



*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Electrosteel Europe S.A.**

Year ended March 31, 2020

### **Statutory auditor's report on the financial statements**

ERNST & YOUNG Audit



## Electrosteel Europe S.A.

Year ended March 31, 2020

### Statutory auditor's report on the financial statements

To the Annual General Meeting of Electrosteel Europe S.A

#### Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Electrosteel Europe S.A for the year ended March 31, 2020. These financial statements were approved by the Board of Directors, on May 7, 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### Basis for Opinion

##### ■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

##### ■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from April 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of Ethics (*Code de déontologie*) for statutory auditors.



## Justification of Assessment

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that, in our professional judgment, the most significant assessments we made were related to the appropriateness of the accounting policies used.

These matters were addressed in the context of our audit of the financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### ■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors approved on May 7, 2020, and in the other documents with respect to the financial position and the financial statements provided to the shareholders. Regarding the events that occurred, and the elements known after the date of approval of the financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (*Code de commerce*).

### ■ Report on Corporate Governance

We attest that the Board of Directors Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.



## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that 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 it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

## Statutory Auditor's Responsibilities for the Audit of the Financial Statements

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

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.



- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Montpellier, June 5, 2020

The Statutory Auditor  
*French original signed by*  
ERNST & YOUNG Audit

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Frederique Doineau

BILAN ACTIF	BALANCE SHEET ASSETS	GROSS	ACCUM. DEPRECIATION	Net 31/03/20	Net 31/03/19
<b>CAPITAL SOUSCRIT NON APPELE</b>	<b>UNPAID CAPITAL</b>				
<b>Immobilisations incorporelles</b>	<b>INTANGIBLE (NON CORPOREAL) ASSETS</b>				
Frais d'établissement	Preliminary Expenses	11 802		11 802	11 802
Frais de recherche et de développement	research and development expenses				
Concessions, brevets et droits assimilés	franchise, patents and valuable rights	278 124	211 268	66 856	82 475
Fonds commercial	goodwill				
Autres immobilisations incorporelles	other Intangible (non corporeal) assets				
<b>Immobilisations corporelles</b>	<b>TANGIBLE (CORPOREAL) ASSETS</b>				
Terrains	land	2 781 534		2 781 534	2 781 534
Constructions	buildings	2 768 235	327 517	2 440 718	2 179 681
Installations techniques, matériel et outillage	machinery	732 188	446 908	285 280	320 814
Autres immobilisations corporelles	other tangible (corporeal) assets	1 183 191	797 137	386 054	470 905
Immob. en cours / Avances & acomptes	Capital Work in process assets-advances and deposits	47 000		47 000	6 840
<b>Immobilisations financières</b>	<b>INVESTMENTS (FINANCIAL) ASSETS</b>				
Participations et créances rattachées	shares held in other companies				
Autres titres immobilisés	other shares				
Prêts	loans				
Autres immobilisations financières	other investments (financial) assets	2 460 546		2 460 546	1 001 455
	<b>FIXED ASSETS</b>	<b>10 262 618</b>	<b>1 782 829</b>	<b>8 479 789</b>	<b>6 855 505</b>
<b>Stocks</b>	<b>INVENTORIES</b>				
Matières premières et autres approv.	Raw material and others				
En cours de production de biens	Stock in Transit	2 303 731		2 303 731	3 149 031
En cours de production de services	In process services				
Produits intermédiaires et finis	Finished products				
Marchandises	Merchandise	20 163 086		20 163 086	10 263 691
<b>Créances</b>	<b>A/C RECEIVABLES</b>				
Créances clients et comptes rattachés	Customers	13 426 685	449 824	12 976 861	18 084 535
Fournisseurs débiteurs	Suppliers-credit notes and discounts to receive				
Personnel	Salaries and Wages-advances				
Etat, Impôts sur les bénéfices	Income Tax				
Etat, Taxes sur le chiffre d'affaires	VAT				
Autres créances	Other receivables	2 085 857	131 893	1 953 964	1 760 629
Divers	Miscellaneous				
Avances et acomptes versés sur commandes	Advances to Suppliers	1 500		1 500	
Valeurs mobilières de placement	Shares & Deposit	817		817	817
Disponibilités	CASH & BANK	2 561 250		2 561 250	1 332 964
Charges constatées d'avance	Prepaid expenses	103 091		103 091	157 173
	<b>CURRENT ASSETS</b>	<b>40 646 016</b>	<b>581 717</b>	<b>40 064 299</b>	<b>34 748 839</b>
Charges à répartir sur plusieurs exercices	Expenses over several financial years				
Prime de remboursement des obligations	premium on bonds refund				
Ecart de conversion - Actif					
COMPTES DE REGULARISATION					
<b>TOTAL ACTIF</b>	<b>TOTAL ASSETS</b>	<b>50 908 634</b>	<b>2 364 546</b>	<b>48 544 088</b>	<b>41 604 345</b>

		Net	Net
		31/03/20	31/03/19
<b>PASSIF</b>	<b>LIABILITIES AND CAPITAL</b>		
Capital social ou individuel	Paid up capital	3 800 000	3 800 000
Primes d'émission, de fusion, d'apport, ...	Premiums on issue of shares, fusion...		
Ecart de réévaluation	Revaluation Reserve		
Réserve légale	legal reserve	194 922	181 699
Réserves statutaires ou contractuelles	statutes and contract reserve		
Réserves réglementées	regulated reserve		
Autres réserves	other reserve	3 635 424	3 384 176
Report à nouveau	retained earnings		
Résultat de l'exercice	net profit of the year	440 689	264 472
Subventions d'investissement	subsidy for investment		
Provisions réglementées	regulated provisions		
<b>CAPITAUX PROPRES</b>	<b>OWNERS EQUITY</b>	<b>8 071 035</b>	<b>7 630 346</b>
Produits des émissions de titres participatifs	revenue of issue of shares		
Avances conditionnées	regulated advances		
<b>AUTRES FONDS PROPRES</b>	<b>OTHER FUNDS</b>		
Provisions pour risques	provisions for risk	103 244	256 976
Provisions pour charges	provisions for expenses		
<b>PROVISIONS POUR RISQUES ET CHARGES</b>	<b>PROVISIONS FOR RISK AND EXPENSES</b>	<b>103 244</b>	<b>256 976</b>
Emprunts obligataires convertibles	convertible bonds loans		
Autres emprunts obligataires	other bonds loans		
Emprunts	loans		
Découverts et concours bancaires	bank balances overdrafts		
Emprunts et dettes auprès des établissements de	loans and other bank payable	9 330 186	8 569 035
Emprunts et dettes financières diverses	loans and misc financial debts	880 310	880 310
Emprunts et dettes financières diverses - Associés			
Avances et acomptes reçus sur commandes en c	advances from customers	168 499	75 097
<b>Dettes fournisseurs et comptes rattachés</b>	<b>ACCOUNTS PAYABLE</b>	<b>26 986 560</b>	<b>22 140 881</b>
Personnel	accrued wages		
Organismes sociaux	payroll taxes withheld		
Etat, Impôts sur les bénéfices	income tax		
Etat, Taxes sur le chiffre d'affaires	Income Tax		
Etat, Obligations cautionnées	caution bonds		
Autres dettes fiscales et sociales	others payroll and income tax payable		
<b>Dettes fiscales et sociales</b>	<b>payroll and income tax payable</b>	<b>1 678 985</b>	<b>1 603 097</b>
Dettes sur immobilisations et comptes rattachés	Advance against supply of fixed assets		14 490
Dettes sur immobilisations et comptes rattachés	Assets payable		
Autres dettes	other payables	1 325 270	434 112
Produits constatés d'avance	deferred revenue		
<b>DETTES</b>	<b>LOANS &amp; ADVANCES</b>	<b>40 369 809</b>	<b>33 717 022</b>
Ecart de conversion - Passif			
<b>TOTAL PASSIF</b>	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>48 544 088</b>	<b>41 604 345</b>

COMPTE DE RESULTAT	PROFIT AND LOSS	01/04/19	01/04/18
		TO 31/03/20 12 MONTHS	TO 31/03/19 12 MONTHS
<b>PRODUITS</b>	<b>INCOME</b>		
Ventes de marchandises	sales	67 273 383	62 116 441
Production vendue (Services et Travail)	services	167 393	488 503
Production stockée	production in stock		
Subventions d'exploitation	subsidy		
Reprises sur provisions et amortissements,	transfer of charges	89 135	141 647
Autres produits	other income	67 426	53 676
<b>Total</b>	<b>total operations income</b>	<b>67 597 337</b>	<b>62 800 267</b>
<b>CONSOMMATION M/SES &amp; MAT</b>	<b>SUPPLIES</b>		
Achats de marchandises	Purchases	64 527 140	48 030 335
Variation de stock (m/ses)	increase/decrease in stock	(9 054 095)	2 881 170
Achats de m.p & aut.approv.	Purchase and other related expenses	138 944	113 815
Variation de stock (m.p.)	increase/decrease in stock of raw material		
Autres achats & charges externes	other purchases and charges	6 783 246	6 620 870
<b>Total</b>	<b>total</b>	<b>62 395 235</b>	<b>57 646 190</b>
<b>MARGE SUR M/SES &amp; MAT</b>	<b>MARGIN ON GOODS AND RAW MATERIAL</b>	<b>5 202 102</b>	<b>5 154 077</b>
<b>CHARGES</b>	<b>EXPENSES</b>		
Impôts, taxes et vers. assim.	taxes and charges	155 499	156 777
Salaires et Traitements	Salaries & wages	2 697 503	2 715 144
Charges sociales	social contributions	1 043 591	1 050 929
Dotations aux am. sur immobilisations	amortization and provisions fixed assets		
Dotations aux depr. sur Immobilisations	amortization and provisions assets		
Dotations aux depr. sur actif circulant	amortization and provisions current assets		
Dotations aux amortissements, aux dépréc	amortization and provisions	426 281	238 300
Autres charges	other expenses	91 658	118 528
<b>Total</b>	<b>total</b>	<b>4 414 532</b>	<b>4 279 678</b>
	<b>total operations expenses</b>	<b>66 809 767</b>	<b>61 925 866</b>
<b>RESULTAT D'EXPLOITATION</b>	<b>OPERATION PROFIT</b>	<b>787 570</b>	<b>874 401</b>
Produits financiers	financial income	14 232	6 348
Charges financières	financial expenses	294 627	306 167
<b>Résultat financier</b>	<b>financial profit</b>	<b>(280 395)</b>	<b>(299 819)</b>
Opérations en commun			
<b>RESULTAT COURANT</b>	<b>CURRENT PROFIT BEFORE TAXATION</b>	<b>507 175</b>	<b>574 582</b>
Produits exceptionnels	exceptional income	257 361	168 119
Charges exceptionnelles	exceptional expenses	234 878	292 257
<b>Résultat exceptionnel</b>	<b>exceptional profit</b>	<b>22 483</b>	<b>(124 137)</b>
Participation des salariés			
Impôts sur les bénéfices	income tax	88 969	185 972
	<b>TOTAL INCOME</b>	<b>67 868 929</b>	<b>62 974 735</b>
	<b>TOTAL EXPENSES</b>	<b>67 428 241</b>	<b>62 710 262</b>
<b>RESULTAT DE L'EXERCICE</b>	<b>PROFIT OF THE FINANCIAL YEAR</b>	<b>440 689</b>	<b>264 472</b>

## ACCOUNTING METHODS AND REGULATIONS

The annual accounts of the company have been prepared and presented in accordance with general rules applicable and in complying, the principle of prudence.

The Balance sheet of the year presents a total of **48,544,088** euros.

The Profit & loss statement shows the total income of 67,868,929 euros and total expenses of 67,428,241 euros, thus resulting in a profit of 440,689 euros.

The accounting period commence on 01/04/2019 and ends on 31/03/2020. It has a term of 12 months.

The general accounting principles were applied and as per the hypothesis below:

-Going Concern;

-Similar accounting methods from one financial year to another;

-Independence of the financial years

And in accordance with the general standards of preparation and presentation of the annual statements.

The basic method retained for the evaluation of elements registered in the account is the historical cost method.

The financial statements were established in compliance with the regulations ANC 2014-03 dated 5 June 2014 and in addition dated 16 October 2014 completed by regulation ANC 2016-07 dated 4th November 2016.

The accounts incorporate the assets, liabilities and development of the Spanish, Italian and German Branch.

The principal methods used are the following:

### ASSETS

Tangible & Intangible assets are evaluated by their original cost (purchase price and additional charges excluding cost of purchase of fixed assets) or at their production cost.

The provision for depreciation is calculated applying the linear or decreasing mode with regard to the normal use of property.

* Building	14 to 33 years
* Machinery and industrial tools	5 to 10 years
* General lay out	8 to 10 years
* Office and computer equipment	3 to 4 years
* Office furniture	10 years

### STOCKS

The merchandise and stocks are evaluated at the weighted average price.

The gross value of the merchandise and stocks includes the purchase price and the expenses on purchase.

A provision for depreciation of the stocks, equal to the difference between the gross value and the fair market value or the estimated value of sales after deduction of the proportional expenses on sales, is booked when the said gross value is superior.

## **RECEIVABLES & PAYABLES**

Receivables & payables are evaluated in their nominal value.

Doubtful accounts receivable were written down by a provision to reflect the difficulties in recovery, which may arise in collection.

All the customers receivables are related to sales realized under an ownership retention clause till the complete payment of the price.

Since September 2009, Electrosteel France is factoring the sales invoices. The amount factored as on 31<sup>st</sup> March'2020 is Euros 5,546,190 (previous year Euros 3,645,364) for business in France and Euros 837,077 (previous year Euros 553,544) for business in Italy.

## **CASH & BANK**

The bank balance and cash in hand are evaluated at their nominal value.

## **REGULATED PROVISIONS**

The form 2056 displays the regulated provisions, if any.

## **AUDITORS REMUNERATION**

The total remuneration of Euros 52,180 has been provided for statutory audit.

## **INVESTMENTS (FINANCIAL ASSETS)**

Investment (Financial Assets) consists mainly of Caution and Deposits.

## **PENSIONS COMMITMENTS**

The pension commitments are shown as contingent liabilities. The calculation conditions in France are a retirement by the employer with a tax rate of 47%, a slow rotation with a projected salary projection of 2% and a discount rate of 0.11%.

## **RECLASSIFICATION OF FOREIGN EXCHANGE GAINS AND LOSSES**

The regulation ANC 2015-05 dated 2nd July approved by decree of 28th December 2015 and published in official Journal of 30th December 2015 provides for the following changes:

Foreign exchange losses and gains on trade payables are recognized in accounts 656 and 756. Foreign exchange gains and losses.

This Regulation applies to fiscal years beginning on or after January 1, 2017.

## BRANCH INFORMATION

The turnover and profit in Euros for each branch are as follows:

Turnover	2020	2019
France	39,415,676	40,293,950
Spain	14,656,186	12,129,990
Italy	11,504,982	8,683,632
Germany	1,863,931	1,497,372
Profit	2020	2019
France	99,667	350,450
Spain	111,943	43,306
Italy	119,567	(121,615)
Germany	109,513	(7,669)

## SIGNIFICANT EVENT AND POST-CLOSURE

WHO declared a health emergency on January 30, 2020 for the global coronavirus pandemic.

The activity of the company which did not stop was impacted depending on the branch:

For France, activity fell sharply from March 16, 2020 with the start of containment set up by the Authorities. Indeed, many projects were interrupted and our distributors restricted the deliveries of their orders in their yards.

For Germany, activity was not impacted as German and Polish customers continued their activity.

For Italy and for Spain, the activity of the branch was not impacted in March. The impact occurred in April.

We implemented a Business Continuity Plan as on March 16, 2020. In order to deal with the decline in cash flow and maintain the payment of suppliers on time, we solicited and obtained Loans guaranteed by the State (PGE) for a total amount of 5,650,000 euros. We also benefited from deferrals of social security contributions and customs duties payments. We were forced to put all the French employees, except the forklift operators, the handlers and the director of the stock yard on partial unemployment from April 1. Our request was accepted by DIRECCTE for a volume of 4,508 hours until the end of April and 4,300 hours from May 1 to June 30, 2020. This aid, combined with the resumption of activity that we are observing, allows us to ensure continuity of operations.

The drop in turnover was around 60% for the month of March and 70% for the month of April. We are considering a gradual recovery due to difficulties in implementing the health security on hydraulic infrastructure sites and to maintain the financial guarantees of some entrepreneur clients. That's why we'll encourage delegation regulations from payment of the Public Authorities in our favour for the sites in supply and installation.

**Composition of Paid Up Capital**

	<b>Number</b>	<b>Nominal Value</b>	<b>Amount</b>
Share Capital as on 1st April'2018	380000	10	3800000
Issued during the Financial Year 2018-2019			
Buy back of shares during the Financial Year 2018-19			
Share Capital as on 31st March'2019	380000	10	3800000

**Income Receivables**

	Amount
Income from Investments	
Other Financial Assets	
Receivables from customers	9785
Other receivables	6000
Bank Balance	
<b>TOTAL</b>	<b>15785</b>

**Provision for Expenses**

	Amount
Convertible Bonds Loan	
Other Bonds Loan	
Loans & Debts from Banks	12417
Miscellaneous Financial Loans & Debts	
Payable to Suppliers	651314
Taxes and Social contributions	764328
Other expenses	331857
<b>TOTAL</b>	<b>1759914</b>

Charges constatées d'avance

	Expenses	Income
Operational Expenses / Income	103091	
Financial Expenses / Income		
Other Expenses / Income		
<b>TOTAL</b>	<b>103091</b>	

Administration Fees

	Net Value 31.03.2020	Amortisation
Formation Expenses	11802	
<b>TOTAL</b>	<b>11802</b>	

**Statement of Profit & Income Tax**

	<b>Profit before Tax</b>	<b>Tax</b>	<b>Profit after Tax</b>
Current Profit	507175	97257	409918
Exceptional Profit (Loss)	22483	(8288)	30771
Net Profit	529658	88969	440689

**Details of transfer of charges**

	<b>Amounts</b>
Insurance reimbursement	7250
Daily allowances	19074
Benefits in Kind	36475
<b>TOTAL</b>	<b>62800</b>

**Details of Exceptional Profit & Loss**

Produits et Charges exceptionnels

	<b>Expenses</b>	<b>Income</b>
Extraordinary Income - Fines & penalties received		257361
Fines & Penalties	372	
Penalty for delay- France	142159	
Others Operational Penalties	43586	
Penalty - Italy	2757	
penalty from market		
Other exceptional charges - Italy		
Other exceptional charges - Germany	3	
Exceptional Amortisation	46000	
Provision for risk and expenses		
<b>TOTAL</b>	<b>234878</b>	<b>257361</b>

<b>Financial obligations</b>		
<b>Payables</b>	<b>Financial obligation committed</b>	<b>Financial obligation received</b>
Bills Discounting of unexpired due dates		
Corporate/Bank Guarantee	197182	
Customs Guarantee France	300000	
Lease Guarantee		
Retirement Benefit Funds	370941	
Other Financial obligations		6650000
<b>TOTAL</b>	<b>868123</b>	<b>6650000</b>
(1) Related to :		
• Managing director		
• Subsidiaries		
• Investments in other Companies		
• Sister concerns		4250000
• Obligations covered with Security deposit		

**Statement of Variation in Equity**

	<b>Opening Equity as on 31.03.2018</b>	<b>Appropriation of profit N-1</b>	<b>Contributions for earlier years</b>	<b>Variation during the year</b>	<b>Closing Equity as on 31.03.2019</b>
Social Capital	3800000				3800000
Premiums, Merger, Contribution	0				0
Revaluation difference	0				0
Legal Reserve	181699	13224			194922
Statutory or Contractual Reserve	0				0
Regulatory Reserve	0				0
Other Reserve	3384176	251249			3635424
Last year profit/loss	0				0
Result for the year	264472	-264472		440689	440689
Investment Grant	0				0
Regulated provisions	0				0
<b>Total</b>	<b>7630346</b>	<b>0</b>	<b>0</b>	<b>440689</b>	<b>8071035</b>

## Remuneration of Executives

	31.03.2020
Remuneration of the Members	
- Administrative	604151
- Management	
- Monitoring	

**Identification of the consolidating Mother Company**

The Mother company holding 100% shares and consolidating is :

ELECTROSTEEL CASTINGS LTD.  
19 Camac Street  
Calcutta 700017  
India

## Average staff

	Salaried staff	Staff given to the company
Management	14	
Technicians	13	
Employees	14	
Workers	9	
<b>TOTAL</b>	<b>50</b>	

**Profits & Loss of last five years**

<b>Financial Year concerned</b>	<b>N-4</b>	<b>N-3</b>	<b>N-2</b>	<b>N-1</b>	<b>N</b>
<b>CAPITAL AT THE END OF FY</b>					
Paidup capital	3800000	3800000	3800000	3800000	3800000
Number of ordinary shares	380000	380000	380000	380000	380000
Number of priority shares					
Maximum numbers of shares to issue / conversion of bonds/ use of right of subscription					
<b>OPERATIONAL PROFIT &amp; LOSS</b>					
Turnover (excl. VAT)	63053175	50937947	52299025	62604944	67440776
Profit before taxation, deprecation & provision	522255	608051	663327	564449	775872
Income Tax	64759	275127	203718	185972	88969
Participation of Employees					
Profit after taxation	92218	363780	310206	264472	440689
Distributed Profit					
<b>PROFIT PER SHARE</b>					
Profit after taxation & before deprecation, provision	1	1	1	1	2
Profit after taxation, deprecation & provision		1	1	1	1
Gross dividend paid per share					
<b>PERSONNEL</b>					
Average staff	54	44	50	46	50
Wages Amount paid	3115310	2934142	2554733	2715144	2697503
Social contribution	1069173	992273	916617	1050929	1043591

**ASSETS**

		Gross value of assets as on 1st April'19	Additions during the year	
			Due to re-evaluation	Purchase
TOTAL I	Formation expenses	11802		
TOTAL II	Other intangible assets	272374		5750
	Lands	2781534		
	Buildings on owned property	2451517		316718
	Plant and machinery	703002		29185
	Office Equipment	377910		1250
	Vehicle	322190		1521
	Furniture and computers	455321		25001
	Capital Work-in-Progress	6840		47000
TOTAL III		7098315		420675
	Loans & other financial assets	1001455		5086824
TOTAL IV		1001455		5086824
TOTAL GENERAL I+II+III+IV		8383945		5513249

		Deductions during the year		Gross Value of assets as on 31st March'20
		Regrouping	Transfer	
TOTAL I	Formation expenses			11802
TOTAL II	Other intangible assets			278124
	Lands			2781534
	Buildings on owned property			2768235
	Plant and machinery			732188
	Office Equipment			379160
	Vehicle			323711
	Furniture and computers		3	480319
	Capital Work-In-Progress		6840	47000
TOTAL III		0	6843	7512148
	Loans & other financial assets		3627733	2460546
TOTAL IV			3627733	2460546
TOTAL GENERAL I+II+III+IV		0	3634576	10262618

**DEPRECIATION**

		Accumulated depreciation as on 1st April'19	Additions	Reductions	Accumulated depreciation as on 31st of March'20
TOTAL I	Formation expenses				
TOTAL II	Other intangible assets	189898	21370		211268
	Lands				
	Buildings on owned property	271837	55680		327517
	Plant and machinery	382189	64719		446908
	Office Equipment	185606	40696		226302
	Vehicle	179953	33004		212958
	Furniture and computers	318957	38919		357877
TOTAL III		1338542	233019		1571561
TOTAL GENERAL I+II+III		1528440	254390		1782829

**PROVISIONS**

	Accumulated provisions as on 1st April'19	Additions	Reductions	Accumulated provisions as on 31st of March'20
TOTAL I	Regulated provisions			0
TOTAL II	Provision for Legal Cases	256976	46000	199732
TOTAL III	Provisions for depreciation/customers receivables	436159	171893	26335
TOTAL GENERAL I+II+III		693135	217893	226067
				684961

**STATEMENT SHOWING AGING OF RECEIVABLES AND PAYABLES**

	<b>Gross Amount</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>
<b>Receivables</b>			
Bonds			
Loans			
FIXED ASSETS Other financial assets	2460546	2460546	
Debtors under Litigation	47999	47999	
Other receivable debtors	13378686	13378686	
Advance salaries and wages	59462	59462	
Social Contributions			
Income Tax	84059	84059	
VAT	603050	603050	
Other Taxes	127603	127603	
CURRENTS ASSETS Miscellaneous receivables			
Group Loan	102720	102720	
Miscellaneous receivables (Repurchase)	1108963	1108963	
Prepaid Expenses	103091	103091	
<b>TOTAL</b>	<b>18076178</b>	<b>18076178</b>	

	<b>Gross Amount</b>	<b>Less than 1 year</b>	<b>More than 1 year less than 5 year</b>	<b>More than 5 years</b>
<b>Payables</b>				
Convertible bonds				
Other Bonds				
Loans & debts with bank less than 1 year	7304477	7304477		
Loans & debts with bank more than 1 year	2025709	1900255	125454	
Other financial debts				
Payables	26986560	26986560		
Salaries & Wages	387081	387081		
Social contributions	302838	302838		
Income Tax		0		
VAT	594950	594950		
Bonds with security deposit				
Other taxes	394116	394116		
Suppliers of fixed assets		0		
Group Loan	880310	880310		
Other payables.	1325270	1325270		
Prepaid Income				
<b>TOTAL</b>	<b>40201310</b>	<b>40075856</b>	<b>125454</b>	<b>0</b>

New Loan taken during the year	47000
Loans - pay back during the year	544821