HANS ISPAT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR 2019-2020

MEHTA LODHA & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
HANS ISPAT LIMITED

Report on the Financial Statements

We have audited the accompanying **Ind AS** Financial Statements of **HANS ISPAT LIMITED**("the Company"), which comprise the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its Loss (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 32(d) of the accompanying Financial Statement, in respect of non-provision of interest on Non performing accounts of bank of Rs. 6,15,73,132/-(aggregating to Rs 28,79,06,165/-as on 31st March 2020). The exact amount of the said non-provision of interest are not determined and accounted for by the company. On account of the said non-provision, NET LOSS for the current year has been understated by Rs. 6,15,73,132/- and total retained earnings(Loss) and Bankers Liabilities are under stated by Rs 28,79,06,165/-.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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 qualified audit opinion.

Matter of Emphasis

1. We draw attention on Note No. 29(a) relating to third party confirmations and its classification.
2. We draw attention on Note No. 29(c) of assignment of debts of State Bank of India to Invent Assets Securitization & Reconstruction.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial information of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than on Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 based on these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls regarding financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company for the year under consideration.

(A) As required by Section 143(3) of the Act, we broadly report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance Sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time;

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

(f)With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'.**

(g) In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the company, to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 24.
(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
(iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.

FOR, MEHTA LODHA & CO.
(FIRM REGD.NO: 106250W)
CHARTERED ACCOUNTANTS

PRAKASH D SHAH
PARTNER
M.No. 034363

Place: Ahmedabad
Date: 27th June, 2020
UDIN: 20034363AAAABI7259

[ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF **HANS ISPAT LIMITED,** FOR THE YEAR ENDED ON **31ST MARCH, 2020]**

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The company has a regular programme of physical verification of its fixed assets, by which the fixed assets are verified at regular intervals. In accordance with this programme the fixed assets were verified during the year and as informed to us no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) The title of immovable properties, as disclosed in the Financial Statement under the head of Property, plant & equipment, is held in the name of the company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. According to the information and explanation given to us, the Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly Clause 3(iii) of the Order is 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 Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it during the year.

v. As informed to us, during the year the company has not accepted any deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies Act, 2013, related to the manufacture of the MS billets and Thermo Mechanical Treatment (TMT Bar), and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not however made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, income tax, duty of customs, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases.

Further no undisputed amounts payable in respect of above dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues outstanding on account of dispute in respect of provident fund, employees' state insurance, Pension Fund, income tax, duty of customs, goods and service tax, cess and other material statutory dues, as applicable.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in following repayment of loans or borrowings from bank. There are no loans or borrowings payable to government, financial institution or dues to debenture holders as at the balance sheet date. The details of outstanding amounts of defaulted loan from bank as on 31st March 2020 is as follows:-

Particulars	Nature of Facility	Amount of Default as on 31.03.2020 (Amount in Rs)
Bank of Baroda	Cash Credit	2,98,76,985
	Working Capital Term Loan	17,23,00,000
	Funded Term Loan	1,39,00,000
	Term Loan	1,80,00,000
Total		**23,40,76,985**

Note : The above table does not include the interest which bank has not provided after the account has been classified Non-Performing Assets (NPA).

ix. In our opinion, and according to the information and explanations given to us during the year, company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) and term loan (except for revision in repayment of term and condition). Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid/provided for managerial remuneration and accordingly Clause 3(xi) of the Order is not applicable to the Company and hence not commented upon.

xii. As the Company is not a Nidhi Company. Therefore the Nidhi Rules, 2014 are not applicable to it and therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

FOR, MEHTA LODHA & CO.
(FIRM REGD.NO: 106250W)
CHARTERED ACCOUNTANTS

PRAKASH D SHAH
PARTNER
M.No. 034363

Place: Ahmedabad
Date: 27th June, 2020
UDIN: 20034363AAAABI7259

ANNEXURE B Referred to in paragraph 2(f) of the Independent Auditor's Report of the even date to the members of **HANS ISPAT LIMITED** on the Financial Statement for the year ended **March 31,2020.**

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on 31stMarch, 2020.

We have audited the internal financial controls over financial reporting of **HANS ISPAT LIMITED** ("the Company") as of 31stMarch 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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) Pertaining 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, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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, MEHTA LODHA & CO.
Firm's Registration No. 106250W
CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date:27th June, 2020
UDIN: 20034363AAAABI7259

Prakash D Shah
Partner
Membership No.:034363

Hans Ispat Limited

Balance Sheet as at 31st March 2020

(Amount In Rupees)

Particulars	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	24,01,73,469	28,01,17,566
Capital work-in-progress	3	75,75,857	-
Intangible assets	3	38,738	46,097
Financial assets			
Investments	4	-	12,33,000
Other financial assets	4	7,63,80,224	7,76,92,425
Total non-current assets		**32,41,68,288**	**35,90,89,088**
Current assets			
Inventories	5	12,67,50,004	35,58,83,035
Financial assets			
Trade receivables	6	14,44,77,316	4,30,13,035
Cash and cash equivalents	7	2,27,013	3,62,72,705
Other financial assets	4	44,57,838	39,49,808
Current tax assets		52,53,751	65,53,588
Other current assets	8	1,39,12,930	4,78,40,570
Total current assets		**29,50,78,852**	**49,35,12,741**
Total Assets		**61,92,47,140**	**85,26,01,829**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	36,42,00,000	36,42,00,000
Other equity	10	(1,30,66,01,653)	(1,21,78,05,416)
Total equity		**(94,24,01,653)**	**(85,36,05,416)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	29,95,28,701	37,95,28,701
Provisions	15	61,95,520	54,19,441
Total non-current liabilities		**30,57,24,221**	**38,49,48,142**
Current liabilities			
Financial liabilities			
Borrowings	11	2,98,76,985	6,50,40,207
Trade payables	12		
(a) Total Outstanding dues of micro enterprises and small		36,95,654	36,73,553
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		55,21,11,006	68,87,26,599
Other financial liabilities	13	41,90,74,522	26,92,00,000
Other current liabilities	14	24,79,82,145	29,09,98,204
Provisions	15	31,84,260	36,20,540
Total current liabilities		**1,25,59,24,572**	**1,32,12,59,103**
Total Equity and Liabilities		**61,92,47,140**	**85,26,01,829**
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 106250W

For and on behalf of Board of Directors of
Hans Ispat Limited

PRAKASH D. SHAH
Partner
Membership No. 34363

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director Cum Manager
(DIN : 08088332)

Place : Ahmedabad
Date : 27th June, 2020
UDIN : 20034363AAAABI7259

AMIT KUMAR PATWARIKA
Chief Financial officer

HINAL PATEL
Company Secretary

Place : Palodia
Date : 27th June, 2020

HANS ISPAT LIMITED

Statement of Profit and Loss for the Year Ended 31st March 2020

(Amount In Rupees)

Particulars	Notes	Year Ended 31-03-2020	Year Ended 31-03-2019
Continuing operations			
Revenue from operations	16	3,95,65,75,259	5,85,25,05,998
Other income	17	59,47,636	96,66,267
Total income		**3,96,25,22,895**	**5,86,21,72,265**
Expenses			
Cost of raw materials and components consumed	18	3,13,12,68,587	5,03,99,42,285
(Increase)/ decrease in inventories of finished goods, work-in-progress	19	14,51,89,921	(12,26,17,893)
Employee benefits expenses	20	7,09,96,323	7,55,02,353
Finance costs	21	13,85,968	2,48,716
Depreciation and amortisation expenses	3	4,22,29,775	4,09,62,070
Other expenses	22	65,96,99,298	82,61,81,686
Total expenses		**4,05,07,69,872**	**5,86,02,19,217**
Profit (Loss) before exceptional items and tax		(8,82,46,977)	19,53,048
Exceptional items		-	-
Profit / (loss) before tax from continuing operations		(8,82,46,977)	19,53,048
Current Tax	28	-	-
Income tax expense			
Profit / (Loss) for the year from continuing operations		**(8,82,46,977)**	**19,53,048**
Other comprehensive income			
A. Other comprehensive income / (Loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		**(5,49,260)**	**(9,25,859)**
Income tax effect		-	-
Net other comprehensive income / (Loss) not to be reclassified to profit or loss in subsequent periods		(5,49,260)	(9,25,859)
Other comprehensive income / (Loss) for the year, net of tax		(5,49,260)	(9,25,859)
Total comprehensive income / (Loss) for the year, net of tax		**(8,87,96,237)**	**10,27,189**
Earnings per equity share [nominal value per share Rs. 10/- (March 31, 2020: Rs.10/-)]	27		
Basic & Diluted		**-2.42**	0.05
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 106250W

PRAKASH D. SHAH
Partner
Membership No. 34363

Place : Ahmedabad
Date : 27th June, 2020
UDIN : 20034363AAAABI7259

For and on behalf of Board of Directors of
Hans Ispat Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

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Director Cum Manager
(DIN : 08088332)

AMIT KUMAR PATWARIKA
Chief Financial officer

HINAL PATEL
Company Secretary

Place : Palodia
Date : 27th June, 2020

HANS ISPAT LIMITED

Statement of Change in Equity for the Year ended 31st March 2020

A. Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid	Numbers	Amt In Rupees
As at 1st April, 2018	3,64,20,000	36,42,00,000
Issue of Equity Share Capital	-	-
As at 31st March 2019	**3,64,20,000**	**36,42,00,000**
Issue of Equity Share Capital	-	-
As at 31st March , 2020	**3,64,20,000**	**36,42,00,000**

B. Other Equity **(Amount In Rupees)**

Particulars	Reserves & Surplus		
	Securities Premium Reserve	**Retained Earnings**	**Total Other Equity**
As at 1st April, 2018	10,00,92,000	(1,31,89,24,605)	(1,21,88,32,605)
Profit / (Loss) for the Year	-	19,53,048	19,53,048
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(9,25,859)	(9,25,859)
As at 31st March 2019	**10,00,92,000**	**(1,31,78,97,416)**	**(1,21,78,05,416)**
Profit / (Loss) for the year	-	(8,82,46,977)	(8,82,46,977)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(5,49,260)	(5,49,260)
Total Comprehensive Income/(Loss)	-	(8,87,96,237)	(8,87,96,237)
As at 31st March 2020	**10,00,92,000**	**(1,40,66,93,653)**	**(1,30,66,01,653)**

As per our report of even date
For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 106250W

PRAKASH D. SHAH
Partner
Membership No. 34363

Place : Ahmedabad
Date : 27th June, 2020
UDIN : 20034363AAAABI7259

For and on behalf of Board of Directors of
Hans Ispat Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

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(DIN : 08088332)

AMIT KUMAR PATWARIKA
Chief Financial officer

HINAL PATEL
Company Secretary

Place : Palodia
Date : 27th June, 2020

HANS ISPAT LIMITED

Cash Flow Statement for the Year Ended on 31st March 2020

(Amount In Rupees)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**(8,82,46,977)**	19,53,048
Depreciation of property, plant and equipment	**4,22,29,775**	4,09,62,070
Finance income (including fair value changes in financial instruments)	**(51,91,909)**	(48,55,830)
Finance costs (including fair value changes in financial instruments)	**13,85,968**	2,48,716
Operating Profit before working capital changes	**(4,98,23,143)**	**3,83,08,004**
Working capital adjustments:		
Decrease/(Increase) in trade receivables	**(10,14,64,281)**	5,23,39,116
Decrease/(Increase) in inventories	**22,91,33,031**	(18,57,70,428)
Decrease/(Increase) in other current financial assets	**(5,08,030)**	(17,95,516)
Decrease/(Increase) in other non-current financial assets	**13,12,201**	(5,17,45,299)
(Increase) in other current non-financial assets	**3,39,27,640**	1,84,75,163
(Decrease)/Increase in trade payables	**(13,65,93,492)**	(10,93,45,179)
(Decrease)/Increase in other current liabilities	**(4,30,16,059)**	28,80,65,936
(Decrease)/Increase in other current financial liabilities	**9,98,74,522**	-
(Decrease)/Increase in provisions	**(2,09,461)**	11,51,909
Cash generated from operations	**3,26,32,928**	**4,96,83,706**
Direct taxes paid (net of refund)	**12,99,837**	18,10,278
Net Cash (used in) generated from operating activities	**3,39,32,765**	**5,14,93,984**
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment including CWIP	**(98,54,176)**	(2,85,41,585)
Sales / (Purchase) of investments (net)	**12,53,400**	-
Interest income	**51,71,509**	47,73,350
Net Cash (used in) generated from investing activities	**(34,29,267)**	**(2,37,68,235)**
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	**(3,00,00,000)**	(4,05,04,608)
Short term borrowings (net)	**(3,51,63,222)**	-
Interest paid	**(13,85,968)**	(2,48,716)
Net Cash (used in) generated from financing activities	**(6,65,49,190)**	**(4,07,53,324)**
Net (Decrease)/ Increase in Cash and Cash Equivalents	**(3,60,45,692)**	(1,30,27,575)
Cash and Cash Equivalents at the beginning of the year	**3,62,72,705**	4,93,00,280
Cash and Cash Equivalents at the end of the year	**2,27,013**	3,62,72,705

Notes:- a)The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".

b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes are as below:-

Particulrs	As at 31st March 2018	Net Outflow	As at 31st March 2019
Long Term Borrowings	68,92,33,309	4,05,04,608	64,87,28,701
Short Term Borrowings	6,50,40,207	-	6,50,40,207
Total	**75,42,73,516**	**4,05,04,608**	**71,37,68,908**

Particulrs	As at 31st March 2019	Net Outflow	As at 31st March 2020
Long Term Borrowings	64,87,28,701	3,00,00,000	61,87,28,701
Short Term Borrowings	6,50,40,207	3,51,63,222	2,98,76,985
Total	**71,37,68,908**	**6,51,63,222**	**64,86,05,686**

As per our report of even date
For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 106250W

For and on behalf of Board of Directors of
Hans Ispat Limited

PRAKASH D. SHAH
Partner
Membership No. 34363

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director Cum Manager
(DIN : 08088332)

Place : Ahmedabad
Date : 27th June, 2020
UDIN : 20034363AAAABI7259

AMIT KUMAR PATWARIKA
Chief Financial officer

HINAL PATEL
Company Secretary

Place : Palodia
Date : 27th June, 2020

1. CORPORATE INFORMATION:

Hans Ispat Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a subsidiary of Electrotherm (India) Limited. The registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of TMT Bars.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 27th June 2020.

2. BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. Refer accounting policy regarding financial instruments.

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company do not used any lease assets and therefore this Ind AS 116 is not applicable to the company.

The financial statements are presented in Indian Rupees, except when otherwise indicated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

• Expected to be realized or intended to be sold or consumed in the normal operating cycle;

• Held primarily for the purpose of trading;

• Expected to be realized within twelve months after the reporting period; or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in the 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.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B FOREIGN CURRENCIES:

The Company's financial statements are presented in Indian Rupees, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

C FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company’s Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company’s external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company’s accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company’s external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant accounting judgments, estimates and assumptions, Quantitative disclosures of fair value measurement hierarchy and the Financial instruments (including those carried at amortized cost), are stated by way the note at the appropriate place of the accounts.

D REVENUE FROM CONTRACT WITH CUSTOMER

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

However, Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods:

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Sales Return Allowances:

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

Dividends:

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income and expense:

Interest income or expense is recognised using the effective interest method.

Contract balance

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

E TAXES

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (i.e. in other comprehensive income). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

► When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.

► In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

► When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

► In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

F PROPERTY, PLANT AND EQUIPMENT (PPE) AND INTANGBILE ASSETS:

(i) PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the PPE and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of PPE are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

(ii) INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets in the form of software's are amortized on straight-line basis over six years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the Statement of Profit and Loss when the asset is derecognized.

G IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

H BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

I FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortized cost

- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)

- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortized cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value through Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

J INVENTORIES:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items 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. Scrap is valued at net realizable value. Cost is determined on FIFO (First-in-First Out) method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

K RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund and superannuation fund are defined contribution plans. The Company has no obligation, other than the contributions payable to provident fund and superannuation fund. The Company recognizes contribution payable to these funds as an expense, when an employee renders the related service.

In respect of gratuity liability, the Company operates defined benefit plan wherein no separate contributions are made to a separately administered fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs; and

- Net interest expense or income

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Statement of Profit and Loss. Actuarial gain and loss is recognize in full in the period in which they occur in the Statement of Profit and Loss.

L PROVISIONS:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

M EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

N CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

O CASH DIVIDEND

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution are no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

P CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Pursuant to the Taxation Laws (Amendment) Ordinance 2019 issued by Ministry of Law and Justice (Legislative Department) dated September 20,2019 effective from April 01,2019 the company has opted to avail lower Tax rates of 22% (without any tax benefits) instead of existing tax rate of 30%.

(b) Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

(c) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to Financial Statements for the Year ended 31st March, 2020

Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress

(a) Property, Plant and Equipment

(Amount In Rupees)

Particulars	Freehold land	Buildings	Plant & Machinery	Computer & Peripherals	Furniture & fixture	Vehicles	Office equipment	Total	CWIP
Cost									
As at 1st April, 2018	**1,32,07,449**	**4,80,27,645**	**30,08,96,481**	**2,58,180**	**4,54,224**	**90,23,097**	**8,65,281**	**37,27,32,357**	**-**
Additions	**-**	**-**	**2,75,12,134**	**86,813**	**12,140**	**8,07,330**	**76,668**	**2,84,95,085**	**-**
Deductions / Capitalisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	
As at 31st March, 2019	**1,32,07,449**	**4,80,27,645**	**32,84,08,615**	**3,44,993**	**4,66,364**	**98,30,427**	**9,41,949**	**40,12,27,442**	**-**
Additions	-	-	22,26,500	6,215	-	-	45,604	22,78,319	75,75,857
Deductions / Capitalisation	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	**1,32,07,449**	**4,80,27,645**	**33,06,35,115**	**3,51,208**	**4,66,364**	**98,30,427**	**9,87,553**	**40,35,05,761**	**75,75,857**
Depreciation and Impairment									
As at 1st April, 2018	-	41,03,023	7,26,71,646	1,58,075	1,52,540	29,23,457	1,39,468	8,01,48,209	-
Depreciation charge for the year	-	20,55,614	3,73,32,132	72,889	49,439	13,06,651	1,44,942	4,09,61,667	-
Disposals	-	-	-	-	-	-	-	-	
As at 31st March, 2019	**-**	**61,58,637**	**11,00,03,778**	**2,30,964**	**2,01,979**	**42,30,108**	**2,84,410**	**12,11,09,876**	**-**
Depreciation charge for the year	-	20,55,613	3,81,85,689	41,822	28,785	17,47,238	1,63,269	4,22,22,416	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	**-**	**82,14,250**	**14,81,89,467**	**2,72,786**	**2,30,764**	**59,77,346**	**4,47,679**	**16,33,32,292**	**-**
Net Block									
As at 31st March, 2020	**1,32,07,449**	**3,98,13,395**	**18,24,45,648**	**78,422**	**2,35,600**	**38,53,081**	**5,39,874**	**24,01,73,469**	**75,75,857**
As at 31st March, 2019	1,32,07,449	4,18,69,008	21,84,04,837	1,14,029	2,64,385	56,00,319	6,57,539	28,01,17,566	-

Capitalised borrowing costs

No borrowing costs are capitalised on PPE during the current and previous years as the company has not borrowed fund for the purpose of acquistion of PPE.

Intangible assets

Particulars	Software
As at 1st April, 2018	**-**
Additions	**46,500**
Deductions / Capitalisation	**-**
As at 31st March, 2019	**46,500**
Addition	-
Deductions / Capitalisation	
As at 31st March, 2020	**46,500**
Amortisation and Impairment	
As at 1st April, 2018	**-**
Amortisation charge for the year	403
Disposals	**-**
As at 31st March, 2019	**403**
Amortisation charge for the year	7,359
Disposals	-
As at 31st March, 2020	**7,762**
Net Block	
As at 31st March, 2020	**38,738**
As at 31st March, 2019	**46,097**

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March 2020

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
4	**Financial Assets**		
	Investments		
	Non-Trade Investments		
	Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
	NIL(31 March 2019: 1,00,000) Units of Axis Hybrid Series 27 (1351 Days) Growth	-	12,33,000
		-	**12,33,000**
	Current	-	-
	Non-Current	-	12,33,000
		-	**12,33,000**
	Aggregate book value of Unquoted Investments	-	-
	Aggregate book value of Quoted Mutual Funds	-	10,00,000
		-	**10,00,000**
	Other Financial Assets (Unsecured, Considered Good)		
	Interest Accrued but not due	44,57,838	39,49,808
	Security deposits	7,63,66,843	7,76,80,017
	Fixed Deposits with Bank	13,381	12,408
		8,08,38,062	**8,16,42,233**
	Current	44,57,838	39,49,808
	Non-Current	7,63,80,224	7,76,92,425
		8,08,38,062	**8,16,42,233**

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
5	**Inventories**		
	Raw materials		
	Raw materials and components	34,93,949	7,41,61,080
	Work-in-progress	36,44,008	3,95,01,321
	Finished goods		
	Finished goods (Including Material in Transit of Rs 42,50,088/- (31st March,2019 Rs Nil/-)	6,68,65,662	17,61,98,270
	Stores and spares	5,27,46,385	6,60,22,364
		12,67,50,004	**35,58,83,035**

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
6	**Trade Receivables**		
	Trade receivables		
	- Unsecured, considered good	14,44,77,316	4,30,13,035
	- Unsecured, considered doubtful	3,37,43,535	3,37,43,535
	Total	**17,82,20,851**	**7,67,56,570**
	Less: Impairment allowance		
	- Unsecured, considered doubtful	3,37,43,535	3,37,43,535
		14,44,77,316	**4,30,13,035**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Reconciliation of Impairment allowance

Particulars	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	3,37,43,535	3,28,11,747
Add: Allowance for the year	-	9,31,788
(Less): Actual write off during the year (net of recovery)	-	-
Balance at the end of the year	**3,37,43,535**	**3,37,43,535**

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
7	**Cash and Cash Equivalents**		
	Balances with Banks		
	- In Current accounts	22,950	3,61,75,477
	Cash in Hand	2,04,063	97,228
		2,27,013	**3,62,72,705**

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March 2020

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
8	**Other Assets**		
	Prepaid expense	14,25,792	8,22,598
	Due form Subsidiary of holding Company	90,908	69,231
	Advance receivable in cash or kind		
	Advances for Goods & Expenses and others	82,33,558	3,71,96,579
	Balances with Government Authorities (Net)	41,62,672	97,52,162
		1,23,96,230	**4,69,48,741**
		1,39,12,930	4,78,40,570
	Current	1,39,12,930	4,78,40,570
	Non-Current	-	-
		1,39,12,930	**4,78,40,570**

9 Equity Share Capital

Authorised Share Capital

	EQUITY SHARES Numbers	EQUITY SHARES (Amount In Rupees)
As at 1st April, 2018	3,70,00,000	37,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	3,70,00,000	37,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	**3,70,00,000**	**37,00,00,000**

Rights, preference and restriction attached to Equity Shares

-The company has only one class of equity shares having a face value of Rs 10/- per share.

-Each holder of equity shares is entitled to one vote per share.

-The company declares and pay dividends in Indian rupees.

-The proposed dividend recommended by the Board of Directors is subject to the approval of the Sharesholders at the ensuing Annual General Meeting.

-During the year ended 31 March 2020, the amount of per share (if any) of dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2019: Rs Nil).

-In the event of liquidation of the company, the holder of equity shares will be entitled to receive 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.

Issued Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

	Numbers	(Amount In Rupees)
As at 1st April, 2018	3,64,20,000	36,42,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	3,64,20,000	36,42,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	**3,64,20,000**	**36,42,00,000**

Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31-03-2020 No. of Shares	As at 31-03-2020 % held	As at 31-03-2019 No. of Shares	As at 31-03-2019 % held
Holding Company-Electrotherm (India) Limited	3,64,20,000	**100.00%**	3,64,20,000	**100.00%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

Shares reserved for issue under options

The number of the shares reserved for issue under options are Nil as on 31st March 2020 (Nil as on 31st March 2019)

Note No.	Particulars	(Amount In Rupees)
10	**Other Equity**	
	Securities Premium	
	As at 1st April, 2018	10,00,92,000
	Increase/(decrease) during the year	-
	As at 31st March, 2019	10,00,92,000
	Increase/(decrease) during the year	-
	As at 31st March, 2020	**10,00,92,000**
	Securities Premium is used to record the premium on issue of shares. The Securities Premium is utilised in accordance with the provisions of the Companies Act, 2013	
	Retained Earning	
	As at 1st April, 2018	(1,31,89,24,605)
	Profit/(Loss) for the year	19,53,048
	Other Comprehensive Income / (Loss)	(9,25,859)
	As at 31st March, 2019	**(1,31,78,97,416)**
	Profit/(Loss) for the year	(8,82,46,977)
	Other Comprehensive Income / (Loss)	(5,49,260)
	As at 31st March, 2020	**(1,40,66,93,653)**
	Total Other Equity	
	As at 31st March, 2020	**(1,30,66,01,653)**
	As at 31st March, 2019	(1,21,78,05,416)

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March 2020

(Amount In Rupees)

Note No.	Particulars		As at 31-03-2020	As at 31-03-2019
11	**Borrowings**			
	Long term Borrowing from Bank (Secured)			
	Indian Rupee Term Loan [Refer note No. (a) & (b)]		1,80,00,000	1,80,00,000
	Indian Rupee Funded Interest Term Loan [Refer note No. (a) & (b)]		1,39,00,000	1,39,00,000
	Indian Rupee Working Capital Term Loan [Refer note No. (a) & (b)]		17,23,00,000	17,23,00,000
	Long term Borrowing from Asset Reconstruction Company (Secured)			
	Indian Rupee Loan[Refer note No. (a) & (c)]		41,45,28,701	44,45,28,701
			61,87,28,701	**64,87,28,701**
	Less: Current maturity grouped as other current financial liability		31,92,00,000	26,92,00,000
			29,95,28,701	**37,95,28,701**
	Short term Borrowings from Bank (Secured)			
	Working Capital Loans - [Refer below Note (a) ,(b)& (f)]		2,98,76,985	6,50,40,207
			2,98,76,985	**6,50,40,207**
	Total Borrowings		**32,94,05,686**	**44,45,68,908**
	Current		2,98,76,985	6,50,40,207
	Non-Current		29,95,28,701	37,95,28,701
			32,94,05,686	**44,45,68,908**

a Secured by First Pari-passu charge on the entire fixed assets & immovable properties of the company situated at Village : Budharmora, Bhuj-Bhachau Highway, Tal : Anjar, Dist : Kutch and personal guarantee of some of the directors of the company. Further Loan from Invent Assets Securitization & Reconstruction Pvt Ltd are secured by all present and future goods, books debts and all other Movable Assets.

b On 31 July 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.

c The Loan from State Bank of India have been assigned to Invent Assets Securitization & Reconstruction Private Limited (refer as ARC) and thereafter settlement agreement dated 15th June 2015 entered for the repayment of loan. On 17th January 2019 the company has requested to re-schedule the repayment term which was agreed by the ARC vide the sanction letter dated 15th March 2019.

d Company has defaulted in repayment of borrowings from Bank of Baroda. Details of defaults are as follows:-

Nature of Borrowings	Principal	Interest	Total	Default From
Bank of Baroda				
Cash Credit	2,98,76,985	-	2,98,76,985	April 2014
Working Capital Term Loan	17,23,00,000	-	17,23,00,000	
Funded Interest Term Loan	1,39,00,000	-	1,39,00,000	
Term Loan	1,80,00,000	-	1,80,00,000	
Total	**23,40,76,985**	-	**23,40,76,985**	

*Note: The Reserve Bank of India (RBI) has notified the COVID-19 Regulatory Packages permitting lenders to grant a moratorium period for all installments falling due between March 1, 2020 to August 31, 2020. However, the Company has not paid installments due for the quarter ended on December 31, 2019 of Rs. 1,50,00,000/- and for March 31, 2020 of Rs. 2,00,00,000/- to Invent Assets Securitisation & Reconstruction Private Limited.The company has requested the said lender to allow this moratorium period for the payments and the revised repayment schedule is yet to be confirmed.

e **Repayment Schedule as per Current Sanction Letter is as under :-**

Particulars	0 - 1 Year*	1 - 3 years	More than 3 year
Borrowing from Asset Reconstruction Company	11,50,00,000	21,12,00,000	8,83,28,701
Borrowing from Bank [Refer note No.11(b)]	23,40,76,985	-	-

* includes default amount of Principal

f During the year, as per the order of the Debt Recovery Tribunal, Bank of Baroda has recovered the amount of Rs 35,163,222/- from all the Bank Accounts of the Company and the said amount has been adjusted against the outstanding debt of the company.

(Amount In Rupees)

Note No.	Particulars		As at 31-03-2020	As at 31-03-2019
12	**Trade Payables**			
	Dues to Micro, Small and Medium Enterprises		36,95,654	36,73,553
	Dues to Holding Company		36,91,12,334	27,92,39,998
	Dues to Others		18,29,98,672	40,94,86,601
			55,58,06,660	**69,24,00,152**

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March 2020

Note (i) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) for the year ended 31st March 2020 and year ended 31st March 20119 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

(Amount In Rupees)

	Particulars	As at 31-03-2020	As at 31-03-2019
a	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	- Principal	36,95,654	36,73,553
	- Interest	-	-
b	The amount of Interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the 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 MSMED Act.	-	-
d	The amount of interest accrued and remaining unpaid at the end of the each accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date 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	-	-

(Amount In Rupees)

Note No.	Particulars		As at 31-03-2020	As at 31-03-2019
13	**Other Current Financial Liabilities**			
	Current Maturity of Long Term Borrowings (Refer Note 11)		31,92,00,000	26,92,00,000
	Other Liabilities		9,98,74,522	-
			41,90,74,522	**26,92,00,000**

(Amount In Rupees)

Note No.	Particulars		As at 31-03-2020	As at 31-03-2019
14	**Other Current Liabilities**			
	Interest Free Advance from Customer		88,02,871	3,19,97,243
	Advance From Holding Company		23,27,74,865	23,27,74,865
	Statutory dues payable		63,50,519	2,61,93,399
	Other Miscellaneous Liabilities		53,890	32,697
			24,79,82,145	**29,09,98,204**

(Amount In Rupees)

Note No.	Particulars		As at 31-03-2020	As at 31-03-2019
15	**Provisions**			
	- Provision for Employee Benefits			
	- Compensated Absences		9,23,176	9,19,152
	- Gratuity		63,66,294	54,54,006
	- Bonus		20,90,310	26,66,823
			93,79,780	**90,39,981**
	Current		31,84,260	36,20,540
	Non-Current		61,95,520	54,19,441
			93,79,780	**90,39,981**

Notes to Financial Statements for the Year Ended 31st March 2020

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
16	**Revenue from operations**		
	Sale of Products		
	Finished Goods	**3,95,65,75,259**	**5,85,25,05,998**
	Total Revenue from operations	**3,95,65,75,259**	**5,85,25,05,998**
i	**Disaggregate revenue information**		
	Set out below is the disaggregation of the Company's revenue from contracts with customers:		
a	**Total revenue from contracts with customers**		
	Sale of Products-Finished Goods		
	- India	3,95,65,75,259	5,85,25,05,998
	- Outside India	-	-
	Total revenue form contracts with customers	**3,95,65,75,259**	**5,85,25,05,998**
b	**Timing of revenue recognition**		
	Goods transferred at a point in time	3,95,65,75,259	5,85,25,05,998
	Goods and Services transferred over a period of time	-	-
	Total revenue form contracts with customers	**3,95,65,75,259**	**5,85,25,05,998**
ii	**Reconciliation between revenue with Customers and Contracted price as per IND AS 115:**		
	Revenue Reconciliation	**Year ended 31-3-2020**	**Year ended 31-3-2019**
	Revenue as per contracted price	4,00,53,05,543	5,90,97,98,749
	Less: Cash discount/incentive expenses	(4,87,30,284)	(5,72,92,751)
	Revenue from Contract with customers	**3,95,65,75,259**	**5,85,25,05,998**
iii	**Set Out below is the amount of revenue recognized from:-**		
	Particulars	**As at 31-03-2020**	**As at 31-03-2019**
	Amount of Contract Liability (Including Advance From Customers) at the beginning of the year	3,19,97,243	15,11,620
	Performance obligation satisfied during the Previous year	3,18,43,705	13,13,276
iv	**Contract Balances as at:**	**As at 31-03-2020**	**As at 31-03-2019**
	Trade Receivable	14,44,77,316	4,30,13,035
	Contract liabilities (Advance from customers)	88,02,871	3,19,97,243
	In March 2020, Rs Nil/- (March 2019, Rs 9,31,788) was recognized as provision for expected credit losses on trade receivables.		
v	Trade receivables are non-interest bearing and are generally on term of 10 days.		
vi	Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied as at 31st March 2020 is Rs 1,53,538/- (31st March 2019 is Rs 1,98,344/-). The unsatisfied performance obligation is expected to be recognized within 12 Months.		

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
17	**Other Income**		
	Interest income on		
	Bank deposits	**38,274**	48,816
	Others	**51,33,235**	47,24,534
	Other non-operating income		
	Fair value gain on financial instruments at fair value through profit and loss	**20,400**	82,480
	Net Discount and Claims and net amounts written back	**150**	11,743
	Miscellaneous income	**7,55,577**	47,98,694
		59,47,636	**96,66,267**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
18	**Cost of raw material and components consumed**		
	- Opening Inventory	**7,41,61,080**	1,72,65,361
	- Add: Purchases	**3,01,02,19,098**	5,01,01,88,683
	- Add: Other charges and expenditure	**5,03,82,358**	8,66,49,321
	- Less: Closing Inventory	**(34,93,949)**	(7,41,61,080)
	Cost of raw materials and components consumed	**3,13,12,68,587**	**5,03,99,42,285**

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March 2020

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
19	**(Increase)/ decrease in inventories of finished goods, work-in-progress**		
	Inventories at the end of the year		
	- Work In Progress	**36,44,008**	3,95,01,321
	- Finished Goods	**6,68,65,662**	17,61,98,270
		7,05,09,670	21,56,99,591
	Inventories at the beginning of the year		
	- Work In Progress	**3,95,01,321**	48,47,202
	- Finished Goods	**17,61,98,270**	8,82,34,496
		21,56,99,591	9,30,81,698
	(Increase)/Decrease In Inventory		
	- Work In Progress	**3,58,57,313**	(3,46,54,119)
	- Finished Goods	**10,93,32,608**	(8,79,63,774)
		14,51,89,921	**(12,26,17,893)**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
20	**Employee benefits expenses**		
	Salaries, wages and bonus	**6,49,87,244**	6,93,04,047
	Contribution to provident fund	**37,81,665**	38,62,507
	Gratuity expense (Refer note 23)	**7,90,478**	9,71,501
	Staff welfare expenses	**14,36,936**	13,64,298
		7,09,96,323	**7,55,02,353**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
21	**Finance Cost**		
	Interest others	**12,73,098**	1,72,860
	Bank charges	**1,12,870**	75,856
		13,85,968	**2,48,716**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
22	**Other Expense**		
	Consumption of Stores & Spares	**9,13,73,594**	10,84,33,370
	Freight & Transport Charges	**8,22,64,313**	11,06,11,711
	Power & Fuel	**39,24,29,464**	49,77,11,503
	Jobwork Charges	**7,12,04,128**	8,18,30,691
	Repairs and Maintenance:		
	Plant and machineries	**1,54,202**	5,21,594
	Others	**17,29,892**	32,68,642
	Legal & Consultancy Charges	**28,63,047**	84,66,079
	Traveling & Conveyance Expenses	**3,22,069**	2,16,968
	Insurance	**21,93,268**	16,16,616
	Vat & GST Expenses (Includes Disputed Tax Settlement Scheme Express of Rs. 35,85,202/-)	**67,60,719**	41,76,681
	Rates & Taxes	**14,06,289**	21,47,091
	Auditors' Remuneration (Refer note-a)	**3,31,000**	5,74,000
	Sales Commission	**35,52,130**	26,27,954
	Water Charges	**9,16,295**	3,02,333
	Subscription & Membership	**2,51,971**	2,59,248
	Printing & Stationery	**98,902**	2,10,544
	Postage Telegram & Telephone Expenses	**4,86,663**	3,92,793
	Vehicle Expenses	**32,018**	1,45,113
	Provision for Doubtful Debts	**-**	9,31,788
	Sundry Balance W/off	**7,25,311**	6,86,048
	Miscellaneous Expenses	**6,04,023**	10,50,919
		65,96,99,298	**82,61,81,686**
a)	**Payments to Auditors**		
	As Auditor:		
	- Audit Fee	**2,00,000**	400000*
	In other capacity:		
	- Taxation matters	**50,000**	60,000
	- Other Services	**81,000**	1,14,000
		1,31,000	**1,74,000**
		3,31,000	**5,74,000**
	* Includes audit fees of Rs. 2,00,000 for year ended 31st March, 2018		

Notes to Financial Statements for the Year Ended 31st March, 2020

23 Employee Benefits Expense

A. Defined contribution plans: (included in Note No. 20 "Employee benefits expense")

The Company has recognized expenses towards defined contribution plan as under:

PARTICULAR	Year ended 31-03-2020		Year ended 31-03-2019
Provident Fund and Other fund	37,81,665		38,62,507
Total	**37,81,665**		38,62,507

B. Defined benefit plans: As per actuarial valuation

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act,1972. The scheme is unfunded.

31st March, 2020 : Changes in defined benefit obligation and plan assets **(Amount In Rupees)**

		Cost charged to Statement of Profit and Loss					**Remeasurement gains/(losses) in other comprehensive income**						
	1st April, 2019	Service cost	Net interest expense	Liabiity Transferred out / Divestments	**Sub-total included in Statement of Profit and Loss (Note 20)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Contributions by employer**	**31st March, 2020**
Gratuity													
Defined benefit obligation	**54,54,006**	10,79,428	4,24,867	(7,13,817)	**7,90,478**	(4,27,450)	-	-	5,78,239	(28,979)	**5,49,260**	**-**	**63,66,294**
Fair value of plan assets	**-**	-	-		**-**	-	-	-	-	-	**-**	**-**	**-**
Benefit liability	**54,54,006**	**10,79,428**	**4,24,867**	**(7,13,817)**	**7,90,478**	**(4,27,450)**	**-**	**-**	**5,78,239**	**(28,979)**	**5,49,260**	**-**	**63,66,294**
Total benefit liability	**54,54,006**	**10,79,428**	**4,24,867**	**(7,13,817)**	**7,90,478**	**(4,27,450)**	**-**	**-**	**5,78,239**	**(28,979)**	**5,49,260**	**-**	**63,66,294**

31st March, 2019 : Changes in defined benefit obligation and plan assets

		Cost charged to Statement of Profit and Loss					**Remeasurement gains/(losses) in other comprehensive income**						
	1st April, 2018	Service cost	Net interest expense	Liabiity Transferred out / Divestments	**Sub-total included in Statement of Profit and Loss (Note 20)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Contributions by employer**	**31st March, 2019**
Gratuity													
Defined benefit obligation	**43,81,564**	6,78,377	3,43,953	-	**10,22,330**	(8,75,747)	-	1,04,728	34,790	7,86,341	**9,25,859**	**-**	**54,54,006**
Fair value of plan assets	**-**	-	-	-	**-**	-	-	-	-	-	**-**	**-**	**-**
Benefit liability	**43,81,564**	**6,78,377**	**3,43,953**	**-**	**10,22,330**	**(8,75,747)**	**-**	**1,04,728**	**34,790**	**7,86,341**	**9,25,859**	**-**	**54,54,006**
Total benefit liability	**43,81,564**	**6,78,377**	**3,43,953**	**-**	**10,22,330**	**(8,75,747)**	**-**	**1,04,728**	**34,790**	**7,86,341**	**9,25,859**	**-**	**54,54,006**

The net liability disclosed above related to unfunded plans is as follows:- (Amount In Rupees)

Particular	31st March, 2020	31st March, 2019
Present Value of unfunded obligation	63,66,294	54,54,006
Fair Value of Plan Assets	-	-
Surplus of the unfunded plan	63,66,294	54,54,006

Notes to Financial Statements for the Year Ended 31st March, 2020

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**Year ended 31-03-2020**	**Year ended 31-03-2019**
Discount rate	6.89%	7.79%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	N.A	N.A
Employee Turnover Rate	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A	N.A

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

		(Increase) / Decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**As at 31-03-2020**	As at 31-03-2019
Discount rate	1% increase	**(6,36,995)**	(5,34,333)
	1% decrease	**7,63,248**	6,39,103
Salary	1% increase	**7,62,389**	6,44,274
	1% decrease	**(6,47,464)**	(5,47,297)
Employee turnover	1% increase	**47,536**	85,805
	1% decrease	**(56,336)**	(1,01,487)

(a) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumption constant.

(b) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated.

(c) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

(d) There was no change in the methods and assumption used in preparing the sensitivity analysis from prior years.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	**As at 31-03-2020**	As at 31-03-2019
1st Following Years	9,24,677	7,77,922
2nd Following Years	2,00,593	1,83,240
3rd Following Years	2,08,017	1,95,709
4th Following Years	2,23,808	2,03,076
5th Following Years	2,91,451	2,95,322
Sum of Years 6 to 10	19,13,398	17,83,674
Sum of Years 11 and above	1,28,15,923	1,28,83,189
Total expected payments	1,65,77,867	1,63,22,132

Maturity Analysis of the Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**As at 31-03-2020 Years**	As at 31-03-2019 Years
Gratuity	13	13

The followings are the expected contributions to planned assets for the next year:

Particulars	**As at 31-03-2020 (Amount in Rs.)**	As at 31-03-2019 (Amount in Rs.)
Gratuity	-	-

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay out based on pay as you go basis from own funds.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Notes to Financial Statements for the Year Ended 31st March, 2020

24 COMMITMENTS AND CONTINGENCIES

a) Contingent Liabilities :-

(Amount In Rupees)

Sr. No.	Particulars	As at 31-03-2020	As at 31-03-2019
a)	Disputed Statutory Claims/levies		
	- Income tax (including penalty)	-	18,27,430
b)	Bank guarantee and Letter of Credit	-	5,13,275
c)	Amount payable to supplier of creditor (Refer Note below)	1,03,00,000	1,03,00,000

M/s Krishna Fuels, a supplier of scrap has filed a Civil Suit in the year 2009 before the Court of Principal Senior Civil Judge, Gandhidham against the Company for recovery of Rs. 1,03,00,000 (Principal outstanding amount of Rs. 84,48,575/- and Interest thereon). Thereafter, the matter was transferred to the Hone'ble Commercial Court, Rajkot and the Hon'ble Commercial Court, Rajkot has ex-parte passed an order dated 23rd December, 2017 for decree amount of Rs. 84,48,575/- and interest at the rate of 8% per annum and costs. The Company came to know about the abovesaid facts when the Company was served with Commercial Execution Petition No. 2/2018 before the Commercial Court at Rajkot in March, 2018. The Company has filed appeal before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated 30th July, 2018 quashed and set aside the order of Hon'ble Commercial Court and remitted the matter to Hon'ble Commercial Court, Rajkot for fresh decision. Thereafter, the matter was pending before Hon'ble Commercial Court, Rajkot for further hearing. Subsequently, the matter was transferred to Bhuj-Kachchh and it is pending for further hearing.

b) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. NIL (31st March, 2019 Rs. NIL).

25 The Company is engaged in the business of Steel Products. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in context of Operating Segment as defined under the Indian Accounting Standard 108 "Segment Information", there is no separate reportable segment.

Further, the company operates in Geographical Segment - India (Country of Domicile) and Outside India.
Segment Information

(a) Revenue from Operations

Particular	Year ended 31-03-2020	Year ended 31-03-2019
- Within India	3,95,65,75,259	5,85,25,05,998
- Outside India	-	-
Total	3,95,65,75,259	5,85,25,05,998

(b) Segment Assets	As at 31-03-2020	As at 31-03-2019
- Within India	61,92,47,140	85,26,01,829
- Outside India	-	-
Total	61,92,47,140	85,26,01,829

26 Related Party disclosures

As required by Indian Accounting Standard - 24 "Related Parties Disclosures" the disclosure of transactions with related parties are given below :

A Relationships

	Key Managerial Personnel	Relation
(a)	- Mr. Mukesh Bhandari	Director (upto 29th November, 2019)
	- Mr. Shailesh Bhandari	Director
	- Mr. Avinash Bhandari	Director (upto 22nd August 2019)
	- Mr. Chaitanyapratap Sharma	Independent Director
	- Mr. Ravindra Mundrika Singh	Director cum Manager
	- Mr. Pawan Gaur	Chief Financial Officer (upto 28th January 2020)
	- Mrs.Lubna Walia	Additional Independent Director (w.e.f. 2nd March 2020)
	- Mr.Hinal Patel	Company Secretary (w.e.f. 21st December 2019)
	- Mr.Amit Kumar Patwarika	Chief Financial Officer (w.e.f. 2nd March 2020)

	Enterprises owned or significantly influenced by key managerial personnel	Relation
(b)	Electrotherm (India) Limited	Holding Company
	Electrotherm Services Limited	Subsidiary of Holding Company

B The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Amount In Rupees)

Particulars	2019-20	2018-19
Purchase of Raw Material		
- Electrotherm (India) Limited	**3,02,18,940**	1,14,11,781
Purchase of Consumable Material		
- Electrotherm (India) Limited	**69,92,575**	1,49,11,651
Purchase of Fixed Assets		
- Electrotherm (India) Limited	**6,88,000**	42,47,534
Sales		
- Electrotherm (India) Limited	**17,11,23,653**	4,85,33,915
Expenses (Repair & Maintenance and Freight expense)		
- Electrotherm (India) Limited	**-**	2,45,450
Advance Received		
- Electrotherm (India) Limited	**-**	61,10,00,000
Advance Repaid		
- Electrotherm (India) Limited	**-**	37,82,25,135
Amount paid on their behalf		
- Electrotherm Services Limited	**21,677**	47,637

Outstanding as at year end { Payable/(Receivable) }	As at 31.03.2020	As at 31-03-2019
- Electrotherm Services Limited	**(90,908)**	(69,231)
- Electrotherm (India) Limited	**60,18,87,199**	51,20,14,863

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured, interest free and settlement occurs in regular course of business.There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2020 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2019 Rs Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Financial Statements for the Year Ended 31st March, 2020

27 Earnings Per Share (EPS):

Particulars	2019-20	2018-19
Profit / (Loss) for the year (Amount is Rupees)	**(8,82,46,977)**	19,53,048
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	**3,64,20,000**	3,64,20,000
Earnings per Share (Basic and Diluted)	**(2.42)**	0.05
Nominal Value of Shares	**10.00**	10.00

28 Income Tax

a Component of Income tax

(Amount In Rupees)

Particulars	As at 31.03.2020	As at 31-03-2019
Current Tax	-	-
Deffered Tax	-	-
Total	-	-

b Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

(Amount In Rupees)

Particulars	As at 31.03.2020	As at 31-03-2019
Accounting profit before income tax	-8,82,46,977	19,53,048
Enacted tax rates in India	25.17%	31.20%
Computed tax expense	-2,22,11,764	6,09,351
Non-deductible expenses for tax purpose	8,85,748	18,09,039
Deductible expenses for tax purpose	-8,00,220	-8,18,119
Other	51,29,586	46,64,879
Set off of brought forward business Loss	-	-62,65,150
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	1,69,96,650	-
Tax expense as per statement of profit and loss	**-**	**-**

c Details of carry forward losses and unused credit on which no deferred tax asset is recognised by the Company are as follows:

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period for 8 years from the year in which losses arose. MAT credit can be carried forward up to a period of 15 years.The company has incurred business loss in all the consecutive years starting from Financial Year 2010-11 till 2017-18. The unabsorbed business loss of financial year 2011-12 has expired on 31.03.2020 and the losses of subsequent years will expire on yearly basis. The company does not have MAT credit.Presently the Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Tax Laws (Amendment) Ordinance, 2019.

d Deferred Tax

Movement in deferred tax Assets (net) for the year ended 31st March, 2020			
Particulars	**Opening Balance As at March 31, 2019**	**To be recognized in Profit & Loss Account ***	**Closing Balance as at March 31, 2020**
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	3,68,55,336	(1,23,24,559)	2,45,30,777
Total	**3,68,55,336**	**(1,23,24,559)**	**2,45,30,777**
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	15,18,321	(3,72,053)	11,46,268
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	38,84,57,604	(8,58,72,103)	30,25,85,501
Other adjustments	1,05,27,983	(20,34,735)	84,93,248
Total	**40,05,03,908**	**(8,82,78,891)**	**31,22,25,017**
Net Deferred Tax Assets	**36,36,48,572**	**(7,59,54,332)**	**28,76,94,240**

Movement in deferred tax Assets (net) for the year ended 31st March, 2019			
Particulars	**Opening Balance As at March 31, 2018**	**To be recognized in Profit & Loss Account ***	**Closing Balance as at March 31, 2019**
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	4,15,58,455	(47,03,119)	3,68,55,336
Total	**4,15,58,455**	**(47,03,119)**	**3,68,55,336**
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	6,59,723	8,58,598	15,18,321
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws	42,10,14,644	(3,25,57,040)	38,84,57,604
Other adjustments	1,01,38,830	3,89,153	1,05,27,983
Total	**43,18,13,197**	**(3,13,09,289)**	**40,05,03,908**
Net Deferred Tax Assets	**39,02,54,742**	**(2,66,06,170)**	**36,36,48,572**

* Deferred tax assets have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the company.

HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2020

29 (a) In the opinion of the Directors, the current assets, Loans and advances are approximately of the value stated, if realized in the ordinary course of the business and there is no contingent liability other than stated above and provision for all known liabilities are adequate. The accounts of Trade receivable, Trade payable, Advances for Goods & Expenses and others, are subject to confirmations and necessary adjustment, if any will be made on its reconciliation or receipt of complete details from the concerned parties. The Balances with Government Authorities (Net) are subject to reconciliation, submission of its return for its claim and/or its assessment if any. The classification/grouping of items of the accounts are made by the management, on the basis of the available data with the company and which has been relied upon by the auditor.

(b) In view of non-recovery of the amounts or non-settlement of the accounts, the company has determined Rs.Nil (31 March 2019 Rs.9,31,788/-) as doubtful Trade receivables and has made provision for the same.

(c) During December 2014, State Bank of India has assigned its entire debts along with all its securities and rights to Invent Assets Securitization & Reconstruction Private Limited (Hereinafter referred as "IASRPL") and as per the terms and conditions of the Settlement Agreement dated 5th March 2015 which was further revised vide sanction letter dated 15th March 2019, and if all the terms and conditions are fully complied with by the company Upto 31st December 2022, there will be reduction in debts of IASRPL by Rs 8,83,28,701/-.

30 Other Matter

(1) During the year the company has stopped the operation of the SMS Plant due to various operational reasons. However the management is hopeful that the same will be in operation in near future and therefore no impairment on the said plant has been provided.

(2) Due to Covid 19, the company has stalled all the plant operations from March 23, 2020. After Indian Railways started running the Shramik trains many skilled and unskilled labours have left the units and therefore the production activity have not yet started. The company have paid regular salary to the employee and the contractors. The company have dispatched the Finished Goods to various customer till the date of signing the financial statements. Once the company's employees and contractors workers resume the work, the plant production activity will be in operation and therefore in view of the management, the going concern of the company is not affected.

31 Legal cases

Criminal complaint u/s 138 read with Section 142 of the Negotiable instrument Act, 1881 has been filed before the Hon'ble Judicial Magistrate First Class, Ahmedabad for dishonor of cheque of some of the Parties and are shown as doubtful and the provision for the doubtful debt of Rs. 269,97,656 (Previous Year Rs. 269,97,656) has been provided in the books.

32 Bank Loans and its Legal Cases

(a) Bank of Baroda had filed Original Application against Company & guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debt Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated 15th April, 2019 allowed the original application filed by the Bank of Baroda and for issue of recovery certificate against the Company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due@12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. Thereafter, the Hon'ble Recovery Officer has put the properties for e-auction on 22.11.2019 and 29.04.2020, however there was no buyer for the e-auction properties. Further on application of the Bank of Baroda, the bank accounts of the Company were attached to the extent the accounts had the balance as on 19.10.2019 and the appropriation of the said amounts from the accounts. Further proceedings are pending before the Hon'ble Recovery Officer.

(b) Bank of Baroda has issued a show cause notice to the Company & guarantors / directors for declaring them as willful defaulter. The Company has replied to the said show cause notice. Thereafter, the Company has requested for some other suitable date for hearing before committee and there is no communication in respect of the same. When the Company came to know that the Bank of Baroda has declared the Company and its Directors as willful defaulter and reported the same to Reserve Bank of India / CIBL, the Company has challenged the said action before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated 1st August, 2017 granted stay on the identification as willful defaulter till the hearing and final disposal of the petition. The said petition is pending before Hon'ble Gujarat High Court for further hearing.

(c) Bank of Baroda had issued notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") on 15.01.2015. The Company has filed its reply to the said notice and Bank of Baroda has issued a rejoinder letter. Thereafter, Bank of Baroda vide letter dated 16.04.2016 issued notice demanding possession of secured assets and the Company has replied to the said possession notice.

(d) The accounts of the Bank of Baroda are classified as Non Performing Asset on 15.01.2015 and therefore provision for the following interest has not been made by the Company and to that extent loss and bank loan have been understated. Unprovided Interest has been calculated on the basis of the Hon'ble DRT judgment dated 15th April, 2019.

(Amount In Rupees)

Particulars	Interest Up to 01.04.2019	Interest for the Year	Interest Up to 31.03.2020
Cash Credit	5,53,83,534	1,41,65,798	6,95,49,332
Term Loan	1,53,27,498	39,20,411	1,92,47,909
Funded Interest Term Loan	1,18,36,234	30,27,429	1,48,63,663
Working Capital Term Loan	14,67,18,212	4,04,59,493	18,42,45,261
Total Amounts	**22,92,65,478**	**6,15,73,132**	**28,79,06,165**

33 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

33.1 Category-wise Classification of Financial Instruments:

(Amount In Rupees)

Particulars	Refer Note	As at 31-03-2020		
		Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets				
Trade receivables	6	-	14,44,77,316	14,44,77,316
Cash and cash equivalents	7	-	2,27,013	2,27,013
Other financial assets	4	-	8,08,38,062	8,08,38,062
Total		**-**	**22,55,42,391**	**22,55,42,391**
Financial liabilities				
Borrowings (including current maturities)	11,13	-	64,86,05,686	64,86,05,686
Trade payables	12	-	55,58,06,660	55,58,06,660
Other financial liabilities	13		9,98,74,522	9,98,74,522
Total		**-**	**1,30,42,86,868**	**1,30,42,86,868**

(Amount In Rupees)

Particulars	Refer Note	As at 31-03-2019		
		Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	12,33,000	-	12,33,000
Trade receivables	6	-	4,30,13,035	4,30,13,035
Cash and cash equivalents	7	-	3,62,72,705	3,62,72,705
Other financial assets	4	-	8,16,42,233	8,16,42,233
Total		**12,33,000**	**16,09,27,973**	**16,21,60,973**
Financial liabilities				
Borrowings (including current maturities)	11,13	-	71,37,68,908	71,37,68,908
Trade payables	12	-	69,24,00,152	69,24,00,152
Total		**-**	**1,40,61,69,060**	**1,40,61,69,060**

33.2 Category-wise Classification of Financial Instruments:

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(Amount In Rupees)

Particulars	As at 31-03-2020		As at 31-03-2019	
	Significant observable Inputs (Level 1)	Total	Significant observable Inputs (Level 1)	Total
Financial Assets				
Investments in quoted mutual funds (measured at FVTPL) (refer note 4)	-	-	12,33,000	12,33,000

Level 1:Quated market prices in active markets for identical assets or liabilities.

Valuation Method

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

- The Fair value of investments in quoted Mutual Funds is measured at quoted price or NAV.

(b) Financial Instrument measured at Amortized Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

34 Financial instruments risk management objectives and policies

The Company’s principal financial liabilities, comprises of borrowings, 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 trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company’s activities exposes it to market risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company’s overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Since the Company has insignificant foreign currency exposure, the exposure to risk of changes in market foreign currency is minimal. As on 31st March 2020 the outstanding unhedged / hedged foreign currency exposure is Rs Nil (31st March 2019 is Rs Nil).

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in mutual fund. The Company is exposed to price risk arising mainly from investments in mutual funds recognized at FVTPL. As at 31st March 2020, the carrying value of such instruments recognized at FVTPL amounts to Rs. Nil (31st March 2019 Rs.12,33,000/-). The details of such investments in mutual funds is given in Note 4.

The management expects that the exposure to risk of changes in market rates of these mutual funds is minimal.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, and other financial instruments. Credit risk arising from investment in mutual funds and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

Notes to Financial Statements for the Year Ended 31st March, 2020

Trade receivables and Loans

Credit risk arises from the possibility that customer/borrowers will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Company considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available. The provision on loans for expected credit loss is recognized on the basis of 12-month expected credit losses and assessed for significant increase in the credit risk.

Expected credit loss of Trade Receivable

(Amount In Rupees)

Particulars	As at 31-03-2020	As at 31-03-2019
Gross carrying amount	17,82,20,851	7,67,56,570
Expected loss rate	18.93	43.96
Expected credit losses (loss allowance provision)	3,37,43,535	3,37,43,535
Carrying amount of trade receivables (net of impairment)	14,44,77,316	4,30,13,035

Concentrations of Credit Risk form part of Credit Risk

During the year ended 31st March, 2020, sales to a customer approximated Rs.101.98 Cores or 25.77% of net revenue and during the year ended 31st March 2019, sales to such customer approximated Rs. 148.51 or 25.13 % of net revenue. Accounts receivable from such customer approximated Rs.9.42 Crores at 31st March, 2020 and Rs. NIL at 31st March, 2019. A loss of this customer could adversely affect the operating results or cash flows of the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including, debt and overdraft / credit facilities from domestic banks at an optimized cost.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount In Rupees)

Particulars	On Demand / Less than 1 Year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2020				
Other financial liabilities	9,98,74,522	-	-	9,98,74,522
Borrowings	34,90,76,985	21,12,00,000	8,83,28,701	64,86,05,686
Trade payables	55,58,06,660	-	-	55,58,06,660
Year ended 31st March, 2019				
Borrowings	33,42,40,207	17,12,00,000	20,83,28,701	71,37,68,908
Trade payables	69,24,00,152	-	-	69,24,00,152

35 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholders value through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options.

In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The Capital structure of the Company is as follows:

(Amount In Rupees)

Particular	As at 31-03-2020	As at 31-03-2019
Equity	36,42,00,000	36,42,00,000
Other Equity	(1,30,66,01,653)	(1,21,78,05,416)
Total	**(94,24,01,653)**	**(85,36,05,416)**

Notes to Financial Statements for the Year Ended 31st March, 2020

36 **Events occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 27th June,2020, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements

37 Figures of previous year's have been regrouped, wherever considered necessary to make them comparable to current year's figures.

As per our report of even date
For Mehta Lodha & Co.
Chartered Accountants
ICAI Firm Registration No: 106250W

PRAKASH D. SHAH
Partner
Membership No. 34363

Place : Ahmedabad
Date : 27th June, 2020
UDIN : 20034363AAAABI7259

For and on behalf of Board of Directors of
Hans Ispat Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director Cum Manager
(DIN : 08088332)

AMIT KUMAR PATWARIKA
Chief Financial officer

HINAL PATEL
Company Secretary

Place : Palodia
Date : 27th June, 2020

BHASKARPARA COAL COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR 2019-2020

HITESH PRAKASH SHAH & CO
Chartered Accountants
Sarangpur,

B-31, Ghantakaran Market,
Nr. New Cloth Market,

Ahmedabad – 380002
Mobile No.99986 10352
Email: shahitesh@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
BHASKARPARA COAL COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying **Ind AS** Financial Statements of **BHASKARPARA COAL COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its Profit (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention on Note No 21 relating to the order of the Hon'ble Supreme Court of India for Cancellation of Coal block allotted to the company, the company does not have any business to carry on as on date, hence the accounts are prepared on the basis that the company is not a going concern.

Matter of Emphasis

We draw attention on to following notes: -

1. Note No 8.1 of the financial statement, related to the "Share Application Money, pending allotment" of Rs 2,49,45,000/-.

2. Note No 5 regarding the amount of Rs 24,40,704/- recoverable from consultant in respect of which confirmation of balance is not made available and is considered as good and recoverable by the Company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial information of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described above in Material Uncertainty Related to Going Concern, there are no other key audit matters to communicate in our report.

Information Other than on Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 based on these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls regarding financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company for the year under consideration.

2. As required by Section 143(3) of the Act, we broadly report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance Sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'.**

(g) In our opinion and according to the information and explanations given to us, no remuneration is paid by the Company to its directors during the current year.

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

(ii) There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;

(iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company and

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH P SHAH
PARTNER
M.No. 124095

Place: Ahmedabad
Date: 27th April 2020
UDIN: 20124095AAAABF7703

ANNEXURE A TO THE AUDITOR'S REPORT

[ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF BHASKARPARA COAL COMPANY LIMITED, FOR THE YEAR ENDED ON 31ST MARCH, 2020]

Based on the audit procedures 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 explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we broadly report that:

i. (a) The Company is maintaining records showing full particulars, including quantitative details and situation of fixed assets.

(b) As informed to us, the company has a programme of physical verification of its fixed assets by which the fixed assets are physically verified by the Management at regular intervals and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us the title deeds of immovable properties, as disclosed in Note 2 of "Property Plant and Equipment" to the financial statements, are held in the name of the Company, except for conveyance deed for land acquisition of Rs. 19,337,600/- has been executed but its documents could not been obtained from the office of the Sub-Registrar, on account of dispute in relation to payment of the Stamp Duty.

ii. The Company does not have any inventories. Therefore, requirements as per clause (ii) of Paragraph 3 of the Order are not applicable to the Company.

iii. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly paragraph (iii) of the order is not applicable to the company.

iv. In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of The Companies Act, 2013 are applicable and hence not commented upon.

v. As informed to us and subject to note no 8.1 in the financial statement, during the year the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company and accordingly paragraph (vi) of the order is not applicable to the company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service Tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) There is no outstanding dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax or cess which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not borrowed any loans from financial institution and bank as at the balance sheet date and therefore clause (viii) of the Order are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, company has not raised money by way of initial public offer or further public offer (including debt instruments) or Term loans and accordingly paragraph (ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not provided for managerial remuneration in the books of accounts during the year and accordingly paragraph (xi) of the order is not applicable to the company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Paragraph (xii) of the Order is not applicable to the Company.

xiii. During the year the Company has not entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of Outstanding balances with such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. As informed to us and according to the explanation and information provided to us the Company has made no preferential allotment of shares during the year under review and therefore clause (xiv) of the Order is not applicable to the Company.

xv. As informed to us and according to the explanation and information provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, the provisions of Paragraph (xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Paragraph (xvi) of the Order are not applicable to the Company.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH P SHAH
PARTNER
M.No. 124095

Place: Ahmedabad
Date: 27th April 2020
UDIN: 20124095AAAABF7703

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of **Bhaskarpara Coal Company Limited** on the financial statements for the year ended March 31, 2020.

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

1. We have audited the internal financial controls over financial reporting of **Bhaskarpara Coal Company Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. 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, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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

6. 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, that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

    3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, except otherwise stated or informed to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO 127614W)
CHARTERED ACCOUNTANTS

HITESH P SHAH
PARTNER
M. No.124095

Place: Ahmedabad
Date: 27th April 2020
UDIN: 20124095AAAABF7703

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Balance Sheet as at March 31, 2020

(In Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(1)	(2)	(3)	(4)
I *ASSETS*			
(1) **Non-Current Assets**			
Property, Plant and Equipment	2	6 95 19 495	6 95 41 694
Capital Work-in-Progress	2	7 87 93 918	7 87 93 918
Financial Assets:			
Other Financial Assets	3	63 05 908	59 13 419
Total Non-Current Assets		**15 46 19 321**	**15 42 49 031**
(2) **Current Assets**			
Financial Assets:			
Cash and Cash Equivalents	4	92 221	1 80 884
Other Current Assets	5	24 40 704	24 45 927
Total Current Assets		**25 32 925**	**26 26 811**
TOTAL ASSETS		**15 71 52 246**	**15 68 75 842**
I *EQUITY AND LIABILITIES*			
(1) **Equity**			
Equity Share Capital	6	17 18 61 770	17 18 61 770
Other Equity	7	(3 98 42 424)	(4 01 24 728)
		13 20 19 346	**13 17 37 042**
(2) **Share Application money, pending allotment**	8	2 49 45 000	2 49 45 000
(3) **Liabilities**			
Current Liabilities			
Financial Liabilities:			
Trade Payables			
Total Outstanding dues of micro & small enterprises		-	-
Total outstanding due of creditors other than micro and small enterprises	9	5 900	11 800
Other Current Liabilites	10	1 82 000	1 82 000
Total Current Liabilities		**1 87 900**	**1 93 800**
TOTAL EQUITY AND LIABILITIES		**15 71 52 246**	**15 68 75 842**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board
of Bhaskarpara Coal Company Limited

(Hitesh P Shah)
Partner
Membership No:124095
UDIN: 20124095AAAABF7703
Date: 27/04/2020
Place: Ahmedabad

Dineshkumar Sharma
DIN: 00914419

Sanjay Mantri
DIN: 07525530

Date: 27/04/2020
Place: Ahmedabad

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Profit and Loss for the year ended March 31, 2020

(In Rs.)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
(1)	(2)	(3)	(4)
REVENUE:			
Revenue from Operations		-	-
Other Income	11	4 36 099	3 58 666
TOTAL INCOME (I)		**4 36 099**	**3 58 666**
EXPENSES:			
Depreciation and Amortisation expenses	12	22 199	22 199
Other Expenses	13	28 653	82 267
TOTAL EXPENSES (II)		**50 852**	**1 04 466**
Profit before Tax Expenses (I)-(II)		**3 85 247**	**2 54 200**
Tax Expense:			
Current Tax	18	1 02 550	71 867
Previous Year Tax		393	-
Total Tax Expenses		1 02 943	71 867
Profit after Tax (III)		**2 82 304**	**1 82 333**
Other Comprehensive Income			
Item that will be reclassified to Profit and Loss		-	-
Item that will not be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the period		**2 82 304**	**1 82 333**
Earnings per Equity share	14		
(Face value of Rs. 10 each)			
Basic (In Rs.)		0.0164	0.0106
Diluted (In Rs.)		0.0143	0.0093

In terms of our report attached.

For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board
of Bhaskarpara Coal Company Limited

(Hitesh P Shah)
Partner
Membership No:124095
UDIN: 20124095AAAABF7703
Date: 27/04/2020
Place: Ahmedabad

Dineshkumar Sharma
DIN: 00914419

Sanjay Mantri
DIN: 07525530

Date: 27/04/2020
Place: Ahmedabad

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Change in Equity as at March 31, 2020

A . Equity Share Capital

As at March 31, 2020 (In Rs.)

Particular	Balance as at April 01, 2019	Changes in Equity Share capital during the Year	Balance as at March 31, 2020
In Numbers	1 71 86 177	-	1 71 86 177
In Rupees	17 18 61 770	-	17 18 61 770

As at March 31, 2019 (In Rs.)

Particular	Balance as at April 01, 2018	Changes in Equity Share capital during the year	Balance as at March 31, 2019
In Numbers	1 71 86 177	-	1 71 86 177
In Rupees	17 18 61 770	-	17 18 61 770

B. Other Equity
For the year ended as at March 31, 2020 (In Rs.)

Particulars	Reverse & Surplus	Total Other Equity
	Retained Earnings	
Balance as at April 01, 2019	(4 01 24 728)	(4 01 24 728)
Profit for the year	2 82 304	2 82 304
Total Comprehensive Income for the year	2 82 304	2 82 304
Balance as at March 31,2020	**(3 98 42 424)**	**(3 98 42 424)**

For the year ended at at March 31, 2019 (In Rs.)

	Reverse & Surplus	Total Other Equity
Particulars	Retained Earnings	
Balance as at April 01, 2018	(4 03 07 061)	(4 03 07 061)
Profit for the year	1 82 333	1 82 333
Total Comprehensive Income for the year	1 82 333	1 82 333
Balance as at March 31,2019	**(4 01 24 728)**	**(4 01 24 728)**

For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board
of Bhaskarpara Coal Company Limited

(Hitesh P Shah)
Partner
Membership No:124095

Dineshkumar Sharma
DIN: 00914419

Sanjay Mantri
DIN: 07525530

Date: 27/04/2020
Place: Ahmedabad
UDIN: 20124095AAAABF7703

Date: 27/04/2020
Place: Ahmedabad

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Cash Flow Statement for the year ended as at March 31, 2020

(In Rs.)

Particulars			For the year ended on March 31, 2020	For the year ended on March 31, 2019
			Audited	Audited
(1)			(2)	(3)
(A)	**Cash flow from operating activities**			
	Profit (Loss) before Tax		3 85 247	2 54 200
	Adjustments for:			
	Interest Income		(4 36 099)	(3 58 666)
	Depreciation and amortisation		22 199	22 199
	Operating Profit before Working Capital Changes		**(28 653)**	**(82 267)**
	Movement in working Capital:			
	Decrease/(Increase) in Financial & other current assets		5 223	530
	Increase/(Decrease) in Trade payables and other liabilities		(5 900)	3 540
	Cash Generated from Operation		**(29 330)**	**(78 197)**
	Direct Taxes Paid		(1 02 943)	(71 867)
	Cash generated/ (used) from/ (in) operating activities	**(A)**	**(1 32 273)**	**(1 50 064)**
(B)	**Cash Flow from investing activities**			
	Redemption / (Investment) in Bank Deposits		(3 92 489)	(58 555)
	Interest Received		4 36 099	3 58 666
	Net cash used in investing activities	**(B)**	**43 610**	**3 00 111**
(C)	**Cash Flow from financing activities**			
	Interest Paid		-	-
	Cash generated / (Used) from / (in) financing activities	**(C)**	**-**	**-**
	Net increase/(decrease) in cash and cash equivalents	**(A + B + C)**	**(88 663)**	**1 50 047**
	Cash and cash equivalents at beginning of the year		1 80 884	30 837
	Cash and cash equivalents at end of the year		**92 221**	**1 80 884**
	Cash & Bank Balance as per Note No.4		92 221	1 80 884

Notes:

1 Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.

2 Figures in brackets represent outflows.

3 Previous year figures have been recast/restated wherever necessary.

4 Disclosure of change in liabilities arising from financing activities is Rs Nil

In terms of our report attached.

For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

(Hitesh P Shah)
Partner
Membership No:124095
UDIN: 20124095AAAABF7703
Date: 27/04/2020
Place: Ahmedabad

For and on behalf of the Board
of Bhaskarpara Coal Company Limited

Dineshkumar Sharma
DIN: 00914419

Sanjay Mantri
DIN: 07525530

Date: 27/04/2020
Place: Ahmedabad

Note 1 Significant Accounting Policies

1.1 Basis of accounting and preparation of Financial Statements :

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the companies (Indian Accounting Standards) Amendment Rules, 2016 on non going concern basis.

The financial Statements are presented in Indian Rupees (INR).

1.2 The Company presents assets and liabilities in the Balance Sheet based on Current/non-current classification: -

An asset is treated as current when it is:
> Expected to be realised or intended to be sold or consumed in the 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 classfied as non-current

A liability is current when:
> it is expected to be settled in the normal operating cycle;
> it is held primarily for the purpose of trading;
> it is due to be settle 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.

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

The company has accertained its operating cycle as twelve months for purpose of Current/Non-Current classification of its Assets and Liabilities.

1.3 PORPERTY, PLANT AND EQUIPMENT (PPE)

PPE and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013

Note 1 Significant Accounting Policies

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

1.4 IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.5 BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.6 REVENUE:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

ii) Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

1.7 TAXES:

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Note 1 Significant Accounting Policies

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
> When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.
> In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, except:

> When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
>In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.8 PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

1.9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

1.10 CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

General

1.11 Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.

Bhaskarpara Coal Company Limited

Notes to Financial Statement

Note 2

Property, Plant & Equipment

I) As at 31st March, 2020

(In Rs.)

Sr. No.	Particulars	Cost				Depreciation and Amortisation				Net Block
		As at April 1, 2019	Additions	Deduction / Adjustment	As at March 31, 2020	As at April 1, 2019	For the Year	Deduction / Adjustment	As at March 31, 2020	As at March 31, 2020
(A)	**Tangible Assets**									
	Freehold Land (Refer Below Note)	6 94 84 673	-	-	6 94 84 673	-	-	-	-	6 94 84 673
	Furniture and Fixtures	61 451	-	-	61 451	37 219	12 407	-	49 626	11 825
	Vehicles	43 945	-	-	43 945	19 941	6 647	-	26 588	17 357
	Electrical Equipment	17 486	-	-	17 486	9 435	3 145	-	12 580	4 906
	Computer	734	-	-	734	-	-	-	-	734
	Total Tangible Assets	**6 96 08 289**	**-**	**-**	**6 96 08 289**	**66 595**	**22 199**	**-**	**88 794**	**6 95 19 495**
(B)	**Capital Work-in-Progress**	7 87 93 918	-	-	7 87 93 918	-		-	-	7 87 93 918
	Grand Total	**14 84 02 207**	**-**	**-**	**14 84 02 207**	**66 595**	**22 199**	**-**	**88 794**	**14 83 13 413**

II) As at 31st March, 2019

(In Rs.)

Sr. No.	Particulars	Deemed Cost				Depreciation and Amortisation				Net Block
		As at April 1, 2018	Additions	Deduction / Adjustment	As at March 31, 2019	As at April 1, 2018	For the Year	Deduction / Adjustment	As at March 31, 2019	As at March 31, 2019
(A)	**Tangible Assets**									
	Freehold Land (Refer Below Note)	6 94 84 673	-	-	6 94 84 673	-	-	-	-	6 94 84 673
	Furniture and Fixtures	61 451	-	-	61 451	24 812	12 407	-	37 219	24 232
	Vehicles	43 945	-	-	43 945	13 294	6 647	-	19 941	24 004
	Electrical Equipment	17 486	-	-	17 486	6 290	3 145	-	9 435	8 051
	Computer	734	-	-	734	-	-	-	-	734
	Total Tangible Assets	**6 96 08 289**	**-**	**-**	**6 96 08 289**	**44 396**	**22 199**	**-**	**66 595**	**6 95 41 694**
(B)	**Capital Work-in-Progress**	7 87 93 918	-	-	7 87 93 918	-		-	-	7 87 93 918
	Grand Total	**14 84 02 207**	**-**	**-**	**14 84 02 207**	**44 396**	**22 199**	**-**	**66 595**	**14 83 35 612**

Notes

2.1 None of the Tangible Assets are acquired on Lease.

2.2 Conveyance Deed for land acquisition of Rs. 19,337,600/- has been executed but its documents could not been obtained from the office of the Sub-Registrar, on account of dispute in relation to payment of the Stamp Duty. In this regard, refer Note No.15(b).

Bhaskarpara Coal Company Limited

Notes to Financial Statements

3 Other Financial Assets:

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balance with the bank in Fixed Deposit Accounts (Deposited as margin money with HDFC Bank)	63 05 908	59 13 419
	Total	**63 05 908**	**59 13 419**

4 Cash & Cash Equivalent:

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balance with Banks (Current Accounts)	92 221	1 80 884
	Total	**92 221**	**1 80 884**

5 Other Current Assets

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Other Receivables		
(a)	Amount recoverable from Globe Consultant (Refer Below Note)	24 40 704	24 40 704
(b)	Income Tax Receivable	-	5 223
(c)	Income Tax Receivable (net of tax provision of Rs 1,02,550 Previous Year Rs 71,867)	-	-
	Total	**24 40 704**	**24 45 927**

Note: Rs. 24,40,704/- is recoverable from M/s Globe Consultant on account of cancellation of sale deed by District Collector of Sarguja by rejecting to take on record Company's name. The Company debited the amount to M/s Globe consultant who gave clearance for purchase of this land to the company. The cancellation of sale deed has been contested before Honorable High Court of Chattisgarh and which is pending before them.

6 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Shares (In No)	**Amount (In Rs.)**	**Shares (In No)**	**Amount (In Rs.)**
Authorised				
Equity Shares of ` 10/- each	7 50 00 000	75 00 00 000	7 50 00 000	75 00 00 000
Issued, Subscribed and fully Paid Up				
Equity Shares of ` 10/- each	1 71 86 177	17 18 61 770	1 71 86 177	17 18 61 770

A Reconciliation of the Shares Outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
Outstanding at the beginning of the year	1 71 86 177	17 18 61 770	1 71 86 177	17 18 61 770
Add : Shares issued under ESOS	-	-	-	-
Outstanding at the end of the year	**1 71 86 177**	**17 18 61 770**	**1 71 86 177**	**17 18 61 770**

B Shares held by Joint Venture Company (In Rs.)

Electrotherm (India) Limited	**90 45 127**	**9 04 51 270**	**90 45 127**	**9 04 51 270**

C List of Shareholders holding more than 5% of Paid-up Equity Share Capital

Sr No	Name of Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
(a)	Electrotherm (India) Limited	90 45 127	52.63%	90 45 127	52.63%
(b)	UltraTech Cement Limited	81 41 050	47.37%	81 41 050	47.37%

D The company has only one class of Equity shares having a par value of ` 10 per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportions to their shareholding.

Bhaskarpara Coal Company Limited

Notes to Financial Statements

7 Other Equity

(In Rs.)

Sr . No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Retained Earning		
	Opening Balance	(4 01 24 728)	(4 03 07 061)
	Addition during the year	2 82 304	1 82 333
	Closing Balance	**(3 98 42 424)**	**(4 01 24 728)**

8 Share Application money, pending allotment:

(In Rs.)

Sr . No.		As at March 31, 2020	As at March 31, 2019
(a)	Share Application money, pending allotment:	2 49 45 000	2 49 45 000
	Total	**2 49 45 000**	**2 49 45 000**

8.1 "Share Application Money, pending allotment

As per Companies (Acceptance of Deposits) Amendment Rules, 2015, if a company receives any amount by way of subscriptions to any shares before the 1st April, 2014 and disclosed in the balance sheet for the financial year ended on or before the 31st March, 2014 against which the allotment is pending on the 31st March, 2015, the company shall, by 1st June, 2015 either return such amounts to the persons from whom there were received or allot shares.

Ministry of Coal, Government of India has de-allocated the Bhaskarpara Coal Block vide letter dated 15.11.2012 and the Supreme Court of India vide order dated 24.09.2014 ordered cancellation of the coal block. The Central Government has as per the Coal Mines (Special Provisions) Act, 2015 auctioned the said Bhaskarpara Coal Block and selected the successful bidder for the said coal block. Ministry of Coal, Government of India has vide letter dated 24th October, 2014 and 18th December, 2015 sought information for valuation of compensation for payment to prior allottee as per the Coal Mines (Special Provisions) Act, 2015 and the payment of compensation will be as per the Coal Mines (Special Provisions) Act, 2015.

As the Company was incorporated with the main object of development of Bhaskarpara Coal Block, which is now de-allocated and cancelled, further infusion of funds by the any of joint ventures partners is not feasible to meet the statutory requirement. As per the Coal Mines (Special Provisions) Act, 2015, whenever the compensation amount will be disbursed by the Central Government / Nominating Authority, the said amount will be utilized for payment for refund of share application money or in case need arises, shares against the share application money, after making necessary legal compliance, will be allotted to the applicants.

In view of the above, the share application money has not been treated as “Deposit” as per the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

9 Trade Payables

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Trade Payables	5 900	11 800
	Total	**5 900**	**11 800**

As per Information available on Company's records, no amount was due to Micro Small and Medium Enterprises as defined under the MSME Act, 2006 and hence disclosure is not given.

10 Other Current Liabilities

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Registration Fees Payable	1 82 000	1 82 000
	Total	**1 82 000**	**1 82 000**

Bhaskarpara Coal Company Limited

Notes to Financial Statements

11 Other Income

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Interest Income on		
(a)	Bank Deposit	4 36 099	3 58 666
	Total	**4 36 099**	**3 58 666**

12 Depreciation & Amortisation Expense

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Depreciation and Amortisation	22 199	22 199
	Total	**22 199**	**22 199**

13 Other Expenses

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Auditors' Remuneration - Audit Fees	11 800	11 800
(b)	Travelling Expenses	15 053	51 967
(c)	ROC Filing Fees	1 800	18 500
	Total	**28 653**	**82 267**

14 Earning Per Share (EPS):

(In Rs.)

Particulars	Unit	As at March 31, 2020	As at March 31, 2019
Profit for the Year	`	**2 82 304**	**1 82 333**
Weighted average no. of shares for EPS computation for basic and diluted EPS	No.		
Basic		1 71 86 177	1 71 86 177
Diluted		1 96 80 677	1 96 80 677
Earnings per shares			
Basic	`	0.0164	0.0106
Diluted	`	0.0143	0.0093

Bhaskarpara Coal Company Limited

Notes to Financial Statements

15 Contingent Liability and Commitments (To the Extent not provided for):

(In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Contingent Liability		
(a)	Bank Guarantee given to Ministry of Coal, Government of India.	1 65 13 000	1 65 13 000
(b)	The District Registrar / Collector of Stamps has raised demand for difference in amount of stamp duty which was subsequently upheld by the Commissioner Revenue and Board of Revenue in the revision petition. The company has filed WP 1797/2019 and 1799/2019 before Chhattisgarh High Court and the same has been admitted, hence no provision has been made in this respect.	58 52 089	58 52 089
	Total	2 23 65 089	2 23 65 089

16 Segment Reporting:

The Company is engaged in the business of Mining of Coal. In accordance with the requirements of Ind AS 108 "Operating Segments" Company has identified these one segment as reporting segment.

17 Related Party Disclosures:

Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on "Related Party Disclosures" are given below:

(a) Name of the related parties and description of relationship :

Sr. No.	Description of Relationship	Name of the Related Party
(a)	Joint Venture Company	Electotherm (India)Limited
(b)	Joint Venture Company	UltraTech Cement Limited

(b) Key Management Personnel

Mr. Chaitanyapratap Sharma	Director
Mr. Dineshkumar Sharma	Director
Mr. Rajiv Kumar Saxena	Director
Mr. Sanjay Mantri	Director

(c) Details of Transactions with Related Parties during the year and balances outstanding as at March 31, 2020

(A) Transactions with related parties during the year **Rs. Nil**

(B) Balance outstanding (In Rs.)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Share Application Money		
	- UltraTech Cement Ltd.	2 49 45 000	2 49 45 000

18 Income Tax

The Major Compenent of Income Tax Expenses for the period ended 31st March,2020 and 31st March 2019 are: -

(In Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Statement of Profit and Loss		
Current Tax		
Current Income Tax	**1 02 550**	**71 867**
Previous Year Tax	**393**	**-**
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Income Tax Expenses reported in the Statement of Profit and Loss	**1 02 943**	**71 867**
Other Comprehensive Income (OCI)		
Tax Related to items recognised in OCI during the year		
Re-measurement gain / (loss) on defined benefit plans	-	-
Tax Credited in OCI	-	-

Bhaskarpara Coal Company Limited

Notes to Financial Statements

Reconcilation of tax expenses and the accounting profit multiplied by domestic tax rate for the year ended 31st March 2020 and 31st March 2019 :

(In Rs.)

Particular	As at March 31, 2020	As at March 31, 2019
Accounting Profit before tax	3 85 247	2 54 200
Enacted Income Tax Rate in India applicable to the Company	25.17%	26.00%
Tax using the Company's Domestic Tax Rate	96 959	66 095
Tax Effects of:		
Add: Non-Deductible Expenses	5 591	5 772
At the Effective Income Tax Rate of March 31, 2020 is 26.62% and March 31, 2019 is 28.27%.	1 02 550	71 867

19 Deferred Tax Adjustment

In accordance with Indian Accounting Standard 12 “Income Taxes”, the company does not have Deferred tax liabilities / Deferred tax assets as there are no taxable temporary differences or deductible temporary differences.

20 Ministry of Coal, Government of India vide their letter No: 13016/54/2008-CA-I Vol.III dated 15/11/2012 has ordered de-allocation of Bhaskarpara Coal block and invocation of partial amount of Bank Guarantee of Rs. 1.6513 Crores in respect thereof. However, M/s UltraTech Cement Limited one of the promoters of the company has filed writ petition under Article 226 of the Constitution of India in Chhattisgarh High Court. The High Court has granted stay against further proceedings. Subsequently Supreme Court of India vide its order dated 24.09.2014 ordered the cancellation of coal block allotted to the Company. In view of this de-allocation matter before Chhattisgarh High Court has become infructuous.

The High Court of Chhattisgrah has passesd final order on 15.11.2017 and upheld MoC demand to invoke the bank guarantee to the extent of the amount of Rs. 1.6513 Crores with accruals as may be due thereon. The company has filed SLP 35575/2017 in Hon'ble Supreme Court and stay granted on invocation of the bank guarantee.

21 In view of the order of the Supreme Court of India for cancellation of coal block alloted to the Company, the Company does not have any business to carry on. Hence these accounts are prepared on the basis that the Company is not a going concern.

The Government of India has promalgated the Coal mines (Special provisions) ordinance, 2014 . As per clause 16 of the ordinance, being a prior allottee, the Company is entitled to reimbursement of cost of land and mine infrastructure expenses. Consequently, out of project expenses of Rs. 11,36,47,143/-, the company made impairment of Rs. 3,48,53,225/- in respect of non recoverable expenditure in year closing 31.03.2015. Further all other assets are stated at realisable value and liabilities at which are actually payable.

Bhaskarpara Coal Company Limited

Notes to Financial Statements

22 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

22.01 Category-wise Classification of Financial Instruments:

(In Rs.)

Particular	Refer Note	As at 31-03-2020		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets:				
Other Financial Assets	3	-	63 05 908	63 05 908
Cash and Cash Equivalents	4	-	92 221	92 221
Total		**-**	**63 98 129**	**63 98 129**
Financial Liabilities:				
Trade Payables	9	-	5 900	5 900
Total		**-**	**5 900**	**5 900**

Particular	Refer Note	As at 31-03-2019		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets:				
Other Financial Assets	3	-	59 13 419	59 13 419
Cash and Cash Equivalents	4	-	1 80 884	1 80 884
Total		**-**	**60 94 303**	**60 94 303**
Other Financial Assets				
Trade Payables	9	-	11 800	11 800
Total		**-**	**11 800**	**11 800**

22.02 Category-wise Classification of Financial Instruments:

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The company has not valued any assets and liabilities at the fair values during the year

(b) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

23 Financial instruments risk management objectives and policies

The Company's principal financial liabilities includes trade payable only. The Company’s principal financial assets include Cash and Cash Equivalents and other financial Asset.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company's activities are not exposed to any Market Risk which includes Interest rate risk, Foreign Currency Risk, Credit Risk, Liquidity Risk etc as the company has not started any production activity.

24 Capital Management

For the purpose of requirement of company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

As on 31st March 2020, the company is not engaged in any business activity and therefore meeting of capital requirement is not required.

Bhaskarpara Coal Company Limited

Notes to Financial Statements

25 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 27/04/2020, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

26 Figures of previous year's have been regrouped, wherever necessary to make them comparable to current year's figure.

As per our report of even date attached
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

(Hitesh P Shah)
Partner
Membership No:124095
UDIN: 20124095AAAABF7703
Date: 27/04/2020
Place: Ahmedabad

For and on behalf of the Board

Dineshkumar Sharma	**Sanjay Mantri**
DIN: 00914419	**DIN: 07525530**

Date: 27/04/2020
Place: Ahmedabad

ET ELEC-TRANS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR
2019-2020

ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS
36,3rd Floor, Alishan, Opp. Dr.Vallu's Hospital, Stadium Road, Navrangpura,
Post Navjivan, Ahmedabad – 380 014. Telephone (M) 9824082390

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ET Elec-Trans Limited
Ahmedabad

Report on the Stand alone Ind AS Financial Statements

Opinion

I have audited the accompanying standalone Ind AS financial statements of **ET Elec-Trans Limited ('the company')**, which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Cash flow statement and the statement of changes in equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements') .

In my opinion and to the best of my information and according to the explanations given to me read with the notes to accounts, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am 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 my audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of Management for the Stand alone Ind AS Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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

My objectives are to obtain reasonable assurance about whether the Ind AS 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 my 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 Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub – section (11) of Section 143 of the Act, I give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said order to the extent applicable to the Company for the year under consideration.

As required by Section 143(3) of the Act, I report that:

(a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;

(b) In my opinion proper books of account as required by the law have been kept by the company so far as it appears from my examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In my opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rule, 2015, as amended;

(e) On the basis of the written representation received from the directors as on 31st March, 2020 and taken on the records by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "**Annexure B**".

(g) In my opinion and according to information and explanations given to me, no remuneration is paid by the Company to its directors during the current year.

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses to the Ind AS Financial Statements;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad
Date: 10/06/2020

For, Ashok Bhogilal& Co.
Chartered Accountants
Firm Registration No. 119508W

(Ashok B. Shah)
Proprietor
Membership No. 106874
UDIN No: 20106874AAAABR1344

ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS
36, 3rd Floor, Alishan, Opp. Dr.Vallu's Hospital, Stadium Road, Navrangpura, Post Navjivan, Ahmedabad – 380 014. Telephone (M) 9824082390

Annexure to the Independent Auditor's Report
Re: **ET Elec-Trans Limited**

Annexure-A referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of my report of even date,

(i) The Company does not have any fixed assets. Therefore, requirements as per clause (i) paragraph 3 of the Order are not applicable.

(ii) The Company does not have any inventories. Therefore, requirements as per clause (ii) paragraph 3 of the Order are not applicable.

(iii) As informed to me, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act') and accordingly clause (iii) of paragraph 3 of the Order are not applicable to the Company.

(iv) In my opinion and according to the information and explanations given to me, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) As informed to me, during the year the Company has not accepted any deposits from the public within the meaning of Sections 73,74,75 and 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.

(vi) The Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company and accordingly clause (vi) of paragraph 3 of the Order are not applicable to the company.

(vii) (a) According to the information and explanation given to me and based on the records of the Company examined by me, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income–tax and any other material statutory dues as applicable, with the appropriate authorities in India;

According to the information and explanations given to me, no undisputed amounts payable in respect of income–tax and any other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except Professional tax of Rs. 6,185/-. As informed, the Company is currently not liable to Goods and Service Tax, provident fund, employees' state insurance and duty of excise.

(b) According to the information and explanations given to me and based on the records of the Company examined by me, there are no dues outstanding of income-tax, sales tax, service tax, duty of customs and value added tax on account of any dispute. As informed, the Company is currently not liable to duty of excise.

(viii) According to the records of the company examined by me and the information and explanation given to me, the Company has not borrowed any loans from financial institution and bank as at the balance sheet date and therefore clause (viii) of paragraph 3 of the Order are not applicable to the company.

(ix) In my opinion, and according to the information and explanation given to me, the company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and accordingly clause (ix) of paragraph 3 of the Order are not applicable to the company.

(x) During the course of my examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, according to the information and explanation given to me, I have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor has been informed of any such case by the Management.

(xi) The Company has not provided for managerial remuneration in the books of accounts during the year under section 197 of the Companies Act, 2013 and accordingly clause (xi) of paragraph 3 of the Order are not applicable to the company.

(xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, clause (xii) of paragraph 3 of the Order are not applicable to the company.

(xiii) During the year the Company has not entered into transactions with the related parties in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013. The details of outstanding balances with such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) As informed to me and according to the information and explanation given to me, the Company has made no preferential allotment of shares during the year under review and therefore clause (xiv) of paragraph 3 of the Order are not applicable to the company.

(xv) According to the records of the Company examined in course of my audit and as per the information and explanations given to me, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of paragraph 3 of the Order is not applicable to the company.

Place: Ahmedabad
Date: 10/06/2020

For, Ashok Bhogilal& Co.
Chartered Accountants
Firm Registration No. 119508W

(Ashok B. Shah)
Proprietor
Membership No. 106874

Annexure to the Independent Auditor's Report

Re: **Et Elec-Trans Limited**

Annexure B referred to in paragraph 2(f) of My Report of even dateto the members of the Company on the standalone Ind AS Financial Statements for the year ended March 31, 2020

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

I have audited the internal financial controls over financial reporting of the Et Elec-Trans Limited ('the Company') as of March 31, 2020 in conjunction with my audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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 Act.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting are established and maintained and whether such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 in the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

Internal financial control over financial reporting is a process designed by the Company 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. Further, 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 owing to changes in conditions or that the degree of compliance with the policies or procedures may deteriorate or for other reasons.

Opinion

In my 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Ahmedabad
Date: 10/06/2020

For, Ashok Bhogilal& Co.
Chartered Accountants
Firm Registration No. 119508W

(Ashok B. Shah)
Proprietor
Membership No. 106874

ET Elec-Trans Limited

CIN U34102GJ2008PLC055557

Balance Sheet as at March 31, 2020

(Amount in Rupees)

	Particulars	Note No.	As at March 31,2020 Audited	As at March 31,2019 Audited
	(1)	(2)	(3)	(4)
I	*ASSETS*			
(1)	**Non-Current Assets**			
	Property, Plant and Equipment		-	-
	Capital Work-in-Progress		-	-
	Financial Assets:			
	Other Financial Assets		-	-
	Total Non-Current Assets		-	-
(2)	**Current Assets**			
	Financial Assets:			
	Cash and Cash Equivalents	1	5,859	5,859
	Other Current Assets		-	-
	Total Current Assets		5,859	5,859
	TOTAL ASSETS		**5,859**	**5,859**
I	*EQUITY AND LIABILITIES*			
(1)	**Equity**			
	Equity Share Capital	2	90,00,000	90,00,000
	Other Equity	3	(1,47,67,830)	(1,47,52,830)
			(57,67,830)	(57,52,830)
(2)	**Liabilities**			
	Non-Current Liabilities			
	Financial Liabilities:			
	Borrowings	4	55,17,504	55,02,504
	Other Financial Liabilities	5	2,50,000	2,50,000
	Total Non-Current Liabilities		57,67,504	57,52,504
	Current Liabilities			
	Financial Liabilities:			
	Trade Payables		-	-
	Other Current Liabilites	6	6,185	6,185
	Current Tax Liabilities		-	-
	Total Current Liabilities		6,185	6,185
	TOTAL EQUITY AND LIABILITIES		**5,859**	**5,859**

Summary of Significant Accounting policies 1

The accompanying notes are an integral part of the Financial Statements.

As per my report of even date attached.

For Ashok Bhogilal & Co.
Chartered Accountants
Firm Registration No: 119508W

For and on behalf of the Board
ET Elec-Trans Limited

(Ashok B. Shah)
Proprietor
Membership No:106874

Narendra Dalal
DIN: 00058946

Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 10/06/2020

Place: Ahmedabad
Date: 10/06/2020

ET Elec-Trans Limited

CIN U34102GJ2008PLC055557

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

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
		Audited	Audited
(1)	(2)	(3)	(4)
REVENUE:			
Revenue from Operations		-	-
Other Income	7	-	64 324
TOTAL INCOME (I)		-	**64 324**
EXPENSES:			
Depreciation and Amortisation expenses		-	-
Other Expenses	8	15,000	92,252
TOTAL EXPENSES (II)		**15,000**	**92,252**
Profit before Tax Expenses (I)-(II)		**(15,000)**	**(27,928)**
Tax Expense:			
Current Tax		-	-
Earlier Year Tax		-	-
Total Tax Expenses		-	-
Profit for the Year (III)		**(15,000)**	**(27,928)**
Other Comprehensive Income			
Item that will be reclassified to Profit and Loss		-	-
Item that will not be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income		-	-
**Total Comprehensive Income for the **		**(15,000)**	**(27,928)**
Earnings per Equity share	9		
(Face value of Rs. 10 each)			
Basic (In Rs.)		(0.0167)	(0.0310)
Diluted (In Rs.)		(0.0167)	(0.0310)

As per my report of even date attached.

For Ashok Bhogilal & Co.
Chartered Accountants
Firm Registration No: 119508W

For and on behalf of the Board
ET Elec-Trans Limited

(Ashok B. Shah)
Proprietor
Membership No:106874

Narendra Dalal
DIN: 00058946

Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 10/06/2020

Place: Ahmedabad
Date: 10/06/2020

ET Elec-Trans Limited

CIN U34102GJ2008PLC055557

Statement of Change in Equity as at March 31, 2020

A . Equity Share Capital

As at March 31, 2020

(Amount in Rupees)

Particulars	Balance as at April 01, 2019	Changes in Equity Share capital during the year	Balance as at March 31, 2020
In Numbers	9,00,000	-	9,00,000
In Rupees	90,00,000	-	90,00,000

As at March 31, 2019

(Amount in Rupees)

Particulars	Balance as at April 01, 2018	Changes in Equity Share capital during the year	Balance as at March 31, 2019
In Numbers	9,00,000	-	9,00,000
In Rupees	90,00,000	-	90,00,000

B. Other Equity

For the period ended March 31, 2020

(Amount in Rupees)

Particulars	Reverse & Surplus	Total Other Equity
	Retained Earnings	
Balance as at April 01, 2019	(1,47,52,830)	(1,47,52,830)
Profit / (Loss) for the period	(15,000)	(15,000)
Total Comprehensive Income/(loss) for the period	**(15,000)**	**(15,000)**
Dividends (includes Dividend Distribution Tax)	-	-
Balance as at March 31,2020	**(1,47,67,830)**	**(1,47,67,830)**

For the period ended March 31, 2019

(Amount in Rupees)

Particulars	Reverse & Surplus	Total Other Equity
	Retained Earnings	
Balance as at April 01, 2018	(1,47,24,902)	(1,47,24,902)
Profit / (Loss) for the period	(27,928)	(27,928)
Total Comprehensive Income/(loss) for the period	**(27,928)**	(27,928)
Dividends (includes Dividend Distribution Tax)	-	-
Balance as at March 31,2019	**(1,47,52,830)**	**(1,47,52,830)**

For Ashok Bhogilal & Co.
Chartered Accountants
Firm Registration No: 119508W

For and on behalf of the Board
ET Elec-Trans Limited

(Ashok B. Shah)
Proprietor
Membership No:106874

Narendra Dalal — **DIN: 00058946**

Avinash Bhandari — **DIN: 00058986**

Place: Ahmedabad
Date: 10/06/2020

Place: Ahmedabad
Date: 10/06/2020

ET Elec-Trans Limited

CIN U34102GJ2008PLC055557

Cash Flow Statement for the year ended on March 31, 2020

(Amount in Rupees)

	Particulars		Year ended on March 31,2020	Year ended on March 31,2019
	(1)		(2)	(3)
(A)	**Cash flow from operating activities**			
	Profit (Loss) before Tax		(15,000)	(27,928)
	Adjustments for:			
	Interest Income		-	-
	Depreciation and amortisation		-	-
	Operating Profit before Working Capital Changes		**(15,000)**	**(27,928)**
	Movement in working Capital:			
	Decrease/(Increase) in Financial & other current assets		-	36 707
	Increase/(Decrease) in other current liabilities		-	(71 204)
	Increase/(Decrease) in Financial and other liabilities		15,000	62,425
	Cash Generated from Operation		**-**	**-**
	Direct Taxes Paid		-	-
	Cash generated/ (used) from/ (in) operating activi	**(A)**	**-**	**-**
(B)	**Cash Flow from investing activities**			
	Sale of fixed assets		-	-
	Redemption / (Investment) in Bank Deposits		-	-
	Interest Received		-	-
	Net cash used in investing activities	**(B)**	**-**	**-**
(C)	**Cash Flow from financing activities**			
	Interest Paid		-	-
	Cash generated / (Used) from / (in) financing activ	**(C)**	**-**	**-**
	Net increase/(decrease) in cash and cash equivale	**(A + B + C)**	**-**	**-**
	Cash and cash equivalents at beginning of the year		5,859	5,859
	Cash and cash equivalents at end of the year		5,859	5,859
	Cash & Bank Balance as per Note No.1		5,859	5 859

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in IndAS - 7 specified under section 133 of the Companies Act, 2013.
2. Figures in brackets represent outflows.
3. Previous year figures have been recast/restated wherever necessary.

As per my report of even date attached.

For Ashok Bhogilal & Co.
Chartered Accountants
Firm Registration No: 119508W

(Ashok B. Shah)
Proprietor
Membership No:106874

Place: Ahmedabad
Date: 10/06/2020

For and on behalf of the Board
ET Elec-Trans Limited

Narendra Dalal — **DIN: 00058946**

Avinash Bhandari — **DIN: 00058986**

Place: Ahmedabad
Date: 10/06/2020

Note 1 Significant Accounting Policies

1.1 Basis of accounting and preparation of Financial Statements :

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the companies (Indian Accounting Standards) Amendment Rules, 2016.

This financial statements has been prepared on historical cost basis.

1.2 The Company presents assets and liabilities in the Balance Sheet based on Current/non-current classification: -

An asset is treated as current when it is:
> Expected to be realised or intended to be sold or consumed in the 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 classfied as non-current

A liability is current when:
> it is expected to be settled in the normal operating cycle;
> it is held primarily for the purpose of trading;
> it is due to be settle 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.

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

1.3 Accounting Presumption

During the year the company has not carried out any business or commercial activity. The accounts have been prepared on the accounting assumption that the company is no more a going conern. During the year the company has a cash loss of Rs. 27,928/- and accumulated losses of Rs. 1,47,52,830/- which has fully eroded the net worth of the company.

1.4 IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.5 BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Note 1 Significant Accounting Policies

1.6 REVENUE:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

ii) Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

1.7 TAXES:

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

> When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.

> In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, except:

> When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

>In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Note 1 Significant Accounting Policies

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.8 PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

1.9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

1.10 CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

1.11 General:

Any other accounting policy not specifically referred to are consistent with generally accepted accounting policies.

ET Elec-Trans Limited

CIN : U34102GJ2008PLC055557

Notes to Financial Statements

1 Cash & Cash Equivalent: **(Amount in Rupees)**

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Balance with Banks (Current Accounts)	5 859	5 859
(b)	Cash on Hand	-	-
	Total	**5 859**	**5 859**

2 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of Rs. 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, Subscribed and fully Paid Up				
Equity Shares of Rs. 10/- each	**9,00,000**	**90,00,000**	**9,00,000**	**90,00,000**

A Reconciliation of the Shares Outstanding at the beginning and at the end of the year

Particulars	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	9,00,000	90,00,000	9,00,000	90,00,000
Add : Shares issued under ESOS	-	-	-	-
Outstanding at the end of the year	**9,00,000**	**90,00,000**	**9,00,000**	**90,00,000**

B Shares held by Holding Company

	Electrotherm (India) Limited	**7,24,400**	**72,44,000**	**7,24,400**	**72,44,000**

C List of Shareholders holding more than 5% of Paid-up Equity Share Capital

	Name of Shareholer	No. of Shares	% of Holding	No. of Shares	% of Holding
(a)	Electrotherm (India) Limited	7,24,400	80.49%	7,24,400	80.49%
(b)	Dilip Nandkeolyar	1,55,000	17.22%	1,55,000	17.22%

D The company has only one class of Equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportions to their shareholding.

3 Other Equity

(Amount in Rupees)

Sr . No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Retained Earning		
	Opening Balance	(1,47,52,830)	(1,47,24,902)
	Addition during the year	(15,000)	(27,928)
	Deduction during the year	-	-
	Closing Balance	**(1,47,67,830)**	**(1,47,52,830)**

ET Elec-Trans Limited

CIN : U34102GJ2008PLC055557

Notes to Financial Statements

4 Borrowings

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Non Current Borrowings		
(a)	From Holding Company	51,29,808	51,29,808
(b)	From Directors	3,87,696	3,72,696
	Total	**55,17,504**	**55,02,504**
	Aggregate Secured Loan	-	-
	Aggregate Unsecured Loan	**55,17,504**	**55,02,504**

5 Other Financial Liabilities

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
	Non Current Liabilities		
(a)	Creditors for Expenses	2,50,000	2,50,000
(b)	Other Trade Deposits	-	-
	Total	**2,50,000**	**2,50,000**

As per Information available on Company's records, no amount was due to Micro Small and Medium Enterprises as defined under the MSME Act,2006 and Hence disclosure is not given

6 Other Current Liabilities

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Statutory Liabilities	6,185	6,185
	Total	**6,185**	**6,185**

7 Other Income

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Sundry Balances Written Off	-	64,324
	Total	**-**	**64,324**

8 Other Expenses

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Interest on VAT	-	58 888
(b)	Penalty on VAT	-	27 564
(c)	ROC Filing Fees	15,000	5,800
	Total	**15,000**	**92,252**

ET Elec-Trans Limited

CIN : U34102GJ2008PLC055557

Notes to Financial Statements

9 Earning Per Share (EPS):

Earning per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

(Amount in Rupees)

Particulars	Unit	As at March 31, 2020	As at March 31, 2019
Net Profit /(Loss) as per Statement of Profit &	Rs.	**(15,000)**	**(27,928)**
Weighted average of number of equity shares	No.		
Basic		9,00,000	9,00,000
Diluted		9,00,000	9,00,000
Profit/(Loss) per share of face value of Rs. 10			
Basic	`	(0.0167)	(0.0310)
Diluted	`	(0.0167)	(0.0310)

10 Segment Reporting:

The Company is not engaged in any kind of reportable segment and therefore disclosure as per Ind AS 108 "Operating Segments" are not given.

11 Related Party Disclosures:

Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” are given below:

(a) Name of the related parties and description of relationship :

Sr. No.	Description of Relationship	Name of the Related Party
(a)	Holding Company	Electotherm (India) Limited (EIL)

(b) Key Management Personnel / Director

Mr. Narendra Dalal — Director
Mr. Avinash Bhandari — Director
Mr. Siddharth Bhadari — Director

(c) Details of Transactions with Related Parties during the Period and balances outstanding as at March 31, 2020:

(A) Transactions with related parties during the Year

Sr. No.	Particulars	Holding Company		Key Managerial Person / Director	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Statutory Liability Payment	-	-	-	-
	Holding Company	51,29,808	51 29 808	-	-
	Borrowings (For Expenses):-				
	Siddharth Mukeshbhai Bhandari	-	-	3,87,696	3,72,696

Notes to Financial Statements

(B) Balance outstanding

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Holding Company		
	Electrotherm (India) Limited	51,29,808	51,29,808
(i)	Key Managerial Person		
	- Siddharth Mukeshbhai Bhandari	3,87,696	3,72,696

12 Income Tax

The Major Component of Income Tax Expenses for the year ended 31st March, 2020 & 31st March, 2019 are:-

Particulars	As at March 31, 2020	As at March 31, 2019
Statement of Profit and Loss		
Curent Tax		
Current Income Tax	-	-
Deferred Tax		
Deferred Tax Expenses / (Benefit)	-	-
Income Tax Expenses reported in Statement of Profit & Loss	-	-
Other Comprehensive Income (OCI)		
Tax related to items recognized in OCI during the year		
Re-measurement gain/(loss) on defined benefit plans	-	-
Tax Credited in OCI	-	-

Reconciliation of Tax Expenses and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax	-	-
Enacted Income Tax rate in India applicable to the company	26.00%	26.00%
Tax using the Company's domestic Tax rate	-	-
Tax Effect of:		
Add: Non Deudctible Expenses	-	-
At the effective Income tax rate of March 31,2020 is 0.00% , March 31, 2019 is 0.00%	-	-

As per income tax return filed by the company for Asst. Year 2019-20 the carried forward Loss up to Asst. Year 2019-20 is Rs. 1,41,66,032/-

13 Deferred Tax Adjustment

In accordance with Indian Accounting Standard 12 “Income Taxes”, the Company does not have Deferred Tax liabilities / Deferred Tax Assets as there are no taxable temporary differences or deductible temporary differences.

14 Financial Instruments,Fair Value Measurements, Financial Risk and Capital Management

ET Elec-Trans Limited

CIN : U34102GJ2008PLC055557

Notes to Financial Statements

15 Category-wise classification of financial instruments:

(Amount in Rupees)

Particulars	Refer Note	As at 31-03-2020		
		Fair Value through Profit or Loss	Amortised Cost	Carrying Value
Financial Assets				
Other Financial Assetes		-	-	-
Cash and Cash Equivalents	1	-	5,859	5,859
Total		-	**5,859**	**5,859**
Financial Liabilities				
Borrowings	4	-	55,17,504	55,17,504
Other Financial Liabilities	5	-	2,50,000	2,50,000
Other Current Liabilities	6	-	6,185	6,185
Total			**57,73,689**	**57,73,689**

Particulars	Refer Note	As at 31-03-2019		
		Fair Value through Profit or Loss	Amortised Cost	Carrying Value
Financial Assets				
Other Financial Assetes		-	-	-
Cash and Cash Equivalents	1	-	5,859	5,859
Total		-	**5,859**	**5,859**
Financial Liabilities				
Borrowings	4	-	55,02,504	55,02,504
Other Financial Liabilities	5	-	2,50,000	2,50,000
Other Current Liabilities	6	-	6,185	6,185
Total			**57,58,689**	**57,58,689**

16 Category-wise classification of financial instruments:

a) Quantitative disclosures fair value measurement hierchy for financial assets and financial liabilities

The company has not valued any assets and liabilities at the fair values.

b) Financial instruments measured at Amortised Cost.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

17 Financial Instruments risk management objectives and policies

The company's principal financial liabilities includes Borrowings, other financial liabilities and other current liabilities. The company's principal financial assets includes Cash and Cash Equivalents only.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

The Company's activities are not exposed to any Market Risk which includes interest rate risk, Foreign currency risk, credit risk, Liquidity risk etc. as the company has not carried out any commercial activities.

18 Capital Management

For the purpose of requirement of Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the company. The primary objective of the company when managing capital is to safeguard its ability to continue as a going concern and to maintain optimal capital structure so as to maximize the shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and development of surplus funds into various investment options.

During the year the company has not carried out any commercial activities and the accumulated losses has eroded the paid up capital of the company and therefore meeting of capital requirement is not required.

19 Events occured after the Balance sheet date

The Company evaluates events and transactions that occur subsequent to the Balance sheet Date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 10/06/2020, there were no subsequent events to be recognised or reported that are not already disclosed elsewhere in these financial statements.

20 Figures of the previous year have been regrouped / re arranged wherever necessary to make them comparable with current year's figures.

As per my report of even date attached.

For Ashok Bhogilal & Co.
Chartered Accountants
Firm Registration No: 119508W

(Ashok B. Shah)
Proprietor
Membership No:106874
Place: Ahmedabad
Date: 10/06/2020

For and on behalf of the Board
ET Elec-Trans Limited

Narendra Dalal
DIN: 00058946

Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 10/06/2020

ELECTROTHERM SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR 2019-2020

HITESH PRAKASH SHAH & CO
Chartered Accountants

B-31, Ghantakaran Market,
Nr. New Cloth Market, Sarangpur,
Ahmedabad - 380002
Email: shahitesh@gmail.com
Mobile No.9998610352.

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
ELECTROTHERM SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying **Ind AS** Financial Statements of **ELECTROTHERM SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its **LOSS** (including other comprehensive amount of Rs. Nil), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 Act and the Rules thereunder, 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.

Information Other than on Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive amount), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls regarding financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company for the year under consideration.

(A) As required by Section 143(3) of the Act, based on our audit, we broadly report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance Sheet, the statement of profit and loss (including other comprehensive amount), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and as amended time to time.

e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided any remuneration to its directors during the year.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) There are no pending litigations and accordingly no impact of it on its financial position in its financial statements is required to be shown;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership Number 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABO3588

ANNEXURE A TO THE AUDITOR'S REPORT

[**ANNEXURE "A"** REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ELECTROTHERM SERVICES LIMITED, FOR THE YEAR ENDED ON **MARCH 31, 2020**]

i. **Fixed Assets**:

(a) The Company has maintained proper records showing full quantitative details and situation, of fixed assets (property, plant and equipment).

(b) The company has a regular programme of physical verification of its property plant and equipment, by which the property plant and equipment are verified at regular intervals. In accordance with this programme the property plant and equipment were verified during the year and as informed to us no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) The title of immovable properties, as disclosed in Note No. 3 of the Financial Statement under the head of Property, Plant and Equipment, is held in the name of the company.

ii. The Company does not have any inventory and accordingly paragraph 3(ii) of the order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no Investment, loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

v. The Company has not accepted any deposits (other than the exempted deposit) within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

vi. As informed to us, pursuant to rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its product as there is no production activity.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable

(c) There are no cases of non-deposit with the appropriate authorities of disputed dues of Customs Duty and Goods and Services Tax, Income Tax, Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loans or borrowings from financial institutions and banks. The Company has not issued any debentures or borrowed funds from Government., accordingly provisions of clause 3(viii) of the order is not applicable to the Company and hence not commented upon.

ix. According to the information and explanations given by the Management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans and hence reporting under clause (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to information and explanation given to us, the Company has not paid/ provided any managerial remuneration as per provision of section 197 read with Schedule V to the Act and hence, reporting under clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

xv. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

xvi. According to the information and explanations given by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership Number 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABO3588

ANNEXURE B TO THE AUDITOR'S REPORT

[ANNEXURE B Referred to in paragraph 1(A)(f) of the Independent Auditor's Report of the even date to the members of **ELECTROTHER SERVICES LIMITED** on the Financial Statement for the year ended **March 31, 2020**.]

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on March 31, 2020.

We have audited the internal financial controls over financial reporting of **ELECTROTHERM SERVICES LIMITED** ("the Company") as of **March 31, 2020,** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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) Pertaining 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, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership No 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABO3588

ELECTROTHERM SERVICES LIMITED

Balance Sheet as at 31st March 2020

(Amount In Rupees)

Particulars	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	28,92,654	28,92,654
Financial assets	4		
Investments		-	68,88,274
Total non-current assets		28,92,654	97,80,928
Current assets			
Financial assets			
Cash and cash equivalents	5	1,36,906	1,37,551
Total current assets		1,36,906	1,37,551
Total Assets		30,29,560	99,18,479
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	35,00,000	35,00,000
Other equity			
Retained earnings	7	-4,23,36,248	-3,54,25,652
Total other equity		-4,23,36,248	-3,54,25,652
Total equity		-3,88,36,248	-3,19,25,652
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	8	4,17,69,000	4,17,69,000
Total non-current liabilities		4,17,69,000	4,17,69,000
Current liabilities			
Financial liabilities			
Trade payables	9		
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		5,900	5,900
Other financial liabilities	10	90,908	69,231
Total current liabilities		96,808	75,131
Total Equity and Liabilities		30,29,560	99,18,479
Corporation Information and significant accounitng polices	1 & 2		

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED

HITESH SHAH
Partner
Membership No. 124095
UDIN: 20124095AAAABO3588

SHAILESH BHANDARI
Director
(DIN : 0058866)

AVINASH BHANDARI
Director
(DIN : 00058986)

Place : Ahmedabad
Date : 27th June 2020

Place : Palodia
Date : 27th June 2020

ELECTROTHERM SERVICES LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2020

(Amount In Rupees)

Particulars	Notes	Year Ended 31-03-2020	Year Ended 31-03-2019
Revenue from operations		-	-
Other income		-	-
Total income		-	-
Expenses			
Cost of raw materials and components consumed		-	-
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Employee benefits expenses		-	-
Finance costs	11	645	-
Depreciation and amortisation expenses		-	-
Other expenses	12	21,677	47,637
Total expenses		22,322	47,637
Profit/(Loss) before exceptional items and tax		-22,322	-47,637
Exceptional items	13	68,88,274	-
Profit /(Loss) before tax		-69,10,596	-47,637
Tax expense		-	
Profit/(Loss) for the year		-69,10,596	-47,637
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(Loss)for the year, net of tax		-69,10,596	-47,637
Earnings per equity share [nominal value per share Rs 10/- (March 31, 2019: Rs 10/-)]			
Basic & Diluted	20	-19.74	-0.14
Corporation Information and significant accounitng polices	1 & 2		

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED

HITESH SHAH
Partner
Membership No. 124095
UDIN: 20124095AAAABO3588

SHAILESH BHANDARI
Director
(DIN : 0058866)

AVINASH BHANDARI
Director
(DIN : 00058986)

Place : Ahmedabad
Date : 27th June 2020

Place : Palodia
Date : 27th June 2020

ELECTROTHERM SERVICES LIMITED

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

A. Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid	Numbers	(Amount In Rupees)
As at 1st April, 2018	**3,50,000**	**35,00,000**
Issue of Equity Share Capital	-	-
As at 31st March, 2019	**3,50,000**	**35,00,000**
Issue of Equity Share Capital	-	-
As at 31st March, 2020	**3,50,000**	**35,00,000**

B. Other Equity

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 1st April, 2018	**(3,53,78,015)**	**(3,53,78,015)**
Profit / (Loss) for the year	(47,637)	(47,637)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-
Total Comprehensive Income/(Loss)	(47,637)	(47,637)
As at 31st March, 2019	**(3,54,25,652)**	**(3,54,25,652)**
Profit / (Loss) for the year	(69,10,596)	(69,10,596)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-
Total Comprehensive Income/(Loss)	(69,10,596)	(69,10,596)
As at 31st March, 2020	**(4,23,36,248)**	**(4,23,36,248)**
Corporation Information and significant accounitng polices	1 & 2	

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED

HITESH SHAH
Partner
Membership No. 124095
UDIN: 20124095AAAABO3588
Place : Ahmedabad
Date : 27th June 2020

SHAILESH BHANDARI
Director
(DIN : 0058866)

AVINASH BHANDARI
Director
(DIN : 00058986)

Place : Palodia
Date : 27th June 2020

ELECTROTHERM SERVICES LIMITED

Cash Flow Statement for the Year Ended on 31st March 2020

(Amount In Rupees)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	**(69,10,596)**	(47,637)
Provision for Impairment in Investment	**68,88,274**	
Adjustments to reconcile profit before tax to net cash flows:	**-**	-
Operating Profit before working capital changes	**(22,322)**	(47,637)
Working capital adjustments:		
Decrease/(Increase) in other Financial Asset	**-**	-
(Decrease)/Increase in trade payables	**-**	-
(Decrease)/Increase in Other Financial Liabilities	**21,677**	47,637
Cash generated from operations	(645)	-
Direct taxes paid (net)	**-**	-
Net Cash (used in) generated from operating activities	**(645)**	-
B: CASH FLOW FROM INVESTING ACTIVITIES	**-**	-
Net Cash (used in) generated from investing activities	**-**	**-**
C: CASH FLOW FROM FINANCING ACTIVITIES	**-**	-
Net Cash (used in) generated from financing activities	**-**	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	**(645)**	-
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	**-**	-
Cash and Cash Equivalents at the beginning of the year	**1,37,551**	1,37,551
Cash and Cash Equivalents at the end of the year	**1,36,906**	1,37,551

The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 “Statement of Cash Flow” issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015)

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

HITESH SHAH
Partner
Membership No. 124095
UDIN: 20124095AAAABO3588

Place : Ahmedabad
Date : 27th June 2020

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED

SHAILESH BHANDARI
Director
(DIN : 0058866)

AVINASH BHANDARI
Director
(DIN : 00058986)

Place : Palodia
Date : 27th June 2020

Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED for the year ended 31st March, 2020

1. CORPORATE INFORMATION:

Electrotherm Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's holding Company is Electrotherm (India) Limited. The Registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. At the present the company does not carry out any business.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 27th June 2020.

2. BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

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

With effect from 1st April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company do not used any lease assets and therefore this Ind AS 116 is not applicable to the company.

The financial statements are presented in Indian Rupees (Rs), except when otherwise indicated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

• Expected to be realised or intended to be sold or consumed in the 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 the 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.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant accounting judgements, estimates and assumptions, Quantitative disclosures of fair value measurement hierarchy and the Financial instruments (including those carried at amortised cost), are stated by way the note at the appropriate place of the accounts.

c. PROPERTY, PLANT AND EQUIPMENT (PPE):

On the date of transition the Company has elected to continue with the previous GAAP's carrying amount as deemed cost to measure all the items of property, plant and equipment.

PPE and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the PPE and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of PPE are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

d. IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

e. BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

f. FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost

- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)

- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g. PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

h. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

i. CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.2 **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ELECTROTHERM SERVICES LIMITED

Notes to Financial Statements for the Year ended 31st March, 2020

Note No.-3 Property, Plant and Equipment

(a) Property, Plant and Equipment

-

Particulars	Free Hold Land	Total
Gross Carrying amount (at cost)		
As at 1st April, 2018	**28,92,654**	**28,92,654**
Additions	-	-
Disposal / Adjustment	-	-
As at 31st March, 2019	**28,92,654**	**28,92,654**
Additions	-	-
Disposal / Adjustment	-	-
As at 31st March, 2020	**28,92,654**	**28,92,654**
Depreciation/Amortization and Impairment		
As at 1st April, 2018	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31st March, 2019	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31st March, 2020	-	-
Net Block		
As at 31st March, 2020	**28,92,654**	**28,92,654**
As at 31st March, 2019	28,92,654	28,92,654

Cost of the Property, Plant and Equipment includes carrying value recognised as deemed cost as of 1st April 2016, measured as per previous GAAP and cost of subsequent additions

ELECTROTHERM SERVICES LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2020

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
4	**Financial Assets**		
	Investments		
	Non-Trade Investments		
	Investment in unquoted Equity Shares of Subsidiary of Holding Company (at Cost)		
	40,950 (31st March 2019 - 40,950) Equity Shares of face value of Rs. 100/- Each of Shree Ram Electrocast Limited	4,17,69,000	4,17,69,000
	Less: Provision for impairment in value of Investment*	-4,17,69,000	-3,48,80,726
		-	68,88,274
	Current	-	-
	Non-Current	-	68,88,274
		-	68,88,274
	Aggregate book value of Unquoted Investments	-	4,17,69,000
		-	4,17,69,000
a	*Note: Investment were tested for impairment on 1st April 2016, where indicators of impairment existed. Based on an assessment of external market conditions and evaluation of working of the company, indicators of impairment were identified and therefore the Company recongnised impairment charge of Rs. 3,48,80,726 /-. During the year, the State Bank of India has taken action under SARFAESI Act, 2002, and have sold all the Property, Plant and Equipment's and Inventories under auction lying at the factory of Shree Ram Electro Cast Limited and the going concern of the said company is affected, therefore the company has recongnised the Impairment in value of investment of Rs 6,888,274.		

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
5	**Cash and Cash Equivalents**		
	Balances with Banks		
	- In Current accounts	1,36,906	1,37,551
		1,36,906	1,37,551

Note No.	Particulars		
6	**Share Capital**		
	Authorised Share Capital		
	Equity Share Capital of Rs 10 each		
		EQUITY SHARES	
		Numbers	**(Amount In Rupees)**
	As at 1st April, 2018	20,00,000	2,00,00,000
	Increase/(decrease) during the year	-	-
	As at 31st March, 2019	20,00,000	2,00,00,000
	Increase/(decrease) during the year	-	-
	As at 31st March, 2020	20,00,000	2,00,00,000

Rights, preference and restriction attached to Equity Shares

-The company has only one class of equity shares having a face value of Rs 10/- per share.
-Each holder of equity shares is entitled to one vote per share.
-The company declares and pay dividends in Indian rupees.
-The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting.
-During the year ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2019: Rs Nil).
-In the event of liquidation of the company, the holder of equity shares will be entitled to receive 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.

Issued, subscribed and fully paid up share

Equity shares of Rs. 10 each

	Numbers	**(Amount In Rupees)**
As at 1st April, 2018	3,50,000	35,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	3,50,000	35,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	**3,50,000**	**35,00,000**

Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
Holding Company-Electrotherm (India) Limited	3,50,000	100.00%	3,50,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

ELECTROTHERM SERVICES LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2020

(Amount In Rupees)

Note No.	Particulars	As at 31st March
7	**Other Equity**	
	Retained Earning	
	As at 1st April, 2018	(3,53,78,015)
	Increase/(decrease) during the year	(47,637)
	As at 31st March, 2019	(3,54,25,652)
	Increase/(decrease) during the year	(69,10,596)
	As at 31st March, 2020	(4,23,36,248)

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
8	**Borrowings (Unsecured)**		
	Long term Borrowing from Body Corporate		
	- Holding Company	4,17,69,000	4,17,69,000
	Total Borrowings	4,17,69,000	4,17,69,000
	Current	-	-
	Non-Current	4,17,69,000	4,17,69,000
		4,17,69,000	4,17,69,000

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
9	**Trade Payables**		
	Total outstanding dues of micro and small enterprises	-	-
	Total outstanding dues of creditors other than micro and small enterprises	5,900	5,900
		5,900	5,900

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
10	**Other Current Financial Liabilities**		
	Due to Subsidiary of the Holding Company	90,908	69,231
		90,908	69,231

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
11	**Finance costs**		
	Bank Charges	645	
		645	-

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
12	**Other Expense**		
	Legal Charges	15,777	39,377
	Auditors' Remuneration (Refer note-a)	5,900	8,260
		21,677	47,637
a)	**Auditors' Remuneration**		
	As Auditor:		
	- Audit Fee	5,900	5,900
		5,900	5,900
	In other capacity:		
	- Other Services	-	2,360
		-	2,360
		5,900	8,260

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
13	**Exceptional items**		
	Impairment in value of Investment (Refer Note No 4a)	68,88,274	-
		68,88,274	-

14 **Gratuity and Other Post-Employment Benefit Plans**
The company does not have any employess during the year and therefore no provision for gratuity and other post-employment benefit plans have been provided.

15 **COMMITMENTS AND CONTINGENCIES**
The company does not have any capital commitments and contingent liabilities as on 31st March 2020 (As on 31st March, 2019:-NIL)

16 **Segment Information**
Operating Segments:
The Company has not commenced any business activity and therefore the requirements of Ind AS 108 "Operating Segments" is not required to be reported.

17 **Deferred Tax Adjustment**
In accordance with Indian Accounting Standard 12 “Income Taxes”, the company does not have Deferred tax liabilities / Deferred tax assets as there are no taxable temporary differences or deductible temporary differences.

18 Income Tax
a Component of Income tax (Amount In Rupees)

Particulars	**As at 31-03-2020**	**As at 31-03-2019**
Current Tax	-	-
Deferred Tax	-	-
Total	**-**	**-**

b Reconciliation of tax expense and the accounting profit / (Loss) multiplied by India’s domestic tax rate for March 31, 2020 and March 31, 2019

(Amount In Rupees)

Particulars	**As at 31-03-2020**	**As at 31-03-2019**
Accounting profit / (Loss) before income tax	(69,10,596)	(47,637)
Enacted tax rates in India	25.17	26.00
Computed tax expense	(17,39,259)	(12,386)
Non-deductible expenses for tax purpose	17,39,259	12,386
Tax expense as per statement of profit and loss	**-**	**-**

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for income tax for the year ended on March 31, 2020 and re-measured their deferred tax balances based on the rate prescribed in the said section.

19 **Related Party Transaction**
As required by Indian Accounting Standard - 24 "Related Parties Disclosures" the disclosure of transactions with related parties are given below :

A Relationships

a **Key Management Personnel** — **Designation**

Key Management Personnel	Designation
- Mr. Mukesh Bhandari	Director
- Mr. Shailesh Bhandari	Director
- Mr. Avinash Bhandari	Director

b **Holding Company**
- Electrotherm (India) Limited

c **Subsidiary of the Holding Company**
- Hans Ispat Limited
- Shree Ram Electrocast Limited

B The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particular	2019-20	2018-19
Repayment / Payment for Settlement of Liabilities		
Hans Ispat Limited	21,677	47,637
Closing Balance as on 31st March		
Other Financial Liabilities		
Hans Ispat Limited	90,908	69,231
Investment		
Shree Ram Electrocast Limited (Net of Provision for impairment in value of Investment of Rs 41,769,000/- (as on 31st March 2019 Rs.3,48,80,726/-)*	-	68,88,274
Borrowings		
Electrotherm (India) Limited	4,17,69,000	4,17,69,000

*During the year, the Company has made provision for impairment of Rs 6,888,274/- of Invesmtment held in the equity share of Shree Ram Electrocast Limited and is shown as an expenses under Exceptional Item. (Refer Note 4a)

20 EARNING PER SHARE

Particulars	2019-20	2018-19
Profit/(Loss) for the year	**(69,10,596)**	(47,637)
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	**3,50,000**	3,50,000
Earnings per Share (Basic and Diluted)	**-19.74**	-0.14
Nominal Value of Shares	**10.00**	10.00

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

ELECTROTHERM SERVICES LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2020

21 **Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management**

21.1 **Category-wise Classification of Financial Instruments:**

Particulars	Refer Note	As at 31-03-2020		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment*	4	-	-	-
Cash and cash equivalents	5	-	1,36,906	1,36,906
Total		**-**	**1,36,906**	**1,36,906**
Financial liabilities				
Borrowings	8	-	4,17,69,000	4,17,69,000
Trade payables	9	-	5,900	5,900
Other financial liabilities	10	-	90,908	90,908
Total		**-**	**4,18,65,808**	**4,18,65,808**

Particulars	Refer Note	As at 31-03-2019		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment*	4	-	68,88,274	68,88,274
Cash and cash equivalents	5	-	1,37,551	1,37,551
Total		**-**	**70,25,825**	**70,25,825**
Financial liabilities				
Borrowings	8	-	4,17,69,000	4,17,69,000
Trade payables	9	-	5,900	5,900
Other financial liabilities	10	-	69,231	69,231
Total		**-**	**4,18,44,131**	**4,18,44,131**

*Investment in equity shares of fellow subsidiary are measured at cost, less provision for impairment.

21.2 **Category-wise Classification of Financial Instruments:**
(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities
The company has not valued any assets and liabilities at the fair values.

(b) Financial Instrument measured at Amortised Cost
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

22 **Financial instruments risk management objectives and policies**
The Company's principal financial liabilities includes borrowings, trade payable and Other financial liabilities. The Company's principal financial assets include Investments and Cash and cash equivalents.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) **Market Risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Since the Company is not operational, it is not exposed to significant market risk.

(b) **Credit Risk**
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities mainly balance with banks. Credit risk arising because of balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

(c) **Liquidity risk**
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount In Rupees)

Particulars	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
As at 31st March, 2020				
Borrowings	-	-	4,17,69,000	4,17,69,000
Trade payables	5,900	-	-	5,900
Other financial liabilities	90,908	-	-	90,908
As at 31st March, 2019				
Borrowings	-	-	4,17,69,000	4,17,69,000
Trade payables	5,900	-	-	5,900
Other financial liabilities	69,231	-	-	69,231

23 **Capital Management**
For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

As at 31st March, 2020, the Company meets its capital requirement through equity. Consequent to such capital structure, there are no externally imposed capital requirements.

ELECTROTHERM SERVICES LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2020

24 **Events occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 27th June 2020, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

25 Figures of previous year's have been regrouped, wherever considered necessary to make them comparable to current year's figures

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

HITESH SHAH
Partner
Membership No. 124095
UDIN: 20124095AAAABO3588

Place : Ahmedabad
Date : 27th June 2020

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED

SHAILESH BHANDARI
Director
(DIN : 0058866)

AVINASH BHANDARI
Director
(DIN : 00058986)

Place : Palodia
Date : 27th June 2020

SHREE RAM ELECTRO CAST LIMITED

FINANCIAL STATEMENTS FOR THE YEAR 2019-2020

HITESH PRAKASH SHAH & CO
Chartered Accountants

B-31, Ghantakaran Market,
Nr. New Cloth Market, Sarangpur,
Ahmedabad - 380002
Email: shahitesh@gmail.com
Mobile No.9998610352

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
SHREE RAM ELECTRO CAST LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying **Ind AS** Financial Statements of **SHREE RAM ELECTRO CAST LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, Statement of Profit and Loss (including Other Comprehensive Income part), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its **Loss** (including other comprehensive income part), its cash flow and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 30(d) of the accompanying Financial Statements, in respect non provision of Interest on Non-Performing Loan of Banks of Rs 34,47,23,923/- (Net of Excess Reversal) for the year under consideration and the total amount of such unprovided interest till date is Rs 44,13,33,148/-. The exact amounts of the said non provisions are not determined and accounted for by the Company and to that extent Loss for the year is under stated and Bankers Loans Liabilities is under stated.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, 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 qualified audit opinion on the financial statement.

Materiality Uncertainty Related to Going Concern

We draw attention to Note 25 and 30 relating to the action taken by the State Bank of India under SARFESI Act, 2002 and subsequent action of the sale through auction of the asset of the company by Bank, non-repayment of loan taken from bank and non-provision of interest on the said loans, seriously affecting going concern of the company.

Emphasis of Matter

1. We draw attention on Note No. 29(a) relating to third party confirmation.

In our opinion, in respect of the above matter emphasized, we do not provide any modified opinion as these are not material.

Information Other than on Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 based on these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls regarding financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the **'Annexure A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company for the year under consideration.

(A) As required by Section 143(3) of the Act, we broadly report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance Sheet, the statement of profit and loss (including other comprehensive income part), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;.

e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **'Annexure B'** and

(g) In our opinion and according to the information and explanations given to us, no remuneration is paid by the Company to its Directors during the current year.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 23.

(ii) There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same; and

(iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership Number 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABN2440

ANNEXURE A TO THE AUDITOR'S REPORT

[**ANNEXURE "A"** REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF **SHREE RAM ELECTRO CAST LIMITED**, FOR THE YEAR ENDED ON **MARCH 31, 2020**]

i. The possession of the fixed assets (including land) was taken by State Bank of India and have been sold under auction by the said bank on April 16, 2019 and accordingly as informed to us, there is no fixed asset of the Company and therefore paragraph 3(i) of the order is not applicable.

ii. The possession of the Inventories was taken by State Bank of India and have been sold under auction by the said Bank on April 16, 2019 and accordingly as informed to us, there is no inventory of the company and therefore, paragraph 3(ii) of the order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no Investment, loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

v. The Company has not accepted any deposits (other than the exempted deposit) within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

vi. As informed to us, pursuant to rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its product and further there is no production activity during the year. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, has been generally regular in depositing undisputed statutory dues including provident fund, Income-Tax, Cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us the undisputed amounts payable in respect of Professional Tax in arrears as at March 31, 2020 for a period of more than six months from the date they became payable are as under:

Name of the Statute	Nature of Dues	Amount Involved (Rs.)	Period to which the amount Relates	Due Date
Karnataka Profession Tax Act, 1979	Professional Tax	11,200/-	Various Date from February 2018 to August 2019	Various Date from March 2018 to September 2019

(b) On the basis of information furnished to us, there are no dues in respect of Income Tax, Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess, Goods and Service Tax, etc., except follows:-

Name of the Statute	**Forum where dispute is pending**	**Nature of Dues**	**Period to which the amount relates**	**Amount (Rs)**
Income Tax Act, 1961	Income Tax Appellate Tribunal	Income Tax	Assessment Year 2007-08	50,73,356/-

It is learnt that the Hon'ble Income Tax Appellate Tribunal has passed the order and "Order Giving Effect of that Income Tax Appellate Tribunal has not been received by the company and therefore the exact amount is subject to the said order and its accounting in the books of accounts is pending.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to financial institution and bank as at the balance sheet date. Details of which are as below:-

Name of Lender	Amount of Default as on March 31, 2020*	Default From
State Bank of India (Refer Note 29(b) and 30)	27,85,69,416/-	Corporate Loan from January, 2012, WCTL from April, 2012 and Cash Credit from December, 2011

*The above table does not include the interest which bank has not provided after the account has been classified Non-Performing Assets of Rs -34,47,23,923/- (excess reversal) and accordingly aggregate amount of default is Rs 44,13,33,148/- (after adjustment of amount received on sale through Auction)

ix. According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. The Company has not paid/provided for managerial remuneration and accordingly Clause 3(xi) of the Order is not applicable to the Company and hence not commented upon.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the Management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

xv. According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

xvi. According to the information and explanations given by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership Number 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABN2440

ANNEXURE B TO THE AUDITOR'S REPORT

[ANNEXURE B Referred to in paragraph 1(A)(f) of the Independent Auditor's Report of the even date to the members of **SHREE RAM ELECTRO CAST LIMITED** on the Financial Statement for the year ended **March 31, 2020**.]

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on 31st March, 2020.

We have audited the internal financial controls over financial reporting of **SHREE RAM ELECTRO CAST LIMITED** ("the Company") as of **March 31, 2020,** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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) Pertaining 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, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR, HITESH PRAKASH SHAH & CO.
(FIRM REGD.NO: 127614W)
CHARTERED ACCOUNTANTS

HITESH SHAH
PARTNER
Membership Number 124095

Place: Ahmedabad
Date: 27th June 2020
UDIN: 20124095AAAABN2440

SHREE RAM ELECTRO CAST LIMITED

Balance Sheet as at 31st March 2020

(Amt In Rupees)

Particulars	Notes	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	21,56,60,490
Capital work-in-progress	3	-	1,44,83,250
Financial assets			
(i) Investments	4	1,00,000	1,00,000
(ii) Other financial assets	4	18,46,998	18,46,998
Other Non-current assets	7	56,07,400	56,07,400
Total non-current assets		75,54,398	23,76,98,138
Current assets			
Inventories	5	-	1,25,32,750
Financial assets			
Cash and cash equivalents	6	15,47,958	33,29,483
Other current assets	7	10,77,179	10,61,473
Current Tax Assets	8	37,98,281	31,51,050
Total current assets		64,23,418	2,00,74,756
Total Assets		**1,39,77,816**	**25,77,72,894**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	8,18,95,000	8,18,95,000
Other equity	10		
Securities premium		3,76,74,000	3,76,74,000
Retained earnings		-40,15,25,578	-27,72,47,627
Total other equity		-36,38,51,578	-23,95,73,627
Total equity		-28,19,56,578	-15,76,78,627
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	-	-
Provisions	15	3,54,092	2,77,485
Total non-current liabilities		3,54,092	2,77,485
Current liabilities			
Financial liabilities			
Borrowings	11	11,86,69,432	23,76,39,432
Trade payables	12		
Total Outstanding dues of micro and small enterprises		-	-
Total outstanding due of creditors other than micro and small enterprises		96,789	91,487
Other financial liabilities	13	15,98,99,984	15,98,99,984
Other current liabilities	14	1,68,88,897	1,75,17,933
Provisions	15	25,200	25,200
Total current liabilities		29,55,80,302	41,51,74,036
Total Equity and Liabilities		**1,39,77,816**	**25,77,72,894**
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No: 127614W

For & on behalf of the Board of Directors of
Shree Ram Electro Cast Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 20124095AAAABN2440

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director
(DIN : 08088332)

Place : Ahmedabad
Date : 27th June 2020

Place : Palodia
Date : 27th June 2020

SHREE RAM ELECTRO CAST LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2020

(Amount In Rupees)

Particulars	**Notes**	**Year Ended 31-03-2020**	**Year Ended 31-03-2019**
Discontinuing Operations			
Other income	16	24,832	8,27,672
Total income		**24,832**	**8,27,672**
Expenses			
Cost of raw materials and components consumed / Written Off	17	-	60,00,336
Changes in inventories of finished goods and work-in-progress	18	-	1,23,68,655
Employee benefits expenses	19	11,63,803	7,06,496
Finance costs	20	90,714	4,105
Depreciation and amortization expenses	3	-	27,47,643
Other expenses	21	12,30,48,266	1,11,57,694
Total expenses		**12,43,02,783**	**3,29,84,929**
Profit / (Loss) before tax		-12,42,77,951	-3,21,57,257
Tax expense		-	-
Profit /(Loss) for the year		**-12,42,77,951**	**-3,21,57,257**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**-12,42,77,951**	**-3,21,57,257**
Earnings per equity share [nominal value per share Rs 100/- (March 31, 2019: Rs 100/-)]			
Basic & Diluted	22	(151.75)	(39.27)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No: 127614W

Hitesh Shah
Partner
Membership No. 124095
UDIN: 20124095AAAABN2440

Place : Ahmedabad
Date : 27th June 2020

For & on behalf of the Board of Directors of
Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director
(DIN : 08088332)

Place : Palodia
Date : 27th June 2020

SHREE RAM ELECTRO CAST LIMITED

Statement of Change in Equity for the Year ended 31st March 2020

A. Equity Share Capital

	Authorized		Issued, Subscribe & Fully Paid	
Equity shares of Rs.100 each Authorized, issued, subscribed and fully paid	**Numbers**	**Amt In Rupees**	**Numbers**	**Amt In Rupees**
As at 1st April 2018	11,50,000	11,50,00,000	8,18,950	8,18,95,000
Issue of Equity Share Capital	-	-	-	-
As at 31st March, 2019	11,50,000	11,50,00,000	8,18,950	8,18,95,000
Issue of Equity Share Capital	-	-	-	-
As at 31st March, 2020	**11,50,000**	**11,50,00,000**	**8,18,950**	**8,18,95,000**

Details of Shareholders holding more than 5% Equity Shares in the Company

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
Electrotherm (India) Limited	7,78,000	95.00	7,78,000	95.00

B. Other Equity **Amt in Rupees**

Particulars	Securities Premium	Retained Earning		
		Undistributable	Distributable	Total Other Equity
As at 1st April 2018	**3,76,74,000**	**15,76,99,040**	**(40,27,89,410)**	**(20,74,16,370)**
Profit / (Loss) for the year	-	-	(3,21,57,257)	(3,21,57,257)
Transfer with in equity	-	(13,13,677)	13,13,677	-
As at 31st March, 2019	**3,76,74,000**	**15,63,85,363**	**(43,36,32,990)**	**(23,95,73,627)**
Profit / (Loss) for the year	-	-	(12,42,77,951)	(12,42,77,951)
Transfer with in equity	-	(15,63,85,363)	15,63,85,363	-
Total Comprehensive Income	-	(15,63,85,363)	3,21,07,412	(12,42,77,951)
As at 31st March, 2020	**3,76,74,000**	**-**	**(40,15,25,578)**	**(36,38,51,578)**

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No: 127614W

Hitesh Shah
Partner
Membership No. 124095
UDIN: 20124095AAAABN2440

Place : Ahmedabad
Date : 27th June 2020

For & on behalf of the Board of Directors of
Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director
(DIN : 08088332)

Place : Palodia
Date : 27th June 2020

SHREE RAM ELECTRO CAST LIMITED

Cash Flow Statement for the Year Ended on 31st March 2020

(Amount in Rupees)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	**-12,42,77,951**	**-3,21,57,257**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, Plant, Equipment & Amortization of Assets	-	27,47,643
Loss on Sale of Fixed Assets	12,10,28,523	-
Finance Cost	90,714	4,105
Interest Income	-	-8,27,672
Operating Profit before working capital changes	**-31,58,714**	**-3,02,33,181**
Working capital adjustments:		
Decrease/(Increase) in Inventories	1,25,32,750	1,83,68,991
Decrease/(Increase) in Other current assets	-15,706	1,00,22,627
Decrease/(Increase) in other current financial assets	-	1,03,000
Decrease/(Increase) in other non current financial assets	-	8,77,000
(Decrease)/Increase in trade payables	5,302	-3,47,297
(Decrease)/Increase in current liabilities	-6,29,036	30,35,677
(Decrease)/Increase in Short term Provisions	-	-58,544
(Decrease)/Increase in Long term Provisions	76,607	-2,13,793
Cash generated from operations	**88,11,203**	**15,54,480**
Direct taxes paid (net)	-6,47,231	-82,768
Net Cash (used in) generated from operating activities	**81,63,972**	**14,71,712**
B: CASH FLOW FROM INVESTING ACTIVITIES		
Sales of Fixed Assets	10,91,15,217	-
Interest income	-	8,27,672
Net Cash (used in) generated from investing activities	**10,91,15,217**	**8,27,672**
C: CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Receipt of borrowings	-11,89,70,000	-
Finance Cost	-90,714	-4,105
Net Cash (used in) generated from financing activities	**-11,90,60,714**	**-4,105**
Net (Decrease)/ Increase in Cash and Cash Equivalents	**-17,81,525**	22,95,279
Cash and Cash Equivalents at the beginning of the year	**33,29,483**	10,34,204
	15,47,958	**33,29,483**

Notes:- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".

b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes as given below

Particulrs	As at 31st March 2018	Net Outflow	As at 31st March 2019
Long Term Borrowings	15,98,99,984	-	15,98,99,984
Short Term Borrowings	23,76,39,432	-	23,76,39,432
Total	**39,75,39,416**	**-**	**39,75,39,416**

Particulrs	As at 31st March 2019	Net Outflow	As at 31st March 2020
Long Term Borrowings	15,98,99,984	-	15,98,99,984
Short Term Borrowings	23,76,39,432	11,89,70,000	11,86,69,432
Total	**39,75,39,416**	**11,89,70,000**	**27,85,69,416**

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No: 127614W

Hitesh Shah
Partner
Membership No. 124095
UDIN: 20124095AAAABN2440

Place : Ahmedabad
Date : 27th June 2020

For & on behalf of the Board of Directors of
Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director
(DIN : 08088332)

Place : Palodia
Date : 27th June 2020

1. **Corporate information**

Shree Ram Electro Cast Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. The Company's holding Company is Electrotherm (India) Limited. The company is engaged in the manufacturing of Pig Iron and at presently the operation of the company are discontinued and all the Property, Plant and Equipment and Inventories charged with Banker have been sold by them.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 27th June 2020.

2. **Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time on non going basis.

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

With effect from 1st April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company do not used any lease assets and therefore this Ind AS 116 is not applicable to the company.

The financial statements are presented in Indian Rupees (Rs), except when otherwise indicated.

2.1 Summary of Significant accounting policies

(a) Current versus non-current classification

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign Currencies

The Company financial statements are presented in Rupees, which is also the company's functional currency.

Transactions and Balances

Transaction in foreign currencies are initially recorded in the Company's functional currency at the exchange rates prevailing on the date of transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currency are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange difference arising on settlement of such transactions and on translation of monetary items is recognised in the statement of profit or loss.

Non-Monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

(c) Fair value measurement

The company measures financial instruments, such as derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(d) Revenue from contract with customer

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised

Sale of Goods:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Sales Return Allowances:

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

Dividends:

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

Interest income and expense:

Interest income or expense is recognised using the effective interest method.

Contract balance

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities:
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities:
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(e) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (i.e. in other comprehensive income). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

(f) Property, plant and equipment and Intangible Assets
Property, Plant and equipment (PPE) and Capital work in progress (CWIP) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overheuling is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a Written Down basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

(g) IMPAIRMENT OF NON FINANCIAL ASSETS:

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(h) BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost

- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)

- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(j) INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items 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. Scrap is valued at net realisable value. Cost is determined on a FIFO (First in First Out).

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

(k) RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund and superannuation fund are defined contribution plans. The Company recognises contribution payable to these funds as an expense, when an employee renders the related service.

In respect of provision for employees benefits are provided on the basis of estimation made by the management.

(l) PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

(m) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(n) CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known/materialised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans (gratuity and compensated absences)

Provision for gratuity is provided on the basis of estimation made by the management.

(b) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year ended 31st March, 2020

Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress

(a) Property, Plant and Equipment

(Amount In Rupees)

Particulars	Freehold Land	Buildings	Plant & Equipment	Computer & Peripherals	Furniture & fixture	Vehicles	Office equipment	Total
Gross Carrying amount (At Cost)								
As at 1st April, 2018	**17,28,98,820**	**3,56,29,019**	**1,57,32,798**	**65,414**	**1,49,992**	**5,12,028**	**1,17,620**	**22,51,05,691**
Add: Additions	-	-	-	-	-	-	-	**-**
Less: Disposals / Adjustment	-	-	-	-	-	-	-	**-**
As at 31st March, 2019	**17,28,98,820**	**3,56,29,019**	**1,57,32,798**	**65,414**	**1,49,992**	**5,12,028**	**1,17,620**	**22,51,05,691**
Add: Additions	-	-	-	-	-	-	-	**-**
Less: Disposals / Adjustment (Refer Note 29(b) & 30)	17,28,98,820	3,56,29,019	1,57,32,798	65,414	1,49,992	5,12,028	1,17,620	**22,51,05,691**
As at 31st March, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated Depreciation								
As at 1st April, 2018	**-**	**63,49,579**	**-**	**-**	**25,059**	**3,22,920**	**-**	**66,97,558**
Add: Depreciation Charge for the year	-	27,37,374	-	-	6,791	3,478	-	**27,47,643**
Less: Disposals / Adjustment	-	-	-	-	-	-	-	**-**
As at 31st March, 2019	**-**	**90,86,953**	**-**	**-**	**31,850**	**3,26,398**	**-**	**94,45,201**
Add: Depreciation Charge for the year	-	-	-	-	-	-	-	-
Less: Disposals / Adjustment (Refer Note 29(b) & 30)	-	90,86,953	-	-	31,850	3,26,398	-	94,45,201
As at 31st March, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Block								
As at 31st March, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31st March, 2019	17,28,98,820	2,65,42,066	1,57,32,798	65,414	1,18,142	1,85,630	1,17,620	21,56,60,490

(a) Property, plant and equipment were tested for impairment as on 01st April 2016, where indicators of impairment existed. Based on an assessment of external market conditions relating to input costs and final product realization, non operation of the company and evaluation of physical working conditions for items of property, plant and equipment, indicators of impairment were identified and therefore, the Company recognized impairment charge as on 01st April 2016 of Rs. 298,923,166.

(b) Cost of the Property, Plant and Equipment includes carrying value recognized as deemed cost as of 1st April 2016, measured as per previous GAAP and cost of subsequent additions.

(c) There is a first charges by way of Equitable Mortgage over factory land & factory building at Siriguppa, Dist. : Bellary and Hypothecation of entire plant & machinery and other fixed assets of the Company.

(b) Capital work-in-progress

Particulars	**Amount In Rupees**
As at 31st March, 2020 (Refer Note 29(b) and 30)	**-**
As at 31st March, 2019	1,44,83,250

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
4	**Financial Assets**		
	Investments		
	Other unquoted investments in Government Securities (At Amortized cost)		
	National Saving Certificates (Pledge with Commercial Tax Department)	1,00,000	1,00,000
		1,00,000	**1,00,000**
	Current	-	-
	Non-Current	1,00,000	1,00,000
		1,00,000	**1,00,000**
	Aggregate book value of Unquoted Investments	1,00,000	1,00,000
		1,00,000	**1,00,000**
	Other Financial Assets		
	Security deposits	18,46,998	18,46,998
		18,46,998	**18,46,998**
	Current	-	-
	Non-Current	18,46,998	18,46,998
		18,46,998	**18,46,998**

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
5	**Inventories**		
	(a) Stores and spares	-	1,25,32,750
		-	1,25,32,750

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
6	**Cash and Cash Equivalents**		
	Balances with Banks		
	- In Current accounts	14,32,009	32,16,636
	Cash in Hand	1,15,949	1,12,847
		15,47,958	33,29,483

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
7	**Other Assets**		
	Advance for capital goods	56,07,400	56,07,400
	Advance receivable in cash or kind		
	Advance with suppliers	2,10,706	1,95,000
	Balances with sales tax, custom, central excise authorities	8,66,473	8,66,473
		66,84,579	66,68,873
	Current	**10,77,179**	**10,61,473**
	Non-Current	**56,07,400**	**56,07,400**

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
8	Current Tax Assets		
	- Income Tax	37,98,281	31,51,050
		37,98,281	**31,51,050**

9 SHARE CAPITAL

a

Particulars	EQUITY SHARES	
	Numbers	**Amount In Rupees**
(A) Authorized Share Capital		
(Equity Shares of Rs 100 each)		
As at 1st April, 2018	11,50,000	11,50,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	11,50,000	11,50,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	11,50,000	11,50,00,000

Particulars	PREFERENCE SHARE	
	Numbers	**Amount In Rupees**
(Preference Shares of Rs 100 each)		
As at 1st April, 2018	1,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	1,00,000	1,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	1,00,000	1,00,00,000

b **Rights, preference and restriction attached to shares :-**

EQUITY SHARES

(i) The company has issued only one class of equity shares having a face value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian rupees. The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders.

(ii) The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases calls or other sums payable have not been paid.

(iii) In the event of liquidation of the company, the holder of equity shares will be entitled to receive 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.

(iv) During the year ended 31 March 2020, the amount of per share dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2019: Rs Nil).

PREFERENCE SHARE

The company has not issued preference shares.

c **Issue, Subscribed and Fully paid-up Shares**

Equity shares of Rs. 100 each

Particulars	Numbers	Amount In Rupees
As at 1st April, 2018	8,18,950	8,18,95,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	8,18,950	8,18,95,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	**8,18,950**	**8,18,95,000**

d **Details of Shareholders holding more than 5% Equity Shares in the Company**

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
Holding Company - Electrotherm (India) Limited	7,78,000	95.00%	7,78,000	95.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

e Equity Shares held by holding / ultimate holding company and / or their Subsidiary:-

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	Amount In Rupees	No. of Shares	Amount In Rupees
Holding Company - Electrotherm (India) Limited	7,78,000	7,78,00,000	7,78,000	7,78,00,000
Subsidiary of the Holding Company - Electrotherm Services Limited	40,950	40,95,000	40,950	40,95,000

Note No.	Particulars	Amount In Rupees
10	**Other Equity**	
	Securities Premium	
	As at 1st April, 2018	**3,76,74,000**
	Increase/(decrease) during the year	**-**
	As at 31st March, 2019	**3,76,74,000**
	Increase/(decrease) during the year	**-**
	As at 31st March, 2020	**3,76,74,000**
	Securities Premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.	
	Retained Earning	
	As at 1st April, 2018	**-24,50,90,370**
	Increase/(decrease) during the year	-3,21,57,257
	As at 31st March, 2019	**-27,72,47,627**
	Increase/(decrease) during the year	-12,42,77,951
	As at 31st March, 2020	**-40,15,25,578**
	Total Other Equity	
	As at 31st March, 2019	-23,95,73,627
	As at 31st March, 2020	**-36,38,51,578**

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
11	**Borrowings**		
	Long term Borrowing from Bank (Secured) (Note-A & B)		
	Corporate loan - State bank of India	1,99,99,984	1,99,99,984
	Working Capital Term Loan- State bank of India	13,99,00,000	13,99,00,000
		15,98,99,984	15,98,99,984
	Less: Current maturity grouped as other current financial liability (Refer Note 13)	15,98,99,984	15,98,99,984
	Subtotal (a)	-	-
	Short term Borrowings from Bank (Secured) (Note-A & B)		
	Working capital Loan from State Bank of India	11,86,69,432	23,76,39,432
	Subtotal (b)	**11,86,69,432**	23,76,39,432
	Total Borrowings	**11,86,69,432**	**23,76,39,432**
	Current	11,86,69,432	23,76,39,432
	Non-Current	-	-
		11,86,69,432	**23,76,39,432**

Note: A

The Secured Term Loan from State Bank Of India is secured by :

(a) First charge on the entire currents assets of the Company, both present and future.

(b) Equitable Mortgage over factory land & factory building at Siriguppa, Dist. : Bellary and Hypothecation of entire plant & machinery and other fixed assets of the Company.

(c) Personal Guarantees of Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, Directors of the Company.

Note: During the year under consideration, the asset stated in para above para (a) and (b) has been sold through Auction by the Banker.

Note B.

Company has defaulted in repayment of borrowings from bank. Details of default are as follows:-

Name of the Bank	Principal	Interest	Total	Default from
State Bank of India (Refer Note 29(b) and 30)	27,85,69,416	-	27,85,69,416	Corporate Loan from January, 2012, WCTL from April, 2012 and Cash Credit from December, 2011

-

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
12	**Trade Payables**		
	Total Outstanding dues of micro and small enterprises	**-**	-
	Total outstanding due of creditors other than micro and small enterprises	96,789	91,487
		96,789	**91,487**

The company has not received information from vendors regarding their status under Micro, Macro, Small and Medium Enterprise Development Act, 2006, hence disclosure regarding amount unpaid as at the end of the year together with Interest paid/payable under this Act and as Required by Schedule II of the Companies Act, 2013 has not been given.

-

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
13	**Other Current Financial Liabilities**		
	Current maturity of Long term borrowings (Refer note-11)	15,98,99,984	15,98,99,984
		15,98,99,984	15,98,99,984

-

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
14	**Other Current Liabilities**		
	Advances From Holding Company	1,68,55,694	1,75,00,508
	Statutory dues payable	33,203	17,425
		1,68,88,897	1,75,17,933

-

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
15	**Provisions for Employee Benefits**	3,79,292	3,02,685
		3,79,292	3,02,685
	Current	25,200	25,200
	Non-Current	3,54,092	2,77,485
		3,79,292	**3,02,685**

(a) Provision for the employee benefits consist of Compensation Absences, Gratuity and Bonus and have been made on the basis of the estimation made by the management.

SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2020

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
16	**Other Income**		
	Interest income on		
	Short Term Deposit	-	8,27,672
	Other income		
	Miscellaneous Income*	24,832	-
		24,832	**8,27,672**
	*Includes Income Tax Refund Received		

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
17			
	Cost of raw material consumed and components consumed / Written Off		
	Inventory at the beginning of the year	-	60,00,336
	Less: Inventory at the end of the year	-	-
	Cost of raw materials and components consumed / Written Off	**-**	**60,00,336**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
18	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year		
	-By Product and Scrap	**-**	-
		-	**-**
	Inventories at the beginning of the year		
	-By Product and Scrap	-	1,23,68,655
		-	**1,23,68,655**
		-	**1,23,68,655**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
19	**Employee Benefits**		
	Salaries, wages and allowances and bonus	10,98,352	6,50,744
	Contribution to provident and other funds	65,451	55,752
		11,63,803	**7,06,496**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
20	**Finance Cost**		
	Other borrowing cost and charges	90,714	4,105
		90,714	**4,105**

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
21	**Other Expense**		
	Labour Charges	-	73,524
	Travelling & Conveyance	10,985	4,746
	Insurance	48,876	45,996
	Rates & Taxes	1,000	13,284
	Auditors' Remuneration (Refer note-a)	11,800	11,800
	Printing & Stationary Expense	200	250
	Telephone Expense	7,513	11,189
	Net Sundry Balance Written off / Round off	-11,800	1,09,77,000
	Net General Expense	2,840	4,470
	Loss on Auction of Fixed Asset and Inventories (Refer No 29(b))	12,29,76,490	-
	Security Charges	-	-3,000
	Miscellaneous Expense	362	1,235
	Professional & Legal Expense	-	17,200
		12,30,48,266	**1,11,57,694**
a)	**Auditors Remuneration**		
	- Audit Fee	11,800	11,800
		11,800	**11,800**

22 **Earning per shares**

Particulars		**Current Year**	**Previous Year**
Profit/(Loss) as per statement of profit and loss account (After prior period adjustment)	Rupees	(12,42,77,951)	(3,21,57,257)
Weighted average number of Equity shares (Basic)	Nos	8,18,950	8,18,950
Earning per shares (Basic & Diluted)	Rupees	(151.75)	(39.27)
Nominal Value of shares	Rupees	100	100

Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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

23 **Contingent liability in Respect of :-**

(As Certified by the Management)

Particular	**Current Year**	**Previous Year**
(A) Disputed statutory claim/ levies for which the company has preferred appeal in respect of Income tax (excluding interest leviable, if any and amount of the appeal filed by the revenue)*	50,73,356	50,73,356

*It is learnt that the Hon'ble ITAT has passed the order and "Order giving effect of the ITAT order" has not been received by the company and therefore the exact amount is subject to the said order and its accounting in the books of accounts.

(B) Claim against the company of Rs. 11,38,261 not acknowledged as debts which pertain to notice / litigation filed against the company and pending before various courts, authorities, arbitration, tribunal, Consumer Dispute Redressal Forum etc. However, since long, the Company has not received any action from the Creditors and hence it is not considered as contingent liability.

24 Related Party Transaction

A Key Managerial Personnel

- Mukesh Bhandari	Director upto 26.11.2019
- Shailesh Bhandari	Director
- Avinash Bhandari	Director
- Ravindra Singh	Additional Director w.e.f. 15.02.2020

B **Holding Company**

Electrotherm (India) Limited

Transactions carried out with related parties referred to in (B) above, in ordinary course of business

Nature of Transaction	Enterprises described in (B) above
Repayment / Adjustment of Advance	9,67,24,265 (90,00,00,000)
Receipt of Advance / Payment to meet the liability	9,60,79,451 (90,30,34,755)
Outstanding Advances Payable	1,68,55,694 (1,75,00,508)

Note: Figures in brackets represent previous year amount.

Term and Conditions of transaction with related parties

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

25 **Going Concern**

The company has discontinued its operation since April 2011 because of the non-availability of Iron Ores due to limited banned by the Hon'ble Supreme Court's order in the state of the Karnataka and further the State Bank of India has taken action under SARFAESI Act, 2002 and subsequent action of the sale through auction of the hypothecated / mortgaged assets of the Company situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka was taken place for Rs. 11.97 Crore and its formalities have been completed upto 16th April 2019. Further, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss/net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date & 100% of its charged Assets have been sold through auction by the bankers. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

26 **Segment Information**:

The Company is engaged in the business of steel products and all other activities of the company revolve around the main business and they are not substantially different in risk and return as well as in view of the non operation of the factory, reporting in pursuance to IND AS 108 "Operating Segments" has not been provided.

27 (a) The provision for employee benefits has been made based on the estimation made by the management and further the number of employees in the Company are less than five and the amount involved is not material, acturial valuation of the employees benefits has not been done.

(b) During the year ended March 31, 2020 Rs. Nil (March 31, 2019 Rs. 1,83,68,991) was recongnised as an expense for inventories written off.

28 The Company has acquired Land at Halekote-25 Village, Siruguppa Hobli or Firka, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactcholli Hobali, Siruguppa Taluka, Bellary District and its Legal Document for transfer of the property in the name of the Company is in process.

29 (a) The account of the other financial assets, other current assets, borrowings, trade payable, other financial liabilities, advances for capital goods, Income Tax Receivables and some of the Bank Balance and are subject to confirmations from the respective parties for its recovery/payments and further these balances are subject to clearances of the cheques/negotiable instruments. Some of such accounts are very old. The classification/grouping of items of the accounts are made by the management on the basis of the available data with the company and which has been relied upon by the auditors.

(b) The State Bank of India has sold Property, Plant and Equipment and Inventories through auction which were hypothecated / mortgaged with the bank against the loan taken, situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka in February 2019 for Rs. 11,97,00,000. The sale consideration received by the State Bank of India, have been adjusted against the outstanding loan amount of the State Bank of India. The sale consideration have been allocated amongst the various assets sold by the bank, on estimated basis, resulting into loss of Rs. 12,29,76,490/- and the same has been shown under the head other expenses.

30 (a) State Bank of India ("SBI") has issued notice dated 7th May, 2013 under section 13(2) of the Securitisation and Reconstruction of Financial Assets an Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the Company secured by hypothecation and mortgage. SBI vide letter dated 13th September, 2013 has given pre intimation notice to the Company for possession of the assets under section 13(4)(a) of SARFAESI Act, 2002 and taken symbolic possession of the assets of the Company. Thereafter, District Magistrate, Bellary vide order dated 22nd November, 2017 authorised Tahasildar, Siruguppa to handover the physical possession of immovable and movable properties to SBI and Tahasildar, Siruguppa has vide letter dated 19th December, 2017 intimated about the taking of physical possession on 30th December, 2017. SBI has issued newspaper publications calling for tenders for sale of movable and immovable assets through E – Auction on various dates and finally vide E – Auction on 4th February 2019, the charged assets of the Company were sold for Rs 11.97 Crores by the Bankers and its formalities have been completed upto 16th April 2019.

(b) State Bank of India has filed Original Application against the Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under sectic 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Hon'ble DRT vide order dated 20.01.2016 allowed the original application and has issued the recovery certificate against the Company and the Guarantors. The Company and Guarantors have filed review application before DRT and the said review application was disposed of on 06.11.2017 with some observations / remarks. The recovery proceedings are now pending before the Recovery Officer, DRT, Bangalore.

(c) State Bank of India has issued a show cause notice on 25th October, 2016 to the Company & guarantors / directors for declaring them as willful defaulter. The Company has filed its reply to the said show cause notice. After personal hearing before the Identification Committee, State Bank of India vide letter dated 25th October, 2018 declared the Company & guarantors / directors as wilful defaulter.

(d) Loan account of the Company have been classified as NPA by State Bank of India and the Bank has not charged interest on the said account and therefore provision for interest has not been provided for in the books of account and to that extent loss and bank loans liablity has been understated. The extent of exact amount is under determination and reconciliation with the bank. However, as per the data available with the Company, the amount of unprovided interest on approximate basis on the said loan is as under:

Particulars	Interest for the year		
	Upto 31 March 2019	Current Year / (Excess Reversal)	Upto 31 March 2020
State Bank of India	786057071	-344723923	441333148

31 Income Tax

(a) Component of Income tax

Particulars	As at 31-03-2020	As at 31-03-2019
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

Note:

The Company has not provided for the Deferred Tax Liability because of constant losses incurred by the company and that there is no chances of any tax liability occurring in near future and no deferred Tax Asses has been made as there is no certainty of its realization in near future in pursuance to heavy accumulated losses.

(b) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019**

Particulars	Current Year	Previous year
Accounting profit before income tax	-12,42,77,951	-3,21,57,257
Enacted tax rates in India	25.17	26
Computed tax expense	-3,12,78,275	-83,60,887
Tax on Capital Gain	1,49,896	-
Non-deductible expenses for tax purpose	3,05,51,389	26,00,000
Deductible expenses for tax purpose	-	70,807
Other	-	7,14,387
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	5,76,990	49,75,693
Tax expense as per statement of profit and loss	-	-

(c) **Details of carry forward losses and unused credit on which no deferred tax asset is recognized by the Company are as follows:**

Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period for 8 years from the year in which losses arose. MAT credit can be carried forward up to a period of 15 years. The company has incurred business loss in all the consecutive years starting from Financial Year 2010-11 till 2019-20. The unabsorbed business loss of financial year 2011-12 will expire from 31.03.2020 and the losses of subsequent years will expire on yearly basis. The company does not have MAT credit. The loss to be carried forward for the next 8 year is as under:-

Particulars	As at 31-03-2020	As at 31-03-2019
Business Loss	5,90,46,768	23,77,64,401
Unabsorbed Depreciation	11,12,91,918	11,12,91,918

32 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

32.1 Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at 31-03-2020			As at 31-03-2019		
		Fair Value through profit or loss	Amortized cost	Carrying Value	Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets							
Investment	4	-	1,00,000	1,00,000	-	1,00,000	1,00,000
Other financial Assets	4	-	18,46,998	18,46,998	-	18,46,998	18,46,998
Cash and cash equivalents	6	-	15,47,958	15,47,958	-	33,29,483	33,29,483
Total		**-**	**34,94,956**	**34,94,956**	**-**	**52,76,481**	**52,76,481**
Financial liabilities							
Borrowings	11 & 13	-	27,85,69,416	27,85,69,416	-	39,75,39,416	39,75,39,416
Trade payables	12	-	96,789	96,789	-	91,487	91,487
Total		**-**	**27,86,66,205**	**27,86,66,205**	**-**	**39,76,30,903**	**39,76,30,903**

32.2 Category-wise Classification of Financial Instruments:

(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The company has not valued any assets and liabilities at the fair values.

(b) Financial Instrument measured at Amortized Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

33 Financial instruments risk management objectives and policies

The Company’s principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The Company’s principal financial assets include Investments, loans given, trade and other receivables and cash and bank balance that derive directly from its operations.

The Company's risk management is carried out by the corporate finance under policies approved by the Board of directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Since the Company is not operational, it is not exposed to significant market risk.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities mainly balance with banks. Credit risk arising balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments:

(Amount In Rupees)

Particulars	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2020				
Borrowings	11,86,69,432	-	-	11,86,69,432
Trade payables	96,789	-	-	96,789
Other financial liabilities	15,98,99,984	-	-	15,98,99,984
Year ended 31st March, 2019				
Borrowings	23,76,39,432	-	-	23,76,39,432
Trade payables	91,487	-	-	91,487
Other financial liabilities	15,98,99,984	-	-	15,98,99,984

(d) **Foreign Currency Risk**

Foreign Exchange Currency risk included the risk of the company being exposed to movements in foreign exchange rates. As on 31st March 2020 the company is not having any foreign currency risk.

(e) **Interest rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rate. However, the Company has minimal exposure to the risk of changes in market interest rates. Primarily the company's debt have been classified as Non Performing Assets by the bank and so they are not charging interest. As at the balance sheet date, the Company has not entered into any derivatives contracts.

34 **Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimization of working capital requirements and deployment of surplus funds into various investment options.

As at 31st March, 2020, the Company meet its capital requirement through equity and low debts.

35 Towards the end of the financial year, the entire world has been affected by the outbreak of Novel Coronavirus (COVID-19) and has affected various sectors of industry in the global economy. As there is no operations in the Company, Covid-19 has not effected the operations.

36 **Events occurred after the Balance Sheet Date**

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 27th June 2020, there were no subsequent events to be recognized or reported that are not already previously disclosed.

37 Previous Year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, by the company on the basis of data available with the company, to make the figure of the current year with the Previous Year comparable.

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No: 127614W

Hitesh Shah
Partner
Membership No. 124095
UDIN: 20124095AAAABN2440

Place : Ahmedabad
Date : 27th June 2020

For & on behalf of the Board of Directors of
Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director
(DIN : 00058866)

RAVINDRA SINGH
Director
(DIN : 08088332)

Place : Palodia
Date : 27th June 2020