. Key Managerial Personnel

- : Vijay Anand Jhanwar
- : Prashant Kumar Mohta

### Key Managerial Personnel appointed during the year

- : Amal Kumar Choudhary

### B. Associates

- : Vraj Metaliks Private Limited
- : Utkal Ispat Private Limited
- : Kirti Ispat Private Limited
- : Bhinaswar Commercial Private Limited

### C. Holding Company

- : Gopal Sponge & Power Private Limited

### D. Ultimate Holding Company

- : V.A. Transport Private Limited

Transaction carried out with above related parties, in ordinary course of business are as follows:

Related Party	Nature of Transaction	Current Year Amount	Previous Year	Relation
Gopal Sponge & Power Private Limited	Purchase of Raw Material (including Tax)	12,26,40,075.00	2,26,55,924.00	Holding Company
	Sale of Goods (including Tax)	27,68,64,682.00	11,77,30,439.00	
	Purchase of Stores & Spares (including Tax)	1,09,625.00	-	
	Sale of Raw Material (including Tax)	2,19,29,394.00	3,37,90,417.00	
	Office Rent Paid	1,41,600.00	-	
	Closing Balance	-	-	
Gopal Sponge & Power Private Limited	Opening Balance	16,50,34,426.00	10,00,00,000.00	Holding Company
	Inter Corporate Deposit Taken	6,00,00,000.00	5,00,00,000.00	
	Interest Paid	1,89,27,392.00	1,67,04,918.00	
	Inter Corporate Deposit Repaid	20,75,42,264.00	-	
	TDS	14,19,554.00	16,70,492.00	
	Closing Balance	3,50,00,000.00	16,50,34,426.00	
Kirti Ispat Private Limited	Opening Balance	15,50,000.00	-	Common Director
	Inter Corporate Deposit Taken	16,00,000.00	15,50,000.00	
	Interest Paid	2,33,836.00	1,39,797.00	
	Inter Corporate Deposit Repaid	2,66,298.00	1,25,817.00	
	TDS	56,538.00	13,980.00	
	Closing Balance	30,61,000.00	15,50,000.00	
Utkal Ispat Private Limited	Opening Balance	2,23,00,000.00	1,50,88,767.00	Associate Company
	Inter Corporate Deposit Taken	15,00,000.00	73,00,000.00	
	Interest Paid	25,69,480.00	22,80,757.00	
	Inter Corporate Deposit Repaid	1,98,76,769.00	21,41,448.00	
	TDS	7,92,711.00	2,28,076.00	
	Closing Balance	57,00,000.00	2,23,00,000.00	



**PHIL ISPAT PRIVATE LIMITED**

Bhinaswar Commercial Pvt. Ltd.	Opening Balance	1,81,943.00	-	Common Director
	Inter Corporate Deposit Taken	2,18,00,000.00	43,00,000.00	
	Interest Paid	4,80,623.00	2,45,984.00	
	Inter Corporate Deposit Repaid	1,49,26,519.00	43,39,442.00	
	TDS	36,047.00	24,599.00	
	Closing Balance	75,00,000.00	1,81,943.00	
VA Transport Private Limited	Opening Balance	3,68,98,963.00	2,01,18,356.00	Ultimate Holding Company
	Inter Corporate Deposit Taken	1,08,00,000.00	1,75,00,000.00	
	Interest Paid	35,26,950.00	42,43,079.00	
	Inter Corporate Deposit Repaid	4,34,61,392.00	45,38,164.00	
	TDS	11,64,521.00	4,24,308.00	
	Closing Balance	66,00,000.00	3,68,98,963.00	
Prasant Kumar Mohta	Director's Salary	3,60,000.00	3,60,000.00	Director
Vijay Anand Jhanwar	Director's Salary	1,00,00,000.00	80,00,000.00	Director
Divya Jhanwar	Salary	8,00,000.00	-	Director's Wife
Vraj Metaliks Private Limited	Commission Received	-	22,04,851.00	Associate Company
Vraj Metaliks Private Limited	Purchase of Sponge Iron	1,71,88,850.00	-	Associate Company
Gopal Sponge & Power Private Limited				
Vraj Metaliks Private Limited	Investment in Shares (As on 31.03.21)	10,40,00,000.00	10,40,00,000.00	Associate Company

**4.18 Auditor Remuneration**

Auditor's Remuneration includes:-

Statutory Audit Fees	Current Year	Previous Year
Audit Fees	70000.00	35000.00
Tax Audit Fees	30000.00	15000.00
<b>Total</b>	<b>100000.00</b>	<b>50000.00</b>

4.19 Value of Imports calculated on CIF Basis

0 0

4.20 Expenditure in Foreign Currency

NIL NIL

**4.21 SEGMENT INFORMATION (As per Accounting Standard - 17)**

**1. Business Segment**

The Company has considered business segment as the primary segment for disclosure. The company is engaged in the manufacturing & trading of Iron and Steel & Power, which in the context of accounting standard-17 by the Institute of Chartered Accountant of India is considered the only business segment.

**2. Geographical Segment**

The Company sales its products within India. The conditions prevailing in India being uniform, no corporate geographical segment disclosure is considered necessary.



## PHIL ISPAT PRIVATE LIMITED

4.22 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activities. Businesses are being focused to limit their operations for indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. The Company has evaluated impact of COVID-19 on its business operations and based on its review there is no significant impact on its financial statements.

4.23 Previous year figures have been regrouped/re-classified/re-cast wherever necessary.

As per our report attached  
For Natwar Vinod & Co.  
Chartered Accountants

For and on behalf of the Board of Directors



(V.K. Mittal)  
Partner  
M. No 074285  
Bilaspur  
Date:04/08/2021  
UDIN : 21074285AAAADU5384

⑧



Vijay Anand Jhanwar  
Director  
DIN: 00826103  
Raipur  
Date:04/08/2021



⑨



Prasant K. Mohta  
Director  
DIN:06668452  
Raipur  
Date:04/08/2021