

HANS ISPAT LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR
2018-2019



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, 2019, 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 2019, its Profits (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 of the accompanying Financial Statement, in respect of non-provision of interest on Non performing accounts of bank of Rs. 8,78,07,749/- (aggregating to Rs 22,92,65,478/- as on 31st March 2019). 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, finance cost, net profit for the current year has been overstated by Rs.8.78,07,749/- and total retained earnings and Bankers Liabilities are under stated by Rs.22,92,65,478/-.

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 the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS 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 in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How the matter was addressed in our audit
<p>Inventory Valuation</p> <ul style="list-style-type: none"> • The Company has significant balances of inventory as on 31 March 2019 (refer note 5 to the Ind AS financial statement). <ul style="list-style-type: none"> • Inventories are valued at lower of cost or net realizable value (NRV). Cost is determined using FIFO (First-in-First Out) method. • Determination of whether inventory will be realized for value less than cost requires management to exercise judgement and apply assumption. • Because of size, assumption and complexities involved in inventory valuation, this is considered key audit matter. 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining understanding of production process and testing of key controls over recognition and measurement of inventory. • For sample of inventory items, re-performed the FIFO cost calculation. • Obtaining management's calculation and relevant supporting for inventory valuation validated mathematical accuracy of production costs and agreed the same with financial statements. • Assessing reasonableness of assumption and judgements applied by management in inventory valuation including evaluating consistencies with management's prior period estimations. • Assessing appropriateness of NRV estimated by management, on sample basis, by comparing NRV to recent market prices. • Comparing historical trend of prices of raw material and finished goods to determine appropriateness of valuation of inventory.

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, 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.

(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;

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

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, as amended;

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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'.

(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, 31 and 32.
- (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 and
- (iv) The disclosure requirements relating to holdings as well as dealings in the specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016 which is not relevant to these Financial Statements. Hence, reporting under clause is not applicable.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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.

Place: Ahmedabad
Date: 27th May 2019



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

P. D. Shah
PRAKASH D SHAH
PARTNER
M.No. 034363

[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, 2019]

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'). In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest however the company does not charge interest on the loan.

a) In respect of the aforesaid loan, the principal is repayable on demand and the company does not charge interest on such loan. We are informed that repayment of loan was received as and when the demands were raised, during the current year;

b) There has been no default on the part of the party to whom the monies have been lent.

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 2019 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, except follows-

Name of the Statutory Dues	Forum where dispute is pending	Period to which the amount relates	Nature of the Dues	Amount (Rs.)
Income Tax Act, 1961	Dy. Commissioner of Income Tax	Asstt Year 2007-08 to 2010-11	Income Tax	18,27,430/-



- 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 2019 is as follows:-

Particulars	Nature of Facility	Amount of Default as on 31.03.2019 (Amount in Rs)			Period of Default
		Principal	Interest	Total	
Bank of Baroda	Cash Credit	6,50,40,207	5,53,83,534	12,04,23,741	April 2014 to March 2019
	Working Capital Term Loan	17,23,00,000	14,67,18,212	31,90,18,212	
	Funded Term Loan	1,39,00,000	1,18,36,234	2,57,36,234	
	Term Loan	1,80,00,000	1,53,27,498	3,33,27,498	
Total		26,92,40,207	22,92,65,478	49,85,05,685	

- 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



P. S. Shah
PRAKASH D'SHAH
PARTNER
M.No. 034363

Place: Ahmedabad
Date: 27th May 2019

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, 2019.

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, 2019.

We have audited the internal financial controls over financial reporting of HANS ISPAT LIMITED ("the Company") as of 31st March 2019 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.

Place: Ahmedabad
Date: 27th May, 2019



FOR, MEHTA LODHA & CO.
Firm's Registration No. 106250W
CHARTERED ACCOUNTANTS

P. D. Shah
Prakash D Shah
Partner
Membership No.: 034363

Hans Ispat Limited

Balance Sheet as at 31st March 2019

(Amount In Rupees)

Particulars	Notes	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	280,117,566	292,584,148
Intangible assets	3	46,097	-
Financial assets			
Investments	4	1,233,000	1,150,520
Other financial assets	4	77,692,425	25,947,126
Total non-current assets		359,089,088	319,681,794
Current assets			
Inventories	5	355,883,035	170,112,607
Financial assets			
Investments	4	-	-
Trade receivables	6	43,013,035	95,352,151
Cash and cash equivalents	7	36,272,705	49,300,280
Other financial assets	4	3,949,808	2,154,292
Current tax assets		6,553,588	8,363,866
Other current assets	8	47,840,570	66,315,733
Total current assets		493,512,741	391,598,929
Total Assets		852,601,829	711,280,723
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	364,200,000	364,200,000
Other equity	10	(1,217,805,416)	(1,218,832,605)
Total equity		(853,605,416)	(854,632,605)
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	379,528,701	366,728,701
Provisions	15	5,419,441	4,381,564
Total non-current liabilities		384,948,142	371,110,265
Current liabilities			
Financial liabilities			
Borrowings	11	65,040,207	65,040,207
Trade payables	12		
(a) Total Outstanding dues of micro enterprises and small enterprise		3,673,553	-
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		688,726,599	801,745,331
Other financial liabilities	13	269,200,000	322,504,608
Other current liabilities	14	290,998,204	2,932,268
Provisions	15	3,620,540	2,580,649
Total current liabilities		1,321,259,103	1,194,803,063
Total liabilities		1,706,207,245	1,565,913,328
Total Equity and Liabilities		852,601,829	711,280,723
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 Hans Ispat Limited

P. D. SHAH
PRAKASH D. SHAH
Partner
Membership No. 34363



(Handwritten signature)

SHAILESH BHANDARI
Director
Din: 00058866

(Handwritten signature)

RAVINDRA SINGH
Director Cum Manager
Din No: 08088332

Place : Ahmedabad
Date : 27th May 2019

PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 27th May 2019

HANS ISPAT LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2019

(Amount In Rupees)


Particulars	Notes	Year Ended 31-03-2019	Year Ended 31-03-2018
Income			
Revenue from operations	16	5,852,505,988	4,115,709,629
Other income	17	9,666,267	18,511,074
Total income		5,862,172,255	4,134,220,703
Expenses			
Cost of raw materials and components consumed	18	5,039,942,285	3,618,966,746
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock in trade	19	-122,617,893	316,128
Excise duty on sale of goods		-	118,033,649
Employee benefits expenses	20	75,502,353	53,958,568
Finance costs	21	248,716	124,559
Depreciation and amortization expenses	3	40,962,070	39,973,868
Other expenses	22	826,181,686	350,429,035
Total expenses		5,860,219,217	4,181,802,553
Profit / (loss) before tax		1,953,048	(47,581,850)
Current Tax			
Income tax expense	28	-	-
Profit / (Loss) for the year		1,953,048	(47,581,850)
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		(925,859)	(80,255)
Income tax effect		-	-
Net other comprehensive income / (Loss) not to be reclassified to profit or loss in subsequent periods		(925,859)	(80,255)
Other comprehensive income / (Loss) for the year, net of tax		(925,859)	(80,255)
Total comprehensive income / (Loss) for the year, net of tax		1,027,189	(47,662,105)
Earnings per equity share [nominal value per share Rs. 10/- (March 31, 2018: Rs.10/-)] Basic & Diluted	27	0.05	-1.31
Summary of significant accounting policies			
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 Hans Ispat Limited


PRAKASH D. SHAH
Partner
Membership No. 34363


SHAILESH BHANDARI
Director
Din: 00058866


RAVINDRA SINGH
Director Cum Manager
DIn No: 08088332

Place : Ahmedabad
Date : 27th May 2019


PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 27th May 2019

HANS ISPAT LIMITED

Statement of Change in Equity for the year ended 31st March 2019

A. Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid	Numbers	(Amount In Rupees)
As at 1 st April, 2017	36,420,000	364,200,000
Issue of Equity Share Capital	-	-
As at 31 st March 2018	36,420,000	364,200,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2019	36,420,000	364,200,000

B. Other Equity (Refer Note - 10)

Particulars	Reserves & Surplus		
	Securities Premium	Retained Earnings	Total Other Equity
As at 1 st April, 2017	100,092,000	(1,271,262,500)	(1,171,170,500)
Profit / (Loss) for the Year	-	(47,581,850)	(47,581,850)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(80,255)	(80,255)
As at 31 st March 2018	100,092,000	(1,318,924,605)	(1,218,832,605)
Profit / (Loss) for the year	-	1,953,048	1,953,048
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(925,859)	(925,859)
Total Comprehensive Income/(Loss)	-	1,027,189	1,027,189
As at 31 st March, 2019	100,092,000	(1,317,897,416)	(1,217,805,416)

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

For and on behalf of Hans Ispat Limited

P. D. S. H.
PRAKASH D. SHAH
Partner
Membership No. 34363



[Handwritten signature]

SHAILESH BHANDARI
Director
Din: 00058866

[Handwritten signature]
RAVINDRA SINGH
Director Cum Manager
Din No: 08086332

[Handwritten signature]
PAWAN GAUR
Chief Financial officer

Place : Ahmedabad
Date : 27th May 2019

Place : Palodra
Date : 27th May 2019

HANS ISPAT LIMITED

Cash Flow Statement for the Year Ended on 31st March 2019

Amount In Rupees

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,953,048	(47,581,850)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	40,962,070	39,973,868
Finance income (including fair value changes in financial instruments)	(4,865,830)	(17,551,355)
Finance costs (including fair value changes in financial instruments)	248,716	124,559
Re-measurement loss on defined benefit plans	(925,859)	(80,255)
Operating Profit before working capital changes	37,382,145	(25,115,033)
Working capital adjustments:		
Decrease/(Increase) in trade receivables	52,339,116	(29,343,371)
Decrease/(Increase) in inventories	(185,770,428)	(6,698,953)
Decrease/(Increase) in other current financial assets	(1,795,516)	3,389,273
Decrease/(Increase) in other non-current financial assets	(51,745,299)	70,558,155
(Increase) in other current non-financial assets	18,475,163	98,650,875
(Decrease)/Increase in trade payables	(109,345,179)	(78,022,762)
(Decrease)/Increase in other current liabilities	288,065,936	(30,748,786)
(Decrease)/Increase in other current financial liabilities	(53,304,808)	91,186,985
(Decrease)/Increase in provisions	2,077,768	(1,715,858)
Cash generated from operations	(3,620,902)	92,140,525
Direct taxes paid (net)	1,810,278	(1,544,990)
Net Cash (used in) generated from operating activities	(1,810,624)	90,595,535
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment including CWIP	(28,541,685)	(835,067)
Sales / (Purchase) of investments (net)	-	144,916
Interest income	4,773,360	17,325,569
Net Cash (used in) generated from Investing activities	(23,768,235)	16,635,418
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	12,800,000	(118,307,929)
Interest paid	(248,716)	(124,559)
Net Cash (used in) generated from financing activities	12,551,284	(118,432,488)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(13,027,575)	(11,201,535)
Cash and Cash Equivalents at the beginning of the year	49,300,280	60,501,815
Cash and Cash Equivalents at the end of the year	36,272,705	49,300,280

As per the recent amendment by MCA in "IND AS-7 Statement of Cash Flows: Disclosure initiative "effective from 1st April,2017 disclosure of change of liabilities arising from financing activities, does not have any material non-cash changes.

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

For and on behalf of Hans Ispat Limited

P. D. S. L.
PRAKASH D. SHAH
Partner
Membership No. 34363



SHAILESH BHANDARI
Director
Din: 00058866

RAVINDRA SINGH
Director Cum Manager
Din No: 08088332

Place : Ahmedabad
Date : 27th May 2019

PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 27th May 2019

Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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 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 May 2019.

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 (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

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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

d Revenue from contract with customer (Applied from 1 April 2018)

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. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ 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 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:



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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.

Revenue recognition (till 31 March 2018)

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. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) and goods and service tax are 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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

Sale of Goods

Revenue from the sale of goods is recognized 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 VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognized on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

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

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.

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 utilized, except:



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

► 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 INTANGIBLE 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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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 LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

J 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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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



Notes to Financial Statements of HANS Ispat Limited for the year ended 31st March, 2019

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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

Financial liabilities

Initial recognition and measurement

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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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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

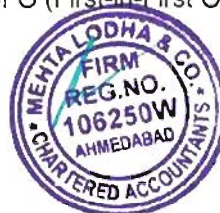
The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is 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.

K 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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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.

L 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.

M 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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

N 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.

O 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.

P CASH DIVIDEND

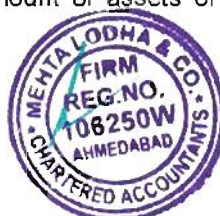
The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution are no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders.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

Q 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.



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

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 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.

(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 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.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2019

consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. There is no impact to be recognized at the date of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 as at the date of initial application of 1 April 2018 amounts to Rs Nil. The comparative information was also not restated as there is no change even after adoption of Ind AS 115 and continues to be reported under Ind AS 18.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the company. The company has not early adopted any standards or amendments that have been issued but are not yet effective.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1st April 2019 amending the following standard.

Impact of Ind AS 116 - Leases

On 30 March 2019, Ministry of Corporate Affairs has notified IND AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statements of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- a) Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimation and Errors.
- b) Modified retrospective - Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use assets either as:
 - c) Its carrying amount as if the standard has been applied since the commencement date, but discounting at lessor's incremental borrowing rate at the date of initial application or



Notes to Financial Statements of Hans Ispat Limited
for the year ended 31st March, 2019

- d) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of Initialapplicable. Certain practical expedients are available under both the methods.

The Company intends to adopt these standard, as applicable and they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.



HANS ISPAT LIMITED

Notes to Financial Statements for the Year ended 31st March, 2019

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

(a) Property, Plant and Equipment

(Amount in Rupees)

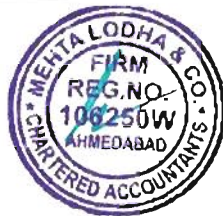
Particulars	Freehold land	Buildings	Plant & Machinery	Computer & Peripherals	Furniture & fixture	Vehicles	Office equipment	Total
Cost								
As at 1st April, 2017	13,207,449	48,027,645	300,676,481	268,180	454,224	9,023,097	360,214	371,897,290
Additions	-	-	320,000	-	-	-	516,067	836,067
Deductions / Capitalization/ Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2018	13,207,449	48,027,645	300,996,481	268,180	454,224	9,023,097	866,281	372,732,367
Additions	-	-	27,512,134	86,813	12,140	807,330	76,668	28,495,085
Deductions / Capitalization/ Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2019	13,207,449	48,027,645	328,408,615	344,993	466,364	9,830,427	941,949	401,227,442
Depreciation and Amortization								
As at 1st April, 2017	-	2,047,409	36,321,094	78,440	102,417	1,557,110	69,871	40,174,341
Depreciation charge for the year	-	2,055,614	36,350,552	81,635	50,123	1,366,347	69,597	39,973,868
Deductions / Capitalization/ Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	4,103,023	72,671,646	168,076	152,540	2,923,457	139,468	80,148,209
Depreciation charge for the year	-	2,055,614	37,332,132	72,889	49,439	1,306,651	144,942	40,961,687
Deductions / Capitalization/ Disposals	-	-	-	-	-	-	-	-
As at 31st March, 2019	-	6,158,637	110,003,778	230,964	201,979	4,230,108	284,410	121,109,876
Net Block								
As at 31st March, 2019	13,207,449	41,869,008	218,404,837	114,029	264,386	6,600,319	667,639	280,117,566
As at 31st March, 2018	13,207,449	43,924,622	228,224,835	100,106	301,684	8,099,640	725,813	292,584,148

Capitalized borrowing costs

1 No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the company has not borrowed fund for the purpose of acquisition of Property Plant and Equipment

2 Cost of Property, Plant and Equipment includes carrying value recognized as deemed cost as of 1st April 2018, measured as per previous GAAP and cost of subsequent additions

Intangible assets		(Amount in Rupees)
Cost	Software	
As at 1st April, 2017	-	-
Additions	-	-
Deductions / Capitalization/ Disposals	-	-
As at 31st March, 2018	-	-
Addition	46,500	-
Deductions / Capitalization/ Disposals	-	-
As at 31st March, 2019	46,500	-
Depreciation and Amortization		
As at 1st April, 2017	-	-
Depreciation charge for the year	-	-
Deductions / Capitalization/ Disposals	-	-
As at 31st March, 2018	-	-
Depreciation charge for the year	403	-
Deductions / Capitalization/ Disposals	-	-
As at 31st March, 2019	403	-
Net Block		
As at 31st March, 2019	46,097	-
As at 31st March, 2018	-	-



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
4	Financial Assets		
	Investments		
	Non-Trade Investments		
	Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
	1,00,000 (31 March 2018: 1,00,000) Units of Axis Hybrid Series 27 (1351 Days) Growth	1,233,000	1,150,520
		1,233,000	1,150,520
	Current	-	-
	Non-Current	1,233,000	1,150,520
		1,233,000	1,150,520
	Aggregate book value of Unquoted Investments	-	-
	Aggregate book value of Quoted Mutual Funds	1,000,000	1,000,000
		1,000,000	1,000,000
	Other Financial Assets (Unsecured, Considered Good)		
	Interest Accrued but not due	3,949,808	2,112,792
	Employee Advance	-	41,500
	Security deposits	77,680,017	25,935,450
	Fixed Deposits with Bank	12,408	11,676
		81,642,233	28,101,418
	Current	3,949,808	2,154,292
	Non-Current	77,692,425	25,947,126
		81,642,233	28,101,418

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
5	Inventories (at lower of cost and net realizable value)		
	Raw materials		
	Raw materials and components (Including material in transit)	74,161,080	17,265,361
	Work-in-process	39,501,321	4,847,202
	Finished goods		
	Finished goods (Including Material in Transit of Rs Nil/- (31st March, 2018 Rs 83,03,266/-)	176,198,270	88,234,496
	Stores and spares	66,022,364	59,765,548
		355,883,035	170,112,607

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
6	Trade Receivables		
	- Unsecured, considered good	43,013,035	95,352,151
	- Unsecured, - Credit Impaired	33,743,535	32,811,747
	Total	76,756,570	128,163,898
	Less: Impairment allowance		
	- Unsecured, - Credit Impaired	33,743,535	32,811,747
		43,013,035	95,352,151

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	Year ended 31-03-2019	Year ended 31-03-2018
Balance at the beginning of the year	32,811,747	32,811,747
Add: Allowance for the year	931,788	-
(Less) Actual written off during the year (net of recovery)	-	-
Balance at the end of the year	33,743,535	32,811,747

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
7	Cash and Cash Equivalents		
	Balances with Banks		
	- In Current accounts	36,175,477	49,239,917
	Cash in Hand	97,228	60,363
		36,272,705	49,300,280



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018		
8	Other Assets				
	Prepaid expense	822,598	1,775,258		
	Due from Subsidiary of holding Company	69,231	21,594		
	Advance receivable in cash or kind				
	Advances for Goods & Expenses and others	37,196,579	61,588,606		
	Balances with Government Authorities (Net)	9,752,162	2,930,275		
		46,948,741	64,518,881		
		47,840,570	66,315,733		
	Current	47,840,570	66,315,733		
	Non-Current	-	-		
		47,840,570	66,315,733		
		47,840,570	66,315,733		
9	Share Capital				
	Authorized Share Capital				
		EQUITY SHARES	EQUITY SHARES		
		Numbers	(Amount In Rupees)		
	As at 1 st April, 2017	37,000,000	370,000,000		
	Increase/(decrease) during the year	-	-		
	As at 31st March, 2018	37,000,000	370,000,000		
	Increase/(decrease) during the year	-	-		
	As at 31 st March, 2019	37,000,000	370,000,000		
	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 2019, the amount of per share (if any) of dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2018: 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 1 st April, 2017	36,420,000	364,200,000		
	Increase/(decrease) during the year	-	-		
	As at 31st March, 2018	36,420,000	364,200,000		
	Increase/(decrease) during the year	-	-		
	As at 31 st March, 2019	36,420,000	364,200,000		
	Details of Shareholders holding more than 5% Equity Shares in the Company				
		As at 31-03-2019		As at 31-03-2018	
	Name of the Shareholder	No. of Shares	% held	No. of Shares	% held
	Holding Company-Electrotherm (India) Limited	36,420,000	100.00%	36,420,000	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 2019 (Nil as on 31st March 2018)				



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

Note No.	Particulars	(Amount In Rupees)	
10	Other Equity		
	Securities Premium Reserve		
	As at 1st April, 2017	100,092,000	
	Increase/(decrease) during the year	-	
	As at 31st March, 2018	100,092,000	
	Increase/(decrease) during the year	-	
	As at 31st March, 2019	100,092,000	
	Securities premium reserve is used to record the premium on issue of shares. This reserve shall be utilized in accordance with the provisions of the Companies Act, 2013		
	Retained Earning		
	As at 1st April, 2017	-1,271,262,500	
Profit / (Loss) for the Year	-47,581,850		
Other Comprehensive Income	-80,255		
As at 31st March, 2018	-1,318,924,605		
Profit / (Loss) for the Year	1,953,048		
Other Comprehensive Income	-925,859		
As at 31st March, 2019	-1,317,897,416		
Total Other Equity			
As at 31st March, 2019		-1,217,805,416	
As at 31st March, 2018		-1,218,832,605	

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
11	Borrowings		
	Long term Borrowing from Bank (Secured)		
	Indian Rupee Term Loan [Refer note No. (a) & (b)]	18,000,000	18,000,000
	Indian Rupee Funded Interest Term Loan [Refer note No. (a) & (b)]	13,900,000	13,900,000
	Indian Rupee Working Capital Term Loan [Refer note No. (a) & (b)]	172,300,000	172,300,000
	Long term Borrowing from Financial Institute (Secured)		
	Indian Rupee Loan [Refer note No. (a) & (c)]	444,528,701	484,878,701
	Hire Purchase Finance for Vehicles (Secured by Hypothecation of Specific Vehicles) [Refer note No. (d)]	-	154,608
		648,728,701	689,233,309
	Less: Current maturity grouped as other current financial liability	269,200,000	322,504,608
		379,528,701	366,728,701
	Short term Borrowings from Bank (Secured)		
	Working Capital Loans - [Refer below Note (a) & (b)]	65,040,207	65,040,207
		65,040,207	65,040,207
	Total Borrowings	444,568,908	431,768,908
Current	65,040,207	65,040,207	
Non-Current	379,528,701	366,728,701	
	444,568,908	431,768,908	
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 And Reconstruction Private Limited 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 non performing asset 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 with ARC. On 17th January 2019, the company has requested to re-schedule the repayment term which was agreed by the ARC vide its sanction letter dated 15th March 2019. The ARC is not charging interest on the Debt due to them.		
d	Hire Purchase Finance for Vehicles carries interest @ 9.50% p a		
e	Company has defaulted in repayment of borrowings from Bank of Baroda Details of defaults are as follows		
	Nature of Borrowings	Principal	Interest
	Cash Credit	65,040,207	-
	Working Capital Term Loan	172,300,000	-
	Funded Interest Term Loan	13,900,000	-
	Term Loan	18,000,000	-
	Total	269,240,207	-
			65,040,207
			172,300,000
			13,900,000
			18,000,000
			269,240,207
			65,040,207
			366,728,701
			431,768,908



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

f Repayment Schedule as per Revised Sanction is as under :-

Particulars	0 - 1 Year	1 - 3 years	More than 3 year
Borrowing from Financial Institute	65,000,000	171,200,000	208,328,701
Borrowing from Bank [Refer note No 11(b)]	269,240,207	-	-

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
12	Trade Payables		
	(a) Total Outstanding dues of micro enterprises and small enterprise	3,673,553	-
	(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		
	- Dues to Holding Company	279,239,998	274,703,899
	- Dues to Others	409,486,801	527,041,432
		<u>692,400,152</u>	<u>801,745,331</u>

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 2019 and year ended 31st March 2018 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 31-03-2019	As at 31-03-2018
a	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
	- Principal	3,673,553	-
	- 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	Year ended 31-03-2019	Year ended 31-03-2018
13	Other Current Financial Liabilities		
	Current Maturity of Long Term Borrowings (Refer Note 11)	269,200,000	322,504,608
		<u>269,200,000</u>	<u>322,504,608</u>

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
14	Other Current Liabilities		
	Contract liability (Advance from customers)	31,997,243	1,511,820
	Advance From Holding Company	232,774,865	-
	Statutory dues payable	28,193,399	1,270,938
	Other Miscellaneous Liabilities	32,697	149,710
		<u>290,998,204</u>	<u>2,932,268</u>

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
15	Provisions		
	- Provision for Employee Benefits		
	- Compensated Absences	919,152	684,463
	- Gratuity	5,454,006	4,381,564
	- Bonus	2,666,823	1,896,186
		<u>9,039,981</u>	<u>6,962,213</u>
	Current	3,620,540	2,580,649
	Non-Current	5,419,441	4,381,564
		<u>9,039,981</u>	<u>6,962,213</u>

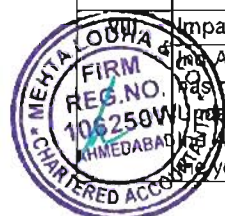


HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
16	Revenue from Contracts with Customers		
	Sale of Products		
	Finished Goods-Steel Products	5,852,505,998	4,115,709,629
	Total Revenue from operations	5,852,505,998	4,115,709,629
i	Revenue from operations for previous period up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2019 is not comparable 31 March 2018.		
ii	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-Steel Products		
	- India	5,852,505,998	4,115,709,629
	- Outside India	-	-
	Total revenue form contracts with customers	5,852,505,998	4,115,709,629
b	Timing of revenue recognition		
	Goods transferred at a point in time	5,852,505,998	4,115,709,629
	Goods and Services transferred over a period of time	-	-
	Total revenue form contracts with customers	5,852,505,998	4,115,709,629
iii.	Reconciliation between revenue with Customers and Contracted price as per IND AS 115:		
	Revenue Reconciliation	Year ended 31-3-2019	Year ended 31-3-2018
	Revenue as per contracted price	5,909,798,749	4,164,857,079
	Less: Cash discount/incentive expenses	(57,292,751)	(49,147,450)
	Revenue from Contract with customers	5,852,505,998	4,115,709,629
iv	Set Out below is the amount of revenue recognized from:-		
	Particulars	As at 31-03-2019	As at 31-03-2018
	Amount of Contract Liability (Including Advance From Customers) at the beginning of the year	1,511,620	22,635,977
	Performance obligation satisfied during in the Previous year	1,313,276	22,429,600
v	Contract Balances as at:	As at 31-03-2019	As at 31-03-2018
	Trade Receivable	43,013,035	95,352,151
	Contract liabilities (Advance from customers)	264,772,108	1,511,620
	In March 2019, 9,31,788/- (March 2018, Rs Nil) was recognized as provision for expected credit losses on trade receivable		
vi	Trade receivables are non-interest bearing and are generally on term of 10 days.		
vii.	Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied as at 31st March 2019 is Rs 1,98,344/- (31st March 2018 is Rs 206,377). The unsatisfied performance obligation is expected recognized within 12 Months.		
	Impact of Ind AS 115		
	Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting periods beginning on or after 1st April 2018 and has replaced existing Ind AS related thereon. The Company has adopted the modified retrospective approach under the standard. Under this approach, no adjustments were required to be made to the retained earning as at 1st April 2018. Also the application of Ind AS 115 did not have significant impact on recognition and measurement of revenue and related items in the financial results for the year 31st March 2019.		



Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
17	Other Income		
	Interest income on		
	Bank deposits	48,816	255,528
	Others	4,724,534	17,070,041
	Other non-operating income		
	Fair value gain on financial instruments at fair value through profit and loss	82,480	80,870
	Net Discount and Claims and net amounts written back	11,743	755,769
	Miscellaneous income	4,798,694	203,950
	Net Gain on Sale of Investment	-	144,916
		9,666,267	18,511,074

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
18	Cost of raw material and components consumed		
	- Opening Inventory	17,265,361	13,653,053
	- Add: Purchases	5,010,188,683	3,611,969,001
	- Add: Other charges and expenditure	86,649,321	10,610,053
	- Less: Closing Inventory	(74,161,080)	(17,265,361)
	Cost of raw materials and components consumed	5,039,942,285	3,618,966,746

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
19	(Increase)/Decrease In Inventory		
	Inventories at the end of the year		
	- Work in Process	39,501,321	4,847,202
	- Finished Goods	176,198,270	88,234,496
		215,699,591	93,081,698
	Inventories at the beginning of the year		
	- Work in Process	4,847,202	4,097,327
	- Finished Goods	88,234,496	89,300,499
		93,081,698	93,397,826
	(Increase)/Decrease In Inventory		
	- Work in Process	(34,654,119)	(749,875)
	- Finished Goods	(87,963,774)	1,066,003
		(122,617,893)	316,128

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
20	Employee benefits expenses		
	Salaries, wages and bonus	69,304,047	51,246,275
	Contribution to provident fund and other fund	3,862,507	2,852,867
	Gratuity expense (Refer note 23)	971,501	(441,599)
	Staff welfare expenses	1,364,298	301,025
		75,502,353	53,958,568

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
21	Finance Cost		
	Interest others	172,860	111,929
	Bank charges	75,856	12,630
		248,716	124,559



Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
22	Other Expense		
	Consumption of Stores & Spares	108,433,370	39,212,859
	Freight & Transport Charges	110,611,711	88,012,871
	Power & Fuel	497,711,503	174,126,982
	Job work Charges	81,830,691	41,392,262
	Repairs and Maintenance:		
	Plant and machineries	521,594	134,800
	Others	3,268,642	1,349,466
	Legal & Consultancy Charges	8,466,079	2,517,751
	Traveling & Conveyance Expenses	216,968	83,552
	Insurance	1,616,616	1,909,432
	Vat & GST Expenses	4,176,681	3,243,770
	Rates & Taxes	2,147,091	784,353
	Auditors' Remuneration (Refer note-a)	574,000	80,000
	Sales Commission	2,627,954	5,878,297
	Increase/(Decrease) in excise duty on Inventory	-	(9,922,278)
	Water Charges	302,333	62,146
	Subscription & Membership	259,248	263,023
	Printing & Stationery	210,544	183,060
	Postage Telegram & Telephone Expenses	392,793	265,922
	Vehicle Expenses	145,113	318,190
	Provision for Doubtful Debts	931,788	-
	Sundry Balance Written off	686,048	-
	Miscellaneous Expenses	1,050,919	532,577
		826,181,686	350,429,035
a)	Payments to Auditors		
	As Auditor:		
	- Audit Fee (Including Previous year audit fees of Rs.200,000)	400,000	-
	In other capacity:		
	- Taxation matters	60,000	30,000
	- Other Services	114,000	50,000
		174,000	80,000
		574,000	80,000



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2019

Employee Benefits Expense

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

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

PARTICULARS		Year ended 31-03-2019	Year ended 31-03-2018
Provident Fund and Other fund		3,852,507	2,552,887
	Total	3,852,507	2,552,887

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, 2019: Changes in defined benefit obligation and plan assets

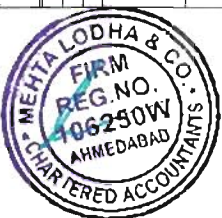
	Cost charged to Statement of Profit and Loss		Remeasurement gains/(losses) in other comprehensive income		(Amount in Rupees)
	1 st April, 2018	Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (Note 23)	
Gratuity					
Defined benefit obligation	4,381,564	678,377	343,953	1,022,330	(875,747)
Fair value of plan assets	4,381,564	678,377	343,953	1,022,330	(875,747)
Benefit liability					
Total benefit liability	4,381,564	678,377	343,953	1,022,330	(875,747)

31st March 2018: Changes in defined benefit obligation and plan assets

	Cost charged to Statement of Profit and Loss		Remeasurement gains/(losses) in other comprehensive income		(Amount in Rupees)
	1 st April, 2017	Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (Note 23)	
Gratuity					
Defined benefit obligation	4,390,374	729,623	330,155	1,059,778	(1,148,844)
Fair value of plan assets	4,390,374	729,623	330,155	1,059,778	(1,148,844)
Benefit liability					
Total benefit liability	4,390,374	729,623	330,155	1,059,778	(1,148,844)

The net liability disclosed above relates to unfunded plans is as follows:-

Particular	31st March, 2019	31st March, 2018
Present Value of unfunded obligation	5,854,006	4,381,564
Fair Value of Plan Assets	5,454,006	-
Surplus of the unfunded plan		4,381,564



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

Particulars	Year ended	
	31-03-2019	31-03-2018
Discount rate	7.79%	7.85%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	N A	N A
Employee Turnover Rate	3.00%	2.00%
Attrition rate	3.00%	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2008-08)
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

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		As at 31-03-2019	As at 31-03-2018
Discount rate	1% increase	(534,333)	(491,108)
	1% decrease	639,103	595,820
Salary Increase	1% increase	644,274	601,042
	1% decrease	(547,297)	(503,188)
Employee turnover	1% increase	85,805	95,718
	1% decrease	(101,487)	(113,177)

(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 31-03-2019	As at 31-03-2018
1st Following Years	777,922	491,497
2nd Following Years	183,240	202,800
3rd Following Years	195,709	121,562
4th Following Years	203,076	130,295
5th Following Years	203,076	168,135
Sum of Years 6 to 10	203,076	1,008,337
Sum of Years 11 and above	203,076	13,197,487
Total expected payments	1,989,175	15,320,113

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 31-03-2019 Years	As at 31-03-2018 Years
Gratuity	13	14

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

Particulars	As at 31-03-2019 (Amount in Rs.)	As at 31-03-2018 (Amount in Rs.)
Gratuity		



HANS ISPAT LIMITED

Notes to Financial Statements For the Year Ended 31st March, 2019

24 COMMITMENTS AND CONTINGENCIES

a) Contingent Liabilities :-

(Amount in Rupees)

Sr No.	Particulars	As at 31-03-2019	As at 31-03-2018
a)	Disputed Statutory Claims/Dues - Income tax (including penalty)	1,827,430	1,827,430
b)	Bank guarantee and Letter of Credit	513,275	468,284
c)	Amount payable to supplier of creditor (Refer Note below)	10,300,000	10,300,000

Ms. Kashna 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 Hon'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 above said 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. Now the matter is pending before Hon'ble Commercial Court, Rajkot 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, 2018 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		As at 31-03-2019	As at 31-03-2018
Particular			
- Within India		5,852,605,998	4,115,709,629
- Outside India		-	-
Total		5,852,605,998	4,115,709,629
(b) Segment Assets		As at 31-03-2019	As at 31-03-2018
Particular			
- Within India		852,601,829	711,280,723
- Outside India		-	-
Total		852,601,829	711,280,723

26 Related Party disclosures

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

A Relationships

(a)	Key Management Personnel	Relation
	Mr. Mukesh Bhanwarlal Bhandari	Director
	Mr. Shailesh Bhanwarlal Bhandari	Director
	Mr. Avinash Prakashchand Bhandari	Director
	Mr. Mahendrakumar Ramniklal Patra*	Director cum Manager
	Mr. Chaitanyapralap Sharma	Independent Director
	Mr. Ravindra Mundrika Singh†	Director cum Manager
	Mr. Pawan Gaur	Chief Financial Officer
*Resigned to be a director cum Manager on 10th August 2018		
†Appointed as a Director cum Manager from 14th November 2018		
(b)	Associate Concern	Relation
	Electrotherm (India) Limited	Holding Company
	Electrotherm Services Limited (Earlier know as Shree Hans Papers 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:

Particulars	2018-19	2017-18
Purchase of Raw Material		
- Electrotherm (India) Limited	11,411,781	1,110,400,057
Purchase of Consumable Material		
- Electrotherm (India) Limited	19,159,185	13,880,363
Sales		
- Electrotherm (India) Limited	48,633,915	995,704,178
Remuneration		
- Mr. Mahendrakumar Ramniklal Patra	-	3,614,078
Expenses (Repair & Maintenance and Freight expense)		
- Electrotherm (India) Limited	245,450	-
Advances Received		
- Electrotherm (India) Limited	511,000,000	-
Advances Repaid		
- Electrotherm (India) Limited	378,228,135	-
Amount paid on their behalf		
- Electrotherm Services Limited (Earlier know as Shree Hans Papers Limited)	47,637	164,850
Outstanding as at year end (Payable/Receivable)		
- Electrotherm Services Limited (Earlier know as Shree Hans Papers Limited)	(68,231)	(21,504)
- Electrotherm (India) Limited	612,014,863	274,703,898
- Mr. Mahendrakumar Ramniklal Patra	-	1,411,393

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 2019 the Company has not recorded any impairment of receivables relating to amounts due from related parties (31st March 2018 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.



27 Earnings Per Share (EPS).

Particulars	2018-19	2017-18
Profit / (Loss) for the year (Amount in Rupees)	1,653,048	(47,581,850)
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	38,420,000	38,420,000
Earnings per Share (Basic and Diluted)	0.05	(1.31)
Nominal Value of Shares	10.00	10.00

28 Income Tax

a Component of income tax

Particulars	As at 31.03.2019	As at 31-03-2018
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

b Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2019

Particulars	As at 31.03.2019	As at 31-03-2018
Accounting profit before income tax	1,953,048	(47,581,850)
Enacted tax rates in India	31.20%	30.90%
Computed tax expense	609,351	(14,702,782)
Non-deductible expenses for tax purpose	1,809,039	660,444
Deductible expenses for tax purpose	(818,119)	(528,395)
Other	4,664,879	5,008,293
Set off of brought forward business Loss	-8,265,150	-
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	-	9,562,450
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 of 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 2010-11 will expire from 31.03.2019 and the losses of subsequent years will expire on yearly basis. The company does not have MAT credit.

d Deferred Tax

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	41,558,455.00	(4,703,119.00)	36,855,336.00
Total	41,558,455.00	(4,703,119.00)	36,855,336.00
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	659,723.00	858,598.00	1,518,321.00
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws & MAT Credit	421,014,644.00	(32,557,040.00)	388,457,604.00
Other adjustments	10,138,830.00	389,153.00	10,527,983.00
Total	431,813,197.00	(31,309,289.00)	400,503,908.00
Net Deferred Tax Assets	390,254,742.00	(26,606,170.00)	363,648,572.00

Movement in deferred tax Assets (net) for the year ended 31st March, 2018			
Particulars	Opening Balance As at March 31, 2017	To be recognized in Profit & Loss Account *	Closing Balance as at March 31, 2018
Tax effect of items constituting deferred tax liabilities:			
Property, plant and equipment	48,490,640.00	(4,932,185.00)	43,558,455.00
Total	48,490,640.00	(4,932,185.00)	43,558,455.00
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	2,681,524.00	(2,021,801.00)	659,723.00
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws & MAT Credit	411,443,318.00	9,571,326.00	421,014,644.00
Other adjustments	-	10,138,830.00	10,138,830.00
Total	414,124,842.00	17,688,355.00	431,813,197.00
Net Deferred Tax Assets	367,634,202.00	22,620,540.00	390,254,742.00

* 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, 2019**

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 company.

(b) In view of non-recovery of the amounts or non-settlement of the accounts the company has determined Rs.9,31,788/- (31 March 2018 Rs Nil) 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 8,83,20,701/-.

30 Other Matter

The company is in process of filling the vacancy of Company Secretary as per the requirement of section 203 of Company's Act, 2013 and appointment of Woman Director.

31 Legal cases

Criminal complain u/s 138 read with Section 142 of the Negotiable Instrument Act, 1881 has been filed before the Humble Judicial Magistrate First Class Ahmedabad for dishonor of cheque of following Parties and are shown as doubtful and the provision for the doubtful debt has been provided in the books.

Name of the Parties	Amounts Involved in Court Case
Shivamy Enterprise (India) Pvt Ltd.	11,925,656
Shree Balram Steel Traders	300,000
Kailash Ispat	10,500,000
Jupiter Business Ltd	4,272,000
Total	26,997,656

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 judgment 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.

(b) Bank of Baroda has issued a show cause notice to the Company & guarantors / directors for declaring them as wilful 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 wilful defaulter and reported the same to Reserve Bank of India / CIBIL, 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 wilful 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 18.04.2016 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 01.04.2018	Interest for the Year	Interest Up to 31.03.2019
Cash Credit	36,974,853	18,408,681	55,383,534
Term Loan	9,047,467	6,280,031	15,327,498
Funded Interest Term Loan	6,976,348	4,859,886	11,836,234
Working Capital Term Loan	88,459,061	58,259,151	146,718,212
Total Amounts	141,457,729	87,807,749	229,265,478



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 31-03-2019		
		Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	1,233,000	-	1,233,000
Trade receivables	6	-	43,013,035	43,013,035
Cash and cash equivalents	7	-	36,272,705	36,272,705
Other financial assets	4	-	81,642,233	81,642,233
Total		1,233,000	160,927,973	162,160,973
Financial liabilities				
Borrowings (including current maturities)	11, 13	-	713,768,908	713,768,908
Trade payables	12	-	692,400,152	692,400,152
Total		-	1,406,169,060	1,406,169,060

(Amount in Rupees)

Particulars	Refer Note	As at 31-03-2018		
		Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	1,150,520	-	1,150,520
Trade receivables	6	-	95,352,151	95,352,151
Cash and cash equivalents	7	-	49,300,280	49,300,280
Other financial assets	4	-	28,101,418	28,101,418
Total		1,150,520	172,753,849	173,904,369
Financial liabilities				
Borrowings (including current maturities)	11, 13	-	764,273,516	764,273,516
Trade payables	12	-	801,745,331	801,745,331
Total		-	1,566,018,847	1,566,018,847

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 31-03-2019		As at 31-03-2018	
	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)	1,233,000	1,233,000	1,150,520	1,150,520

Level 1 Quoted 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.

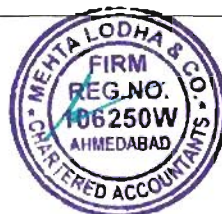
(b) Financial instrument measured at Amortized Cost

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.



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2019
(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 2019 the outstanding unhedged / hedged foreign currency exposure is Rs Nil. (31st March 2018 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 2019, the carrying value of such instruments recognized at FVTPL amounts to Rs. 12,33,000/- (31st March 2018 Rs.11,50,520/-). 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.

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

Particulars	(Amount In Rupees)	
	As at 31-03-2019	As at 31-03-2018
Gross carrying amount	76,756,570	128,163,898
Expected loss rate	43.96	25.60
Expected credit losses (loss allowance provision)	33,743,535	32,811,747
Carrying amount of trade receivables (net of impairment)	43,013,035	95,352,151

Concentrations of Credit Risk form part of Credit Risk

During the year ended 31st March, 2019, sales to a customer approximated Rs 148.51 Crores or 25.13% of net revenue and during the year ended 31st March 2018, sales to such customer approximated Rs NIL or 0% of net revenue. Accounts receivable from such customer approximated Rs. NIL at 31st March, 2019 and Rs. NIL at 31st March, 2018. 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.

Particulars	(Amount In Rupees)			
	On Demand / Less than 1 Year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2019				
Borrowings	334,240,207	171,200,000	208,328,701	713,768,908
Trade payables	692,400,152	-	-	692,400,152
Year ended 31st March, 2018				
Borrowings	387,544,815	366,728,701	-	754,273,516
Trade payables	801,745,331	-	-	801,745,331

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:

Particular	(Amount In Rupees)	
	As at 31-03-2019	As at 31-03-2018
Equity	364,200,000	364,200,000
Other Equity	(1,217,805,416)	(1,218,632,605)
Total	(853,605,416)	(854,432,605)



Hans Ispat Limited

Notes to Financial Statements for the Year Ended 31st March, 2019

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 May, 2019, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

37 Figures of previous years 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

P.D.S.V. 1
PRAKASH D. SHAH
Partner
Membership No: 34363



Place: Ahmedabad
Date: 27th May 2019

For and on behalf of Hans Ispat Limited

A large, stylized handwritten signature in black ink.

SHAILESH BHANDARI
Director
Din: 00068868

A handwritten signature in black ink, appearing to be "Ravindra Singh".

RAVINDRA SINGH
Director Cum Manager
Din No: 08088332

A handwritten signature in black ink, appearing to be "Pawan Chauhan".
PAWAN CHAUHAN
Chief Financial officer

**BHASKARPARA COAL
COMPANY LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR
2018-2019**



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Bhaskarpara Coal Company Limited

Report on the Financial Statements

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, 2019, the Statement of Profit & Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

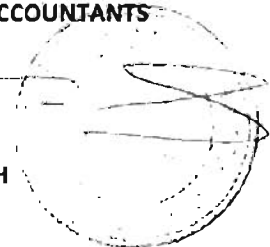
We broadly believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statement.

- 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 paid/provided for managerial remuneration in the books of accounts during the year and therefore 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 and therefore the provision of Paragraph (xii) of the Order is 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 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 and therefore, the provision of Paragraph (xv) of the Order is 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.

Place: Ahmedabad
Date: 10/04/2019

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


HITESH P SHAH
PARTNER
M.No. 124095



Matter of Emphasis

A. We draw attention to following notes:-

1. **Note No. 21** of the financial statements, in relation to cancellation of allotment of Coal Block by the Hon'ble Supreme Court of India and further the company does not have any business to carry on, as on date, hence the accounts are prepared on the non-going concern basis.
2. **Note No. 8.1** of the financial statements, related to the "Share Application Money, pending allotment", of Rs.2,49,45,000/-.
3. **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.

Opinion

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 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 31 March 2019 and its profit including comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, except otherwise stated, 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, Statement of Profit and Loss including Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

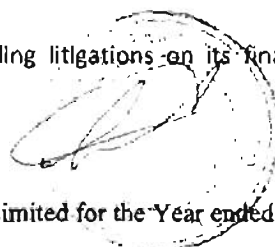
(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

(iv) The disclosure requirements relating to holdings as well as dealings in the specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016 which are not relevant to these Financial Statement and hence reporting under clause is not applicable.

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


HITESH P SHAH
PARTNER
M.No. 124095

Place: Ahmedabad

Date: 10/04/2019

UDIN: 19124095AAAAP6435

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, 2019]

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 otherwise stated.
- ii. The Company does not have any inventories and 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 therefore 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

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

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, 2019.

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, 2019 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

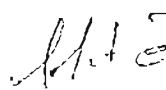
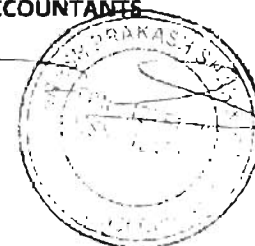
7. Because of the Inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 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.

Place: Ahmedabad
Date: 10/04/2019

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

HITESH P SHAH
PARTNER
M. No.124095

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Balance Sheet as at March 31, 2019

(In ₹)

Particulars	Note No.	As at	As at
		March 31, 2019	March 31, 2018
(1)	(2)	Audited (3)	Audited (4)
I ASSETS			
(1) Non-Current Assets			
Property, Plant and Equipment	2	69,541,694	69,563,893
Capital Work-in-Progress	2	78,793,918	78,793,918
Financial Assets:			
Other Financial Assets	3	5,913,419	5,854,864
Total Non-Current Assets		154,249,031	154,212,675
(2) Current Assets			
Financial Assets:			
Cash and Cash Equivalents	4	180,884	30,837
Other Current Assets	5	2,445,927	2,446,457
Total Current Assets		2,626,811	2,477,294
TOTAL ASSETS		156,875,842	156,689,969
I EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	6	171,861,770	171,861,770
Other Equity	7	(40,124,728)	(40,307,061)
		131,737,042	131,554,709
(2) Share Application money, pending allotment	8	24,945,000	24,945,000
(3) Liabilities			
Current Liabilities			
Financial Liabilities:			
Trade Payables	9	11,800	8,260
Other Current Liabilities	10	182,000	182,000
Total Current Liabilities		193,800	190,260
TOTAL EQUITY AND LIABILITIES		156,875,842	156,689,969

Summary of significant accounting policies

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 Accountants
 Firm Registration No: 127614W

(Hitesh P. Shah)
 Partner
 Membership No: 124095



For and on behalf of the Board

Dineshkumar Sharma
 DIN: 00914419

Rajiv Kumar Saxena
 DIN: 03466982

Date: 10/04/2019
 Place: Ahmedabad

Date: 10/04/2019
 Place: Ahmedabad

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Profit and Loss for the year ended March 31, 2019

(In ₹)

Particulars	Note No.	Year Ended March	Year Ended March
		31, 2019	31, 2018
(1)	(2)	(3)	(4)
		Audited	Audited
REVENUE:			
Revenue from Operations		-	-
Other Income	11	3 58 666	3 67 050
TOTAL INCOME (I)		3 58 666	3 67 050
EXPENSES:			
Depreciation and Amortisation expenses	12	22 199	22 198
Other Expenses	13	82 267	1 03 158
TOTAL EXPENSES (II)		1 04 466	1 25 356
Profit before Tax Expenses (I)-(II)		2 54 200	2 41 694
Tax Expense:			
Current Tax	18	71 867	67 952
Earlier Year Tax / (Refund)		-	-
Total Tax Expenses		71 867	67 952
Profit for the Year (III)		1 82 333	1 73 742
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 Year		1 82 333	1 73 742
Earnings per Equity share	14		
(Face value of ₹10 each)			
Basic (In ₹)		0.0106	0.0101
Diluted (In ₹)		0.0093	0.0088

In terms of our report attached.

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


(Hitesh P. Shah)
Partner
Membership No: 124095



Date: 10/04/2019
Place: Ahmedabad

For and on behalf of the Board


Dineshkumar Sharma
DIN: 00914419


Rajiv Kumar Saxena
DIN: 03466982

Date: 10/04/2019
Place: Ahmedabad

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Change in Equity as at March 31, 2019

A . Equity Share Capital

As at March 31, 2019

(In ₹)

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

As at March 31, 2018

(In ₹)

Particular	Balance as at April 01, 2017	Changes in Equity Share capital during the period	Balance as at March 31, 2018
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 March 31, 2019

(In ₹)

Particulars	Reverse & Surplus	Total Other Equity
	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 the year ended March 31, 2018

(In ₹)

Particulars	Reverse & Surplus	Total Other Equity
	Retained Earnings	
Balance as at April 01, 2017	(4 04 80 803)	(4 04 80 803)
Profit for the year	1 73 742	1 73 742
Total Comprehensive Income for the year	1 73 742	1 73 742
Balance as at March 31, 2018	(4 03 07 061)	(4 03 07 061)

For Hitesh Prakash Shah & Co.

Chartered Accountants

Firm Registration No: 127614W

(Hitesh P. Shah)

Partner

Membership No: 124095

Date: 10/04/2019

Place: Ahmedabad



For and on behalf of the Board

(Signature)
Dineshkumar Sharma
DIN: 00914419

Date: 10/04/2019

Place: Ahmedabad

(Signature)
Rajiv Kumar Saxena
DIN: 03466982

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Cash Flow Statement for the Quarter ended on March 31 2019

(In ₹)

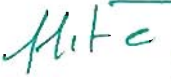
Particulars	Year ended on	Year ended on
	March 31, 2019	March 31, 2018
(1)	Audited	Audited
(1)	(2)	(3)
(A) Cash flow from operating activities		
Profit (Loss) before Tax	2 54 200	2 41 694
<i>Adjustments for:</i>		
Interest Income	(3 58 666)	(3 67 050)
Depreciation and amortisation	22 199	22 198
Operating Profit before Working Capital Changes	(82 267)	(1 03 158)
<i>Movement in working Capital:</i>		
Decrease/(Increase) in Financial & other current assets	530	-
Increase/(Decrease) in Trade payables and other liabilities	3 540	210
Cash Generated from Operation	(78 197)	(1 02 948)
Direct Taxes Paid	(71 867)	(75 743)
Cash generated/ (used) from/ (in) operating activities (A)	(1 50 064)	(1 78 691)
(B) Cash Flow from investing activities		
Sale of fixed assets	-	-
Redemption / (Investment) in Bank Deposits	(58 555)	(3 30 345)
Interest Received	3 58 666	3 67 050
Net cash used in investing activities (B)	3 00 111	36 705
(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)	1 50 047	(1 41 986)
Cash and cash equivalents at beginning of the year	30 837	1 72 823
Cash and cash equivalents at end of the year	1 80 884	30 837
Cash & Bank Balance as per Note No.3	1 80 884	30 837

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.

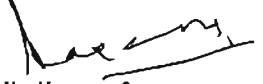
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W


(Hitesh P. Shah)
Partner
Membership No: 124095



For and on behalf of the Board


Dineshkumar Sharma
DIN: 00914419


Rajiv Kumar Saxena
DIN: 03466982

Date: 10/04/2019
Place: Ahmedabad

Date: 10/04/2019
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 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 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 ascertained 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

to Financial Statement

ty, Plant & Equipment
As at 31st March 2019

Particulars	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 Period	Deduction / Adjustment	As at March 31, 2019	As at March 31, 2019	
										(In ₹)
Tangible Assets										
Freehold Land	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	24 232
Vehicles	43 945	-	-	43 945	13 294	6 647	-	19 941	24 004	24 004
Electrical Equipment	17 486	-	-	17 486	6 290	3 145	-	9 435	8 051	8 051
Computer	734	-	-	734	-	-	-	-	734	734
Total Tangible Assets	6 96 08 289	-	-	6 96 08 289	44 396	22 199	-	66 595	6 95 41 694	6 95 41 694
Capital Work-in-Progress	7 87 93 918	-	-	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	14 83 35 612

As at 31st March, 2018

Particulars	Cost				Depreciation and Amortisation				Net Block	
	As at April 1, 2017	Additions	Deduction / Adjustment	As at March 31,	As at April 1, 2017	For the Period	Deduction / Adjustment	As at March 31, 2018	As at March 31, 2018	
				March 31,	April 1, 2017					(In ₹)
Tangible Assets										
Freehold Land	6 94 84 673	-	-	6 94 84 673	-	-	-	-	-	6 94 84 673
Furniture and Fixtures	61 451	-	-	61 451	12 406	12 406	-	24 812	36 639	36 639
Vehicles	43 945	-	-	43 945	6 647	6 647	-	13 294	30 651	30 651
Electrical Equipment	17 486	-	-	17 486	3 145	3 145	-	6 290	11 196	11 196
Computer	734	-	-	734	-	-	-	-	734	734
Total Tangible Assets	6 96 08 289	-	-	6 96 08 289	22 198	22 198	-	44 396	6 95 63 893	6 95 63 893
Capital Work-in-Progress	7 87 93 918	-	-	7 87 93 918	-	-	-	-	7 87 93 918	7 87 93 918
Grand Total	14 84 02 207	-	-	14 84 02 207	22 198	22 198	-	44 396	14 83 57 811	14 83 57 811

None of the Tangible Assets are acquired on Lease.



Bhaskarpara Coal Company Limited

Notes to Financial Statements

3 Other Financial Assets:

(In ₹)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Balance with the bank in Fixed Deposit Accounts (Deposited as margin money with HDFC Bank)	59 13 419	58 54 864
	Total	59 13 419	58 54 864

4 Cash & Cash Equivalent:

(In ₹)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Balance with Banks (Current Accounts)	1 80 884	30 837
	Total	1 80 884	30 837

5 Other Current Assets

(In ₹)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Other Receivables Amount recoverable from Globe Consultant	24 40 704	24 40 704
(b)	Advance income tax for AY 2019-20 (Advance Tax paid Rs. 71,867/-, Tax Provision Rs.71,867/-)	-	-
(c)	Income Tax Receivable for AY 2018-19	5 223	5 753
	Total	24 45 927	24 46 457

Note: Rs. 24,40,704/- is recoverable from M/s Globe Consultant debited on account of cancellation of sale deed by District Collector of Sarguja 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, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
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	No. of Shares	Amount
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



Bhaskarpara Coal Company Limited

Notes to Financial Statements

B Shares held by Joint Venture Company

Electrotherm (India) Limited	90 45 127	9 04 51 270	90 45 127	9 04 51 270
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C List of Shareholders holding more than 5% of Paid-up Equity Share Capital

	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.

7 Other Equity

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Retained Earning		
	Opening Balance	(4 03 07 061)	(4 04 80 803)
	Addition during the year	1 82 333	1 73 742
	Deduction during the year	-	-
	Closing Balance	(4 01 24 728)	(4 03 07 061)

8 Share Application money, pending allotment:

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(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.



Bhaskarpara Coal Company Limited

Notes to Financial Statements

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 ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Trade Payables	11 800	8 260
Total		11 800	8 260

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 ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Registration Fees Payable	1 82 000	1 82 000
Total		1 82 000	1 82 000

11 Other Income

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Interest Income on Bank Deposit	3 58 666	3 67 050
Total		3 58 666	3 67 050

12 Depreciation & Amortisation Expense

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Depreciation and Amortisation	22 199	22 198
Total		22 199	22 198



Bhaskarpara Coal Company Limited

Notes to Financial Statements

13 Other Expenses

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Auditors' Remuneration - Audit Fees	11 800	8 260
(b)	Bank Charges and Commission	-	750
(c)	Photocopy Expenses	-	6 050
(d)	Travelling Expenses	51 967	42 498
(e)	Professional Fees	-	12 000
(f)	ROC Filing Fees	18 500	33 600
Total		82 267	1 03 158

14 Earning Per Share (EPS):

		(In ₹)	
Particulars	Unit	As at March 31, 2019	As at March 31, 2018
Profit for the Year	₹	1 82 333	1 73 742
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	₹	0.0106	0.0101
Diluted	₹	0.0093	0.0088

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

		(In ₹)	
Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
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 is in process of filling the Appeal in Chhattisgarh High Court and 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.



Bhaskarpara Coal Company Limited

Notes to Financial Statements

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	Electo therm (India)Limited (EIL)
(b)	Joint Venture Company	UltraTech Cement Limited (UTCL)

(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 Period and balances outstanding as at March 31, 2019:

(A) Transactions with related parties during the period

Rs. Nil

(B) Balance outstanding

(In ₹)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Share Application Money - UltraTech Cement Ltd.	2 49 45 000	2 49 45 000

18 Income Tax

The Major Component of Income Tax Expenses for the years ended 31st March 2019 and 31st March 2018 are: -

(In ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Statement of Profit and Loss		
Current Tax		
Current Income Tax	71 867	67 952
Deferred Tax		
Deferred Tax Expenses/(Benefit)	-	-
Income Tax Expenses reported in the Statement of Profit and Loss	71 867	67 952
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

Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018 :

	(In ₹)	
Particular	Year ended March 31, 2019	Year ended March 31, 2018
Accounting Profit before tax	2 54 200	2 41 694
Enacted Income Tax Rate in India applicable to the Company	26.00%	25.75%
Tax using the Company's Domestic Tax Rate	66 095	62 236
Tax Effects of:		
Add: Non-Deductible Expenses	5 772	5 716
At the Effective Income Tax Rate of March 31, 2019 is 28.27%, March 31, 2018 is 28.11% .	71 867	67 952

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 Chhattisgarh has passed 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 allotted 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 promulgated 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 ₹)

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
Financial Liabilities:				
Trade Payables	9	-	11 800	11 800
Total		-	11 800	11 800

Particular	Refer Note	As at 31-03-2018		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial Assets:				
Other Financial Assets	3	-	58 54 864	58 54 864
Cash and Cash Equivalents	4	-	30 837	30 837
Total		-	58 85 701	58 85 701
Other Financial Assets				
Trade Payables	9	-	8 260	8 260
Total		-	8 260	8 260

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.

(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.



Bhaskarpara Coal Company Limited

Notes to Financial Statements

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 2019, the company is not engaged in any business activity and therefore meeting of capital requirement is not required.

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 10/04/2019, 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

(Hitesh P. Shah)

Partner

Membership No:124095

Date: 10/04/2019

Place: Ahmedabad



For and on behalf of the Board

Dinesh Kumar Sharma

Dineshkumar Sharma

DIN: 00914419

Date: 10/04/2019

Place: Ahmedabad

Rajiv Kumar Saxena

Rajiv Kumar Saxena

DIN: 03466982

ET ELEC-TRANS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR
2018-2019

**ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS**

36,3rd Floor, Allshan, 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, 2019**, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, and its cash flows 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 Companies Act, 2013. 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 our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 our opinion.



Responsibility of Management for the Stand alone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

My 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 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 financial statements.

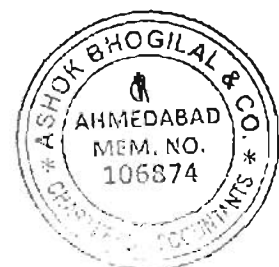
Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2017 ('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.

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

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;

- (a) 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;



- (b) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (c) In my opinion, the aforesaid standalone 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, 2014;
- (d) On the basis of the written representation received from the directors as on 31st March, 2019 and taken on the records by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as director in terms of section 164(2) of the Act;
- (e) The adequacy of the internal financial controls over financial reporting of the Company is not applicable to the Private Limited Company as per the exemption given by notification of Government of India, In the ministry of corporate affairs.
- (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"
- (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 Standalone 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: 13/05/2019



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

Ashok B. Shah

(Ashok B. Shah)
Proprietor
Membership No. 106874
UDIN No: 19106874AAAAAV9557

**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, hence paragraph 3(i) of the Order are not applicable.
- (ii) The Company does not hold any inventory or securities as stock in trade, hence paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given 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 Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to me and based on the records of the Company examined by me, the Company has not granted any loans, guarantees and securities or made any investments covered under Section 185 and 186 of the Act. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to me, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations 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, sales tax, service tax, duty of customs, value added tax, cess 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, service tax, duty of customs, value added tax, cess 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 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) The Company has not borrowed funds from financial institutions, banks, governments or debenture holders hence paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, the provision of paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of my examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, I have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of my audit nor have I been informed of any such instance by the Management.
- (xi) According to the information and explanations given to me and based on the records of the Company examined by me, the Company has not paid or provided managerial remuneration under section 197 of the Act. Hence, the provision of paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a Nidhi company. Hence, paragraph 3(xii) of the Order is not applicable
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the 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.

Reasons to be stated for unfavorable or qualified answers:

- (i) Regarding para 7(a) for undisputed dues remains outstanding for a period of more than six months from the dates they became payable as on 31st March, 2019, the company has no enough liquid resources to pay off the same. I am informed by the management that the company is in the process of paying of the same at earliest.
- (ii) The company has an accumulated loss which exceeds 50% of its net worth. The company has stopped it's commercial activities.

Place: Ahmedabad
Date: 13/05/2019



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

Ashok B. Shah
(Ashok B. Shah)
Proprietor
Membership No. 106874

**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 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, 2019

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, 2019 in conjunction with my audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Place: Ahmedabad
Date: 13/05/2019

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



Ashok B. Shah

(Ashok B. Shah)
Proprietor
Membership No. 106874

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Balance Sheet as at March 31, 2019

(Amount in Rupees)

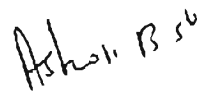
Particulars	Note No.	As at	As at
		March 31, 2019	March 31, 2018
(1)	(2)	Audited	Audited
(1)	(2)	(3)	(4)
I ASSETS			
(1) Non-Current Assets			
Property, Plant and Equipment		-	-
Capital Work-in-Progress		-	-
Financial Assets:			
Other Financial Assets	1	-	36,707
Total Non-Current Assets		-	36,707
(2) Current Assets			
Financial Assets:			
Cash and Cash Equivalents	2	5,859	5,859
Other Current Assets		-	-
Total Current Assets		5,859	5,859
TOTAL ASSETS		5,859	42,566
I EQUITY AND LIABILITIES			
(1) Equity			
Equity Share Capital	3	9,000,000	9,000,000
Other Equity	4	(14,752,830)	(14,724,902)
		(5,752,830)	(5,724,902)
(2) Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
Borrowings	5	5,502,504	5,339,048
Other Financial Liabilities	6	250,000	351,031
Total Non-Current Liabilities		5,752,504	5,690,079
Current Liabilities			
Financial Liabilities:			
Trade Payables		-	-
Other Current Liabilities	7	6,185	77,389
Current Tax Liabilities		-	-
Total Current Liabilities		6,185	77,389
TOTAL EQUITY AND LIABILITIES		5,859	42,566

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

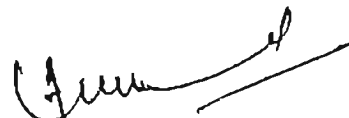

(Ashok B. Shah)
Proprietor
Membership No:106874

Date: 13/05/2019
Place: Ahmedabad



For and on behalf of the Board


Siddharth Bhandari
DIRECTOR
DIN: 01404674


Anish Bhandari
DIRECTOR
DIN: 00058986

Date: 13/05/2019
Place: Ahmedabad

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rupees)

Particulars	Note No.	Year ended	Year ended
		March 31, 2019	March 31, 2018
(1)	(2)	Audited	Audited
(1)	(2)	(3)	(4)
REVENUE:			
Revenue from Operations		-	-
Other Income		64,324	-
TOTAL INCOME (I)		64,324	-
EXPENSES:			
Depreciation and Amortisation expenses		-	-
Other Expenses	8	92,252	3,000
TOTAL EXPENSES (II)		92,252	3,000
Profit before Tax Expenses (I)-(II)		(27,928)	(3,000)
Tax Expense:			
Current Tax		-	-
Earlier Year-Tax		-	-
Total Tax Expenses		-	-
Profit for the Year (III)		(27,928)	(3,000)
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 Year		(27,928)	(3,000)
Earnings per Equity share	9		
(Face value of Rs. 10 each)			
Basic (In Rs.)		(0.0310)	(0.0033)
Diluted (In Rs.)		(0.0310)	(0.0033)

As per my report of even date attached.

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

Ashok B. Shah
(Ashok B. Shah)
Proprietor
Membership No:106874

For and on behalf of the Board

Siddharth Bhandari
Siddharth Bhandari
DIRECTOR
DIN: 01404674

Avinash Bhandari
Avinash Bhandari
DIRECTOR
DIN: 00058986

Date: 13/05/2019
Place: Ahmedabad



Date: 13/05/2019
Place: Ahmedabad

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Cash Flow Statement for the year ended on March 31, 2019

Particulars	(Amount in Rupees)	
	Year ended on March 31, 2019	Year ended on March 31, 2018
(1)	(2)	(3)
(A) Cash flow from operating activities		
Profit (Loss) before Tax	(27,928)	(3,000)
<i>Adjustments for:</i>		
Interest Income	-	-
Depreciation and amortisation	-	-
Operating Profit before Working Capital Changes	(27,928)	(3,000)
<i>Movement in working Capital:</i>		
Decrease/(Increase) in Financial & other current assets	36,707	-
Increase/(Decrease) in other current liabilities	(71,204)	-
Increase/(Decrease) in Financial and other liabilities	62,425	3,000
Cash Generated from Operation	-	-
Direct Taxes Paid	-	-
Cash generated/ (used) from/ (in) operating activities (A)	-	-
(B) Cash Flow from investing activities		
Purchase of Tangible fixed assets	-	-
Expenditure on Project Development	-	-
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 activities (C)	-	-
Net Increase/(decrease) in cash and cash equivalents (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.2	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
(Ashok B. Shah)
Proprietor
Membership No:106874

Date: 13/05/2019
Place: Ahmedabad



For and on behalf of the Board

Siddharth Bhandari
Siddharth Bhandari
DIRECTOR
DIN: 01404674

Date: 13/05/2019
Place: Ahmedabad

Avinash Bhandari
Avinash Bhandari
DIRECTOR
DIN: 00058986

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC05557

Statement of Change In Equity as at March 31, 2019

A . Equity Share Capital

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	900,000	-	900,000
In Rupees	9,000,000	-	9,000,000

As at March 31, 2018

(Amount in Rupees)

Particulars	Balance as at April 01, 2017	Changes in Equity Share capital during the year	Balance as at March 31, 2018
In Numbers	900,000	-	900,000
In Rupees	9,000,000	-	9,000,000

B. Other Equity

For the period ended March 31, 2019

(Amount in Rupees)

Particulars	Reverse & Surplus Retained Earnings	Total Other Equity
Balance as at April 01, 2018	(14,724,902)	(14,724,902)
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	(14,752,830)	(14,752,830)

For the period ended March 31, 2018

(Amount in Rupees)

Particulars	Reverse & Surplus Retained Earnings	Total Other Equity
Balance as at April 01, 2017	(14,721,902)	(14,721,902)
Profit / (Loss) for the period	(3,000)	(3,000)
Total Comprehensive Income/(loss) for the period	(3,000)	(3,000)
Dividends (includes Dividend Distribution Tax)	-	-
Balance as at March 31, 2018	(14,724,902)	(14,724,902)

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

For and on behalf of the Board

Ashok B Shah
(Ashok B. Shah)
Proprietor
Membership No:106874

Siddharth Bhandari
Siddharth Bhandari
DIRECTOR
DIN: 01404674

Avinash Bhandari
Avinash Bhandari
DIRECTOR
DIN: 00058986

Date: 13/05/2019
Place: Ahmedabad

Date: 13/05/2019
Place: Ahmedabad



ET ELEC-TRANS LIMITED

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.

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 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 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 ascertained its operating cycle as twelve months for purpose of Current/Non-Current classification of its 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 concern. 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.



ET ELEC-TRANS LIMITED

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.



ET ELEC-TRANS LIMITED

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.



ET ELEC-TRANS LIMITED

Note 1 Significant Accounting Policies

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

Notes to Financial Statements

1 Other Financial Assets:

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Sundry Deposits	-	36 707
	Total	-	36 707
	Current	-	-
	Non Current	-	36 707
	Total	-	36 707

2 Cash & Cash Equivalent:

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Balance with Banks (Current Accounts)	5 859	5 859
(b)	Cash on Hand	-	-
(i)	Cheques, Drafts on hand	-	-
	Total	5 859	5 859

3 Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
<i>Authorised</i>				
Equity Shares of ₹ 10/- each	1,000,000	10,000,000	1,000,000	10,000,000
<i>Issued, Subscribed and fully Paid Up</i>				
Equity Shares of ₹ 10/- each	900,000	9,000,000	900,000	9,000,000

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	900,000	9,000,000	900,000	9,000,000
Add: Shares issued under ESOS	-	-	-	-
Outstanding at the end of the year	900,000	9,000,000	900,000	9,000,000

B Shares held by Holding Company

Electrotherm (India) Limited	724,400	7,244,000	724,400	7,244,000
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C List of Shareholders holding more than 5% of Paid-up Equity Share Capital

Name of Shareholder	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Electrotherm (India) Limited	724,400	80.49%	724,400	80.49%
(b) Dillip Nandkeolyar	155,000	17.22%	155,000	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.



ET Elec-Trans Limited

Notes to Financial Statements

4 Other Equity

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Retained Earning		
	Opening Balance	(14,724,902)	(14,721,902)
	Addition during the year	(27,928)	(3,000)
	Deduction during the year	-	-
	Closing Balance	(14,752,830)	(14,724,902)

5 Borrowings

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Non Current Borrowings		
(a)	From Holding Company	5,129,808	5,129,808
(b)	From Directors	372,696	209,240
	Total	5,502,504	5,339,048
	Aggregate Secured Loan	-	-
	Aggregate Unsecured Loan	5,502,504	5,339,048

6 Other Financial Liabilities

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Non Current Liabilities		
(a)	Creditors for Expenses	250,000	324,945
(b)	Other Trade Deposits	-	26,086
	Total	250,000	351,031

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

7 Other Current Liabilities

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Statutory Liabilities	6,185	77,389
	Total	6,185	77,389

8 Other Expenses

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Interest on VAT	58,888	-
(b)	Penalty on VAT	27,564	-
(c)	ROC Filing Fees	5,800	3,000
	Total	92,252	3,000



ET ELEC-TRANS LIMITED

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, 2019	As at March 31, 2018
Net Profit/(Loss) as per Statement of Profit & Loss Statement	Rs.	(27,928)	(3,000)
Weighted average of number of equity shares outstanding during the Period	No.		
Basic		900,000	900,000
Diluted		900,000	900,000
Profit/(Loss) per share of face value of Rs. 10 Each			
Basic		(0.0310)	(0.0033)
Diluted		(0.0310)	(0.0033)

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

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



ET Elec-Trans Limited

Notes to Financial Statements

(c) Details of Transactions with Related Parties during the Period and balances outstanding as at March 31, 2019:

(A) Transactions with related parties during the Year

Sr. No.	Particulars	Holding Company		Key Managerial Person	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Statutory Liability Payment				
	Holding Company	-	-	-	-
	Borrowings (For Expenses):-				
	Siddharth Mukeshbhai Bhandari	-	-	163,456	3,000

(B) Balance outstanding

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Holding Company Electrotherm (India) Limited	5,129,808	5,129,808
(i)	Key Managerial Person - Siddharth Mukeshbhai Bhandari	372,696	209,240

12 Income Tax

The Major Component of Income Tax Expenses for the year ended 31st March, 2019 & 31st March, 2018 are:-

Particulars	As at March 31, 2019	As at March 31, 2018
Statement of Profit and Loss		
Current 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, 2019 and March 31, 2018:

Particulars	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	-	-
Enacted Income Tax rate in India applicable to the company	26.00%	25.75%
Tax using the Company's domestic Tax rate	-	-
Tax Effect of:		
Add: Non Deudctible Expenses	-	-
At the effective Income tax rate of March 31,2019 is 0.00% , March 31, 2018 is 0.00%	-	-

As per income tax return filed by the company for Asst. Year 2018-19 the carried forward Loss up to Asst. Year 2018-19 is Rs. 1,41,38,104/-



ET ELEC-TRANS LIMITED

Notes to Financial Statements

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

14.01 Category-wise classification of financial instruments:

(Amount in Rupees)

Particulars	Refer Note	As at 31-03-2019		
		Fair Value through Profit or Loss	Amortised Cost	Carrying Value
Financial Assets				
Other Financial Assets	1	-	-	-
Cash and Cash Equivalents	2	-	5,859	5,859
Total		-	5,859	5,859
Financial Liabilities				
Borrowings	5	-	5,502,504	5,502,504
Other Financial Liabilities	6	-	250,000	250,000
Other Current Liabilities	7	-	6,185	6,185
Total			5,758,689	5,758,689

Particulars	Refer Note	As at 31-03-2018		
		Fair Value through Profit or Loss	Amortised Cost	Carrying Value
Financial Assets				
Other Financial Assets	1	-	36,707	36,707
Cash and Cash Equivalents	2	-	5,859	5,859
Total		-	42,566	42,566
Financial Liabilities				
Borrowings	5	-	5,339,048	5,339,048
Other Financial Liabilities	6	-	351,031	351,031
Other Current Liabilities	7	-	77,389	77,389
Total			5,767,468	5,767,468

14.02 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.

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.



ET ELEC-TRANS LIMITED

Notes to Financial Statements

15 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.

16 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.

17 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 13/05/2019, there were no subsequent events to be recognised or reported that are not already disclosed elsewhere in these financial statements.

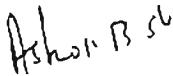
18 Figures of the previous year have been regrouped / re arranged wherever necessary to make them comparable with current year's figures.

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

Date: 13/05/2019

Place: Ahmedabad

For and on behalf of the Board


Siddharth Bhandari
DIRECTOR
DIN: 01404674

Date: 13/05/2019

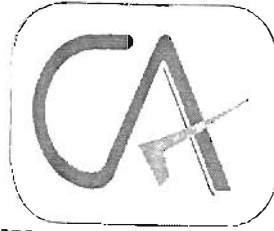
Place: Ahmedabad


Avinash Bhandari
DIRECTOR
DIN: 00058986



**ELECTROTHERM SERVICES LIMITED
(FORMERLY SHREE HANS PAPERS
LIMITED)**

**FINANCIAL STATEMENTS
FOR THE YEAR
2018-2019**



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of ELECTROTHERM SERVICES LIMITED (FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 2019, its Loss (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 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.

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 period. 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. There are no other key audit matters to communicate on 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 during the audit.

Auditor's Report of Electrotherm Services Limited for the year ended 31st March 2019



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.

Auditor's Report of Electrotherm Services Limited for the year ended 31st March 2019



- 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.

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

- 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;
- 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;
- 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;
- 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.
- On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- 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'.
- 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.

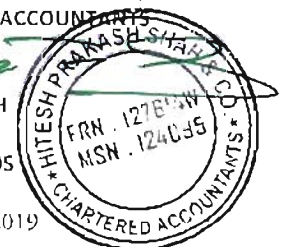
(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- There are no pending litigations on its financial position and accordingly no impact of it in its financial statements is required to be shown;
- There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
- There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company; and
- The disclosure requirements relating to holdings as well as dealings in the specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016 which is not relevant to these Financial Statements. Hence, reporting under clause is not applicable.

Place: Ahmedabad
Date: 27th May 2019

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

HITESH SHAH
PARTNER
M.No. 124095



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 (FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED), FOR THE YEAR ENDED ON 31ST MARCH, 2019]

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

(b) The company has a regular programme of physical verification of its fixed assets, by which the property plant and equipment 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 (except advances), as disclosed in Note No.3 of the Financial Statement under the head of Fixed Assets, 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 is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, income tax (except as stated in following para (b)), service tax, duty of customs, duty of excise, cess, Goods and Service Tax and other material statutory dues, as applicable, with the appropriate authorities

Further no undisputed amounts payable in respect of above dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(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.,
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken loans or borrowings from the Financial Institution and banks as at the balance sheet date, 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 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

Auditor's Report of Electrotherm Services Limited for the year ended 31st March 2019



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.

Place: Ahmedabad
Date: 27th May 2019

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


HITESH SHAH
PARTNER
M.No. 124095



ANNEXURE B TO THE AUDITOR'S REPORT

[ANNEXURE B Referred to in paragraph 2(f) of the Independent Auditor's Report of the even date to the members of ELECTROTHERM SERVICES LIMITED (FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED) on the Financial Statement for the year ended 31st March, 2019.]

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, 2019.

We have audited the internal financial controls over financial reporting of ELECTROTHERM SERVICES LIMITED (FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED) ("the Company") as of 31st March 2019, 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.

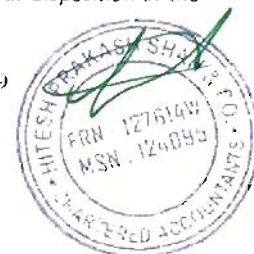
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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.

Auditor's Report of Electrotherm Services Limited for the year ended 31st March 2019



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.

Place: Ahmedabad
Date: 27th May 2019

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

Hitesh
HITESH SHAH
PARTNER
M.No. 124095



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED (Formerly Known AS Hans Papers Limited)

for the year ended 31st March, 2019

1. CORPORATE INFORMATION:

Electrotherm Services Limited (Formerly Known as Shree Hans Paper 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. At the present the company does not business.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 27th May 2019.

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. (as amended from time to time).

For all periods up to and including the year ended 31st March, 2018, the company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2019 are the first the Company has prepared in accordance with Ind AS

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.

The financial statements are presented in Indian Rupees.

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 values are 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:



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED
(Formerly Known AS Hans Papers Limited)
for the year ended 31st March, 2019

- 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.

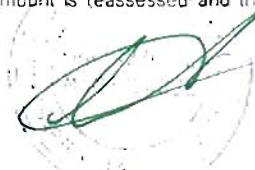
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

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.



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED
(Formerly Known AS Hans Papers Limited)
for the year ended 31st March, 2019

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.

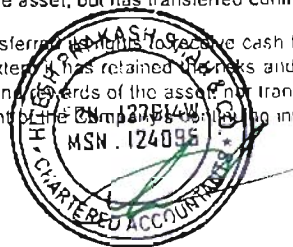
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED (Formerly Known AS Hans Papers Limited) for the year ended 31st March, 2019

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.



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED
(Formerly Known As Hans Papers Limited)

for the year ended 31st March, 2019

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 not 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 changes 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) Defined benefit plans (gratuity benefits)

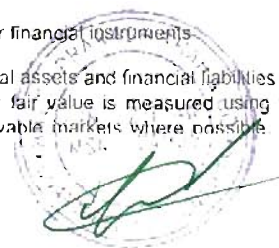
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, 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 intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

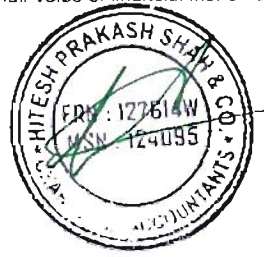
(b) Fair value measurement for financial instruments

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



Notes to Financial Statements of ELECTROTHERM SERVICES LIMITED
(Formerly Known AS Hans Papers Limited)
for the year ended 31st March, 2019

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
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)
Balance Sheet as at 31st March 2019

(Amount in Rupees)

Particulars	Notes	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,892,654	2,892,654
Financial assets	4		
Investments		6,888,274	6,888,274
Total non-current assets		9,780,928	9,780,928
Current assets			
Financial assets			
Cash and cash equivalents	5	137,551	137,551
Total current assets		137,551	137,551
Total Assets		9,918,479	9,918,479
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	3,500,000	3,500,000
Other equity			
Retained earnings	7	-35,425,652	-35,378,015
Total other equity		-35,425,652	-35,378,015
Total equity		-31,925,652	-31,878,015
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	8	41,769,000	41,769,000
Total non-current liabilities		41,769,000	41,769,000
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	69,231	21,594
Total current liabilities		75,131	27,494
Total Equity and Liabilities		9,918,479	9,918,479
Corporation Information and significant accounting policies	1 & 2		

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No. 122674W

HITESH SHAH
Partner
Membership No. 1240



Place Ahmedabad
Date : 27th May 2019

For and Benalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Palodia
Date : 27th May 2019

ELECTROTHERM SERVICES LIMITED

(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Statement of Profit and Loss for the Year Ended on 31st March 2019

(Amount In Rupees)

Particulars	Notes	Year Ended 31-03-2019	Year Ended 31-03-2018
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		-	-
Excise duty on sales		-	-
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	11	47,637	165,000
Total expenses		47,637	165,000
Profit/(Loss) before exceptional items and tax		-47,637	-165,000
Exceptional items		-	-
Profit/(Loss) before tax		-47,637	-165,000
Tax expense		-	-
Profit/(Loss) for the year		-47,637	-165,000
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		-47,637	-165,000
Earnings per equity share (nominal value per share Rs 10/- (March 31, 2018: Rs 10/-))			
Basic & Diluted	18	-0.14	-0.47
Corporation Information and significant accounting policies	1 & 2		

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



Place : Ahmedabad
Date : 27th May 2019

For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Palodla
Date : 27th May 2019

ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Cash Flow Statement for the Year Ended on 31st March 2019

(Amount In Rupees)

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(47,637)	(165,000)
Adjustments to reconcile profit before tax to net cash flows:	-	-
Operating Profit before working capital changes	(47,637)	(165,000)
Working capital adjustments:		
Decrease/(Increase) in other Financial Asset	-	143,256
(Decrease)/Increase in trade payables	-	150
(Decrease)/Increase in Other Financial Liabilities	47,637	21,594
Cash generated from operations	-	-
Direct taxes paid (net)	-	-
Net Cash (used in) generated from operating activities	-	-
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	-	-
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	-	-
Cash and Cash Equivalents at the beginning of the year	137,551	137,551
Cash and Cash Equivalents at the end of the year	137,551	137,551

Disclosure of change of liabilities arising from financing activities, does not have any material non-cash changes.

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127614W

HITESH SHAH
Partner
Membership No. 12408



For and Behalf of the Board of Directors
of ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Ahmedabad
Date : 27th May 2019

Place : Palodia
Date : 27th May 2019

ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)
Statement of Change in Equity for the year ended 31st March 2019

A. Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid	Numbers	(Amount In Rupees)
As at 1 st April, 2017	350,000	3,500,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2018	350,000	3,500,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2019	350,000	3,500,000

B. Other Equity

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 1 st April, 2017	-35,213,015	-35,213,015
Profit / (Loss) for the year	-165,000	-165,000
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-
Total Comprehensive Income/(Loss)	-165,000	-165,000
As at 31 st March, 2018	-35,378,015	-35,378,015
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 31 st March, 2019	-35,425,652	-35,425,652

Corporation Information and significant accounting policies

1 & 2

As per our report of even date
 For HITESH PRAKASH SHAH & CO
 Chartered Accountants
 ICAI Firm Registration No.

For and Behalf of the Board of Directors
 of ELECTROTHERM SERVICES LIMITED
 (FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

HITESH SHAH
 Partner
 Membership No. 124096



SHAILESH BHANDARI
 Director

AVINASH BHANDARI
 Director

Place : Ahmedabad
 Date : 27th May 2019

Place : Palodia
 Date : 27th May 2019

ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Notes to Financial Statements for the Year ended 31st March, 2019

Note No.-3 Property, Plant and Equipment

(a) Property, Plant and Equipment

Particulars	Free Hold Land	Total
Gross Carrying amount (at cost)		
As at 1 st April, 2017	2,892,654	2,892,654
Additions	-	-
Disposal / Adjustment	-	-
As at 31 st March, 2018	2,892,654	2,892,654
Additions	-	-
Disposal / Adjustment	-	-
As at 31 st March, 2019	2,892,654	2,892,654
Depreciation/Amortization and Impairment		
As at 1 st April, 2017	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31 st March, 2018	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31 st March, 2019	-	-
Net Block		
As at 31 st March, 2019	2,892,654	2,892,654
As at 31 st March, 2018	2,892,654	2,892,654

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
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
4	Financial Assets		
	Investments		
	Non-Trade Investments		
	Investment in unquoted Equity Shares of Subsidiary of Holding Company (at Cost)		
	40,950 (31st March 2018 - 40,950) Equity Shares of face value of Rs. 100/- Each of Shree Ram Electrocast Limited	41,769,000	41,769,000
	Less: Provision for impairment in value of Investment*	-34,880,728	-34,880,728
		6,888,274	6,888,274
	Current	-	-
	Non-Current	6,888,274	6,888,274
		6,888,274	6,888,274
	Aggregate book value of Unquoted Investments	41,769,000	41,769,000
		41,769,000	41,769,000
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 recognised impairment charge of Rs. 3,48,80,728 /-		

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
5	Cash and Cash Equivalents		
	Balances with Banks		
	- In Current accounts	137,551	137,551
		137,551	137,551

6	Share Capital	EQUITY SHARES	
		Numbers	(Amount in Rupees)
	Authorised Share Capital		
	Equity Share Capital of Rs 10 each		
	As at 1 st April, 2017	2,000,000	20,000,000
	Increase/(decrease) during the year	-	-
	As at 31 st March, 2018	2,000,000	20,000,000
	Increase/(decrease) during the year	-	-
	As at 31 st March, 2019	2,000,000	20,000,000

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 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2018, 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.

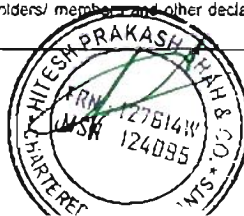
Issued, subscribed and fully paid up share
Equity shares of Rs 10 each

	Numbers	(Amount in Rupees)
As at 1 st April, 2017	350,000	3,500,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	350,000	3,500,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2019	350,000	3,500,000

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

Name of the Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
Holding Company-Electrotherm (India) Limited	350,000	100.00%	350,000	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

(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Notes to Financial Statements for the Year Ended 31st March, 2019

(Amount in Rupees)

Note No.	Particulars	As at 31st March
7	Other Equity	
	Retained Earning	
	As at 1 st April, 2017	-35,213,015
	Increase/(decrease) during the year	-165,000
	As at 31 st March, 2018	-35,378,015
	Increase/(decrease) during the year	-47,637
	As at 31 st March, 2019	-35,425,652

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
8	Borrowings (Unsecured)		
	Long term Borrowing from Body Corporate		
	- Holding Company	41,769,000	41,769,000
	Total Borrowings	41,769,000	41,769,000
	Current	-	-
	Non-Current	41,769,000	41,769,000
		41,769,000	41,769,000

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
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 31-03-2019	As at 31-03-2018
10	Other Current Financial Liabilities		
	Due to Subsidiary of the Holding Company	69,231	21,594
		69,231	21,594

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
11	Other Expense		
	Legal Charges	39,377	159,100
	Auditors' Remuneration (Refer note-a)	8,260	5,900
		47,637	165,000
a)	Auditors' Remuneration		
	As Auditor:		
	- Audit Fee	5,900	5,900
		5,900	5,900
	In other capacity:		
	- Other Services	2,360	-
		2,360	-
		8,260	5,900



12 Gratuity and Other Post-Employment Benefit Plans

The company does not have any employees during the year and therefore no provision for gratuity and other post-employment benefit plans have been provided

13 COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS AND CONTINGENCIES LIABILITIES

The company does not have any capital commitments and contingent liabilities as on 31st March 2019 (As on 31st March, 2018:-NIL)

14 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

15 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.

16 Income Tax

a Component of Income tax

Particulars	(Amount In Rupees)	
	As at 31-03-2019	As at 31-03-2018
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

o Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

Particulars	(Amount In Rupees)	
	As at 31-03-2019	As at 31-03-2018
Accounting profit before income tax	(47,637)	(165,000)
Enacted tax rates in India	26.00	25.75
Computed tax expense	(12,386)	(42,488)
Non-deductible expenses for tax purpose	12,386	42,488
Tax expense as per statement of profit and loss	-	-

17 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

- Mr. Mukesh Bhandari
- Mr. Shailesh Bhandari
- Mr. Avinash Bhandari

Designation

- Director
- Director
- Director

b Holding Company

- Electrotherm (India) Limited

c Subsidiary of the Holding Company

- Hans Ispat Limited
- Shree Ram Electrocast Limited



ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Notes to Financial Statements for the Year Ended 31st March, 2019

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

Particular	2018-19	2017-18
Repayment / Payment for Settlement of Liabilities		
Hans Ispat Limited	47,637	164,850
Closing Balance as on 31st March		
Other Financial Liabilities		
Hans Ispat Limited	69,231	21,594
Investment		
Shree Ram Electrocast Limited (Net of Provision for impairment in value of Investment of Rs 3,48,80,726/- (as on 31st March 2018 Rs 3,48,80,726/-)	6,888,274	6,888,274
Borrowings		
Electrotherm (India) Limited	41,769,000	41,769,000

18 EARNING PER SHARE

Particulars	2018-19	2017-18
Profit/(Loss) for the year	(47,637)	(165,000)
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	350,000	350,000
Earnings per Share (Basic and Diluted)	-0.14	-0.47
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 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 anti-dilutive.



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

19.1 Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at 31-03-2019		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment *	4	-	6,888,274	6,888,274
Cash and cash equivalents	5	-	137,551	137,551
Total		-	7,025,825	7,025,825
Financial liabilities				
Borrowings	8	-	41,769,000	41,769,000
Trade payables	9	-	5,900	5,900
Other financial liabilities	10	-	69,231	69,231
Total		-	41,844,131	41,844,131

Particulars	Refer Note	As at 31-03-2018		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment *	4	-	6,888,274	6,888,274
Cash and cash equivalents	5	-	137,551	137,551
Total		-	7,025,825	7,025,825
Financial liabilities				
Borrowings	8	-	41,769,000	41,769,000
Trade payables	9	-	5,900	5,900
Other financial liabilities	10	-	21,594	21,594
Total		-	41,796,494	41,796,494

*Investment in equity shares of subsidiaries (including fellow subsidiary) are measured at cost, less provision for impairment.

19.2 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

20 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.



ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)

Notes to Financial Statements for the Year Ended 31st March, 2019

(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:

Particulars	(Amount in Rupees)			
	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
As at 31st March, 2019				
Borrowings	-	-	41,789,000	41,789,000
Trade payables	5,900	-	-	5,900
Other financial liabilities	69,231	-	-	69,231
As at 31st March, 2018				
Borrowings	-	-	41,769,000	41,769,000
Trade payables	5,900	-	-	5,900
Other financial liabilities	21,584	-	-	21,584

21 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, 2019, the Company meets its capital requirement through equity. Consequent to such capital structure, there are no externally imposed capital requirements.

22 Standards issued but not effective: -

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1st April 2019 amending the following standard.

i) Impact Ind AS-116 (effective date of adoption is 01st April 2019): Leases is not effectively applicable as the company does not have any property on lease.

ii) Amendment to existing but not effective: -

- a) Appendix C to Ind AS 12: Uncertainty over Income Tax Treatments
- b) Amendments to Ind AS 109: Prepayment features with Negative Compensation
- c) Amendments to Ind AS 19: Plan Amendment, Cancellation or Settlement
- d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- e) Annual improvement to Ind AS (2018)
 - Amendments to Ind AS 103: Party to Joint Arrangements obtains control of a business that is a Joint Operation
 - Amendments to Ind AS 111: Joint Arrangements
 - Amendments to Ind AS 12: Income Tax
 - Amendments to Ind AS 23: Borrowing Costs

Application of above standards are not expected to have any significant impact on the Company's Financial Statements."



**ELECTROTHERM SERVICES LIMITED
(FORMERLY KNOWN AS SHREE HANS PAPERS LIMITED)**

Notes to Financial Statements for the Year Ended 31st March, 2019


23 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 May 2019, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

24 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. 127614M

of **ELECTROTHERM SERVICES LIMITED**


HITESH SHAH
Partner
Membership No. 124095



SHAILESH BHANDARI
Director



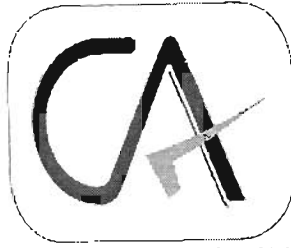
AVINASH BHANDARI
Director

Place : Ahmedabad
Date : 27th May 2019

Place : Parodiya
Date : 27th May 2019

**SHREE RAM ELECTRO CAST
LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR
2018-2019**



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, 2019, 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 2019, its Loss (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 25 and 30 relating to the actions taken by State Bank of India under SARFAESI Act, 2002 and subsequent action of the sale through auction of the assets of the Company by Bank and non-repayment of loans taken from Bank and non-provision of Interest on the said loans, affecting the going concern of the Company.

Emphasis of Matter

1. We draw attention on Note No 29(a) relating to third party confirmation, Note No. 29(b) relating to physical verification of stock and capital work in progress and Note No.29(c) relating to writing of the sundry amounts.
2. We draw attention to Note No.30(d) of the accompanying Financial Statement, in respect of non-provision of interest on non-performing accounts of bank of Rs.16,43,44,829/- (aggregating to Rs.78,60,57,071/- as on date). 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, finance cost, net loss for the current year has been under stated by Rs.16,43,44,829/- and total retained earnings (Loss) and Bankers Liabilities are under stated by Rs.78,60,57,071/-.

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 period. These matters were addressed in the context of our audit of the financial statements.

Auditor's Report of Shree Ram Electro Cast Limited for the year ended 31st March 2019



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.

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.

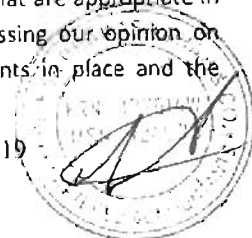
Auditor's Responsibilities for the Audit of the Financial Statements

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.

Auditor's Report of Shree Ram Electro Cast Limited for the year ended 31st March 2019



- 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

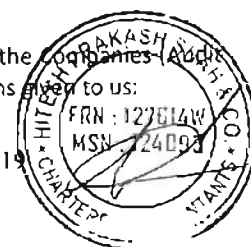
1. As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the company for the year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

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

- 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;
- 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;
- 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;
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended; except "IND AS 19 - EMPLOYEE BENEFITS".
- On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- 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'.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Auditors' Report) Order, 2016, in our opinion and to the best of our information and according to the explanations given to us:

Auditor's Report of Shree Ram Electro Cast Limited for the year ended 31st March 2019



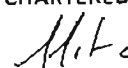
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 23 to the financial statements;
- (ii) There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
- (iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company and
- (iv) The disclosure requirements relating to holdings as well as dealings in the specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016 which is not relevant to these Financial Statements. Hence, reporting under clause is not applicable.

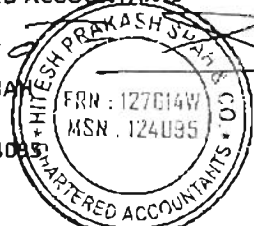
(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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.

Place: Ahmedabad
Date: 27th May 2019

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


HITESH SHAH
PARTNER
M.No. 124085



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 31STMARCH, 2019]

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

(b) The company has a regular programme of physical verification of its fixed assets, by which the property plant and equipment are verified at regular intervals and during the year under consideration, however during the year the property plant and equipment were not verified. 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 (except advances), as disclosed in Note No.3 of the Financial Statement under the head of Fixed Assets, is held in the name of the company.
- ii. As Informed to us, the physical verification of inventory has been conducted at reasonable intervals by the Management however during the year under consideration, it has not been physically verified by the company.
- 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 is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, income tax(except as stated in following para (b)), service tax, duty of customs, duty of excise, cess, Goods and Service Tax 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 2019 for a period of more than six months from the date they became payable.

(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 Statutory Dues	Forum where dispute is pending	Nature of Dues	Period to which the amount relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax Appealing Tribunal	Income Tax	Assessment Year: 2007-08	50,73,356/-

It is learnt that the Hon'ble Income Tax Appealing 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 account.



- 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 financial institution and bank or Government or dues to debenture holders as at the balance sheet date and the same details are as under-

Particulars	Nature of Facility	Amount of Default as on 31.03.2019 (Amount in Rs)			Period of Default
		Principal	Interest	Total	
State Bank of India	Corporate Loan, Working Capital Term Loan (WCTL), Cash Credit Account	39,75,39,416	78,60,57,071	1,18,35,96,487	Corporate Loan from Jan, 2012 to March, 2019, WCTL from April, 2012 to March, 2019 and Cash Credit from Dec, 2011 to March, 2019

- 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.

Place: Ahmedabad
Date: 27th May 2019

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

Hitesh Shah
HITESH SHAH
PARTNER
M.No. 124095



ANNEXURE B TO THE AUDITOR'S REPORT

[ANNEXURE B Referred to in paragraph 2(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 31st March, 2019.]

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, 2019.

We have audited the internal financial controls over financial reporting of SHREE RAM ELECTRO CAST LIMITED ("the Company") as of 31st March 2019, 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.

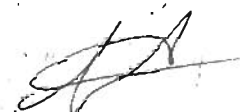
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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.

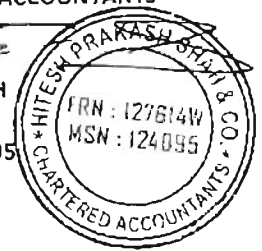
Opinion

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.

Place: Ahmedabad
Date: 27th May 2019

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


HITESH SHAH
PARTNER
M.No. 124095



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2019

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 is engaged in the manufacturing of Pig Iron and at presently the operation of the company are discontinued.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 27th May 2019.

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 (as amended from time to time).

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

The financial statements are presented in INR, 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.

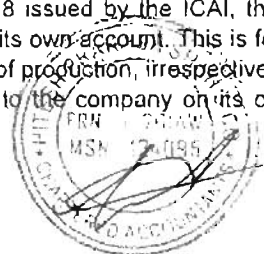
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 (Applied from 1 April 2018)

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.

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. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.



However, sales tax/ value added tax (VAT)/ 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.

Revenue recognition (till 31 March 2018)

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.



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2019

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. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) and goods and service tax are 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 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 VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

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

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.

(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.

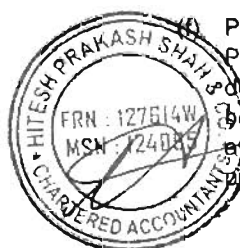
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (i.e. in other comprehensive income). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions 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.

Property, plant and equipment and Intangible Assets

Property, Plant and equipment (PPE) and Capital work in progress 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 overhauling 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.

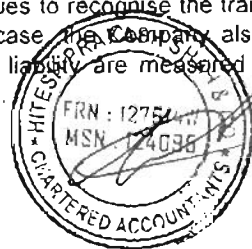
Derecognition

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 recognised 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

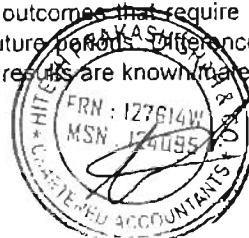
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an 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.

(p) Cash Dividend

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

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.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 as at the date of initial application of 1 April 2018 amounts to Rs Nil. The comparative information was also not restated as there is no change even after adoption of Ind AS 115 and continues to be reported under Ind AS 18.



SHREE RAM ELECTRO CAST LIMITED

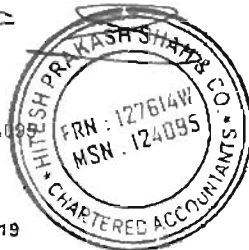
Balance Sheet as at 31st March 2019

(Amt In Rupees)

Particulars	Notes	As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	215,660,490	218,408,133
Capital work-in-progress	3	14,483,250	14,483,250
Financial assets			
(i) Investments	4	100,000	100,000
(ii) Other financial assets	4	1,846,998	2,723,998
Other Non-current assets	7	5,607,400	5,607,400
Total non-current assets		237,698,138	241,322,781
Current assets			
Inventories	5	12,532,750	30,901,741
Financial assets			
Cash and cash equivalents	6	3,329,483	1,034,204
Other financial assets	4	-	103,000
Other current assets	7	1,061,473	11,084,100
Current Tax Assets	8	3,151,050	3,068,282
Total current assets		20,074,756	46,191,327
Total Assets		257,772,894	287,514,108
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	81,895,000	81,895,000
Other equity			
Securities premium	10	37,674,000	37,674,000
Retained earnings		-277,247,627	-245,090,370
Total other equity		-239,573,627	-207,416,370
Total equity		-157,678,627	-125,521,370
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	11	-	-
Provisions	15	277,485	491,278
Total non-current liabilities		277,485	491,278
Current liabilities			
Financial liabilities			
Borrowings	11	237,639,432	237,639,432
Trade payables	12	-	-
Total Outstanding dues of micro and small enterprises		-	-
Total outstanding due of creditors other than micro and small		91,487	438,784
Other financial liabilities	13	159,899,984	159,899,984
Other current liabilities	14	17,517,933	14,482,256
Provisions	15	25,200	83,744
Total current liabilities		415,174,036	412,544,200
Total Equity and Liabilities		257,772,894	287,514,108
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
Hitesh Shah
Partner
Membership No. 124095



Place : Ahmednagar
Date : 27th May 2019

For Shree Ram Electro Cast Limited

[Signature]

SHAILESH BHANDARI
Director

[Signature]

AVILASH BHANDARI
Director

Place : Palodia
Date : 27th May 2019

SHREE RAM ELECTRO CAST LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2019

(Amount In Rupees)

Particulars	Notes	Year Ended 31-03-2019	Year Ended 31-03-2018
Discontinuing Operations			
Other income	16	827,672	415,503
Total income		827,672	415,503
Expenses			
Cost of raw materials and components consumed / Written Off	17	6,000,336	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	12,368,655	-
Employee benefits expenses	19	706,496	2,810,149
Finance costs	20	4,105	4,292
Depreciation and amortization expenses	3	2,747,643	3,123,408
Other expenses	21	11,157,694	3,812,710
Total expenses		32,984,929	9,750,559
Profit before tax		-32,157,257	-9,335,056
Tax expense		-	-
Profit /(Loss) for the year		-32,157,257	-9,335,056
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		-32,157,257	-9,335,056
Earnings per equity share [nominal value per share Rs 100/- (March 31, 2018: Rs 100/-)]			
Basic & Diluted	22	(39.27)	(11.40)
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



For Shree Ram Electro Cast Limited

SHAILESH BHANDARI

Director

AVINASH BHANDARI

Director

Place : Ahmedabad

Date : 27th May 2019

Place : Palodia

Date : 27th May 2019

SHREE RAM ELECTRO CAST LIMITED

Cash Flow Statement for the Year Ended on 31st March 2019

(Amount in Rupees)

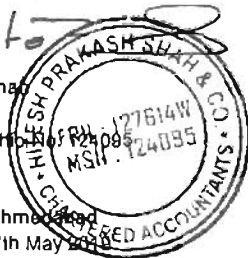
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(32,167,257)	(9,335,056)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, Plant, Equipment & Amortization of Assets	2,747,643	3,123,408
(Profit)/Loss on Redemption of units of Mutual Funds	-	(261,314)
Finance Cost	4,105	4,292
Interest Income	(827,672)	(90,381)
Operating Profit before working capital changes	(30,233,181)	(6,559,051)
Working capital adjustments:		
Decrease/(Increase) in Inventories	18,368,991	-
Decrease/(Increase) in Other current assets	10,022,627	(9,626,876)
Decrease/(Increase) in other current financial assets	103,000	6,011
Decrease/(Increase) in other non current financial assets	877,000	-
(Decrease)/Increase in trade payables	(347,297)	(15,779)
(Decrease)/Increase in current liabilities	3,035,677	(9,824)
(Decrease)/Increase in Short term Provisions	(58,544)	-
(Decrease)/Increase in Long term Provisions	(213,793)	84,900
Cash generated from operations	1,554,480	(16,120,619)
Direct taxes paid (net)	(82,768)	-
Net Cash (used In) generated from operating activities	1,471,712	(16,120,619)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Current Investment	-	(40,000,000)
Sales of Current Investment	-	40,261,314
Fixed Deposit	-	-
Maturity of Fixed Deposit	827,672	90,381
Interest income	-	-
Net Cash (used in) generated from Investing activities	827,672	351,695
C: CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Receipt of short term borrowings	-	(14,502,495)
Finance Cost	(4,105)	(4,292)
Net Cash (used In) generated from financing activities	(4,105)	(14,506,787)
Net (Decrease)/ Increase in Cash and Cash Equivalents	2,295,279	(30,275,711)
Cash and Cash Equivalents at the beginning of the year	1,034,204	31,309,915
	3,329,483	1,034,204

There are no changes in liabilities arising from financing activities arising from non-cash changes between the opening and closing balances of Balance Sheet for liabilities arising from financing activities.

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

For Shree Ram Electro Cast Limited

Hitesh Shah
Partner
Membership No: 124095



SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Ahmedabad
Date : 27th May 2019

Place : Palodia
Date : 27th May 2019

SHREE RAM ELECTRO CAST LIMITED

Statement of Change in Equity for the year ended 31st March 2019

A. Equity Share Capital


Equity shares of Rs.100 each Authorized, issued, subscribed and fully paid	Authorized		Issued, Subscribed & Fully Paid	
	Numbers	Amt In Rupees	Numbers	Amt In Rupees
As at 31st March, 2018	1,150,000	115,000,000	818,950	81,895,000
Issue of Equity Share Capital	-	-	-	-
As at 31st March, 2019	1,150,000	115,000,000	818,950	81,895,000

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

Name of the Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
Electrotherm (India) Limited	778,000	95.00	778,000	95.00

B. Other Equity

Particulars	Securities Premium	Retained Earning		Total Other Equity
		Undistributable	Distributable	
As at 1st April, 2017	37,674,000	169,012,717	(394,768,031)	(198,081,314)
Profit / (Loss) for the year	-	-	(9,335,056)	(9,335,056)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-	-	-
Transfer from Undistributable Earning	-	(1,313,677)	1,313,677	-
As at 31st March, 2018	37,674,000	167,699,040	(402,789,410)	(207,416,370)
Profit / (Loss) for the year	-	-	(32,157,257)	(32,157,257)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-	-	-
Transfer from Undistributable Earning	-	(1,313,677)	1,313,677	-
Total Comprehensive Income	-	(1,313,677)	(30,843,580)	(32,157,257)
As at 31st March, 2019	37,674,000	156,385,363	(433,632,990)	(239,573,627)

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountant
ICAI Firm Registration No. 129814W

Hitesh Shah
Partner
Membership No. 124095

For Shree Ram Electro Cast Limited


NILESH BHANDARI
Director


AVINASH BHANDARI
Director

Place : Ahmedabad
Date : 27th May 2019

Place : Palodia
Date : 27th May 2019

SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year ended 31st March, 2019

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

(a) Property, Plant and Equipment

Particulars	(Amount in Rupees)							
	Freehold Land	Buildings	Plant & Machinery	Computer & Peripherals	Furniture & Fixture	Vehicles	Office equipment	Total
Gross Carrying amount (At Cost)								
As at 1st April, 2017	172,898,820	35,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691
Additions	-	-	-	-	-	-	-	-
Disposals / Adjustment	-	-	-	-	-	-	-	-
As at 31st March, 2018	172,898,820	35,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691
Additions	-	-	-	-	-	-	-	-
Disposals / Adjustment	-	-	-	-	-	-	-	-
As at 31st March, 2019	172,898,820	35,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691
Accumulated Depreciation								
As at 1st April, 2017	-	3,330,270	-	-	14,974	228,906	-	3,574,160
Depreciation Charge for the year	-	3,019,309	-	-	10,085	94,014	-	3,123,408
Disposals / Adjustment	-	6,349,679	-	-	25,069	322,920	-	6,687,558
As at 31st March, 2018	-	2,737,374	-	-	6,791	3,478	-	2,747,643
Depreciation Charge for the year	-	9,086,963	-	-	31,850	326,398	-	9,445,201
Disposals / Adjustment	-	-	-	-	-	-	-	-
As at 31st March, 2019	-	11,824,337	-	-	38,641	330,876	-	12,173,154
Net Block								
As at 31st March, 2019	172,898,820	26,642,066	15,732,798	65,414	118,142	185,630	117,620	215,660,490
As at 31st March, 2018	172,898,820	29,279,440	15,732,798	65,414	124,933	199,108	117,620	218,408,133

(a) Property, plant and equipment were tested for impairment as on 01st April 2018, 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 298,923,165

(b) Cost of the Property Plant and Equipment includes carrying value recognized as deemed cost as of 1st April 2015, measured as per previous GAAP and cost of subsequent additions

(c) There is a first charge by way of Equitable Mortgage over factory land & factory building at Singuppa, 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, 2019	14,483,250
As at 31st March, 2018	14,483,250



(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
4	Financial Assets		
	Investments		
	Other unquoted investments in Government Securities (At Amortized cost)	100,000	100,000
	National Saving Certificates (Pledge with Commercial Tax Department)	100,000	100,000
	Current	100,000	100,000
	Non-Current	100,000	100,000
	Aggregate book value of Unquoted Investments	100,000	100,000
		100,000	100,000
	Other Financial Assets		100,000
	Interest Accrued but not due	-	3,000
	Employee Advance	1,846,998	2,723,698
	Security deposits	1,846,998	2,826,998
		103,000	
Current	1,846,998	2,723,698	
Non-Current	1,846,998	2,826,998	

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
5	Inventories		
	(a) Raw materials	-	8,000,338
	(b) By Products & Scraps	-	12,368,655
	(c) Stores and spares	12,532,750	12,532,750
	12,532,750	30,901,741	

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
6	Cash and Cash Equivalents		
	Balances with Banks	3,216,636	802,740
	- In Current accounts	112,847	131,484
	Cash In Hand	-	-
	3,329,483	1,034,204	

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
7	Other Assets		
	Advance for capital goods	5,607,400	5,607,400
	Prepaid expenses	-	22,827
	Advance receivable in cash or kind		
	Advance with suppliers	195,000	195,000
	Balances with sales tax, custom, central excise authorities	866,473	868,473
	Others	-	10,000,000
		6,668,873	16,691,500
	Current	1,061,473	11,084,100
	Non-Current	5,607,400	5,607,400

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
8	Current Tax Assets		
	- Income Tax	3,151,050	3,068,282
		3,151,050	3,068,282

9 SHARE CAPITAL

Particulars	EQUITY SHARES	
	Numbers	Amount in Rupees
(A) Authorized Share Capital (Equity Shares of Rs 100 each)		
As at 1st April, 2017	1,150,000	115,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	1,150,000	115,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2019	1,150,000	115,000,000
Particulars	PREFERENCE SHARE	
	Numbers	Amount in Rupees
(Preference Shares of Rs 100 each)		
As at 1st April, 2017	100,000	10,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	100,000	10,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2019	100,000	10,000,000



d. 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 31st March 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs Nil (31st March 2018: 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, 2017	818,950	81,895,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	818,950	81,895,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2019	818,950	81,895,000

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

Name of the Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
Holding Company-Electro hem (India) Limited	778,000	95.00%	778,000	95.00%

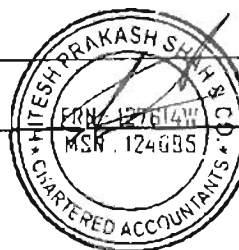
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

e. Equity Shares held by holding / ultimate holding company and / or their subsidiaries/ associates -

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount In Rupees	No. of Shares	Amount In Rupees
Holding Company - Electrotherm (India) Limited	778,000	77,800,000	778,000	77,800,000
Subsidiary of the Holding Company - Electrotherm Services Limited (Earlier known as Shree Hans Papers Limited)	40,950	4,095,000	40,950	4,095,000

(Amount In Rupees)

Note No.	Particulars	As at 31st March
10	Other Equity	
	Securities Premium	
	As at 1st April, 2017	37,674,000
	Increase/(decrease) during the year	-
	As at 31 st March, 2018	37,674,000
	Increase/(decrease) during the year	-
	As at 31 st March, 2019	37,674,000
	Securities Premium reserve 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, 2017	-235,766,314
	Increase/(decrease) during the year	-8,335,058
	As at 31 st March, 2018	-245,099,370
	Increase/(decrease) during the year	-32,157,257
	As at 31 st March, 2019	-277,247,627
	Total Other Equity	
	As at 31st March, 2018	-207,416,370
	As at 31st March, 2019	-239,573,627



(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
11	Borrowings		
	Long term Borrowing from Bank (Secured) (Note-A & B)		
	Corporate loan - State bank of India	19,999,984	19,999,984
	Working Capital Term Loan- State bank of India	139,900,000	139,900,000
		159,899,984	159,899,984
	Less Current maturity grouped as other current financial liability (Refer Note 13)	159,899,984	159,899,984
	Subtotal (a)	-	-
	Short term Borrowings from Bank (Secured) (Note-A & B)		
	Working capital Loan from State Bank of India	237,639,432	237,639,432
	Subtotal (b)	237,639,432	237,639,432
	Total Borrowings	237,639,432	237,639,432
	Current	237,639,432	237,639,432
	Non-Current	-	-
		237,639,432	237,639,432

Note: A

The Secured Term Loan from State Bank Of India is secured by :

- (a) First charge on the entire current assets of the Company, both present and future.
 (b) Equitable Mortgage over factory land & factory building at Singuppa, Dist : Bellary and Hypothecation of entire plant & machinery and other fixed assets of the Company.
 (c) Personal Guarantees of Mr. Mukesh Bhandari and Mr. Shallesh Bhandari, Directors of the Company.

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	397,539,416	-	397,539,416	Corporate Loan from Jan, 2012 to March, 2019, WCTL from April, 2012 to March, 2019 and Cash Credit from Dec, 2011 to March, 2019

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
12	Trade Payables		
	Total Outstanding dues of micro and small enterprises	-	-
	Total outstanding due of creditors other than micro and small enterprises	91,487	438,784
		91,487	438,784

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.

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
13	Other Current Financial Liabilities		
	Current maturity of Long term borrowings (Refer note-11)	159,899,984	159,899,984
		159,899,984	159,899,984

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
14	Other Current Liabilities		
	Advances From Holding Company	17,500,508	14,465,753
	Statutory dues payable	17,425	16,503
		17,517,933	14,482,256

(Amount In Rupees)

Note No.	Particulars	As at 31-03-2019	As at 31-03-2018
15	Provisions for Employee Benefits		
	- Compensated Absences	86,171	99,464
	- Gratuity	191,314	391,814
	- Bonus	25,200	83,744
		302,685	575,022
	Current	25,200	83,744
	Non-Current	277,485	491,278
		302,685	575,022

(a) Provision for the employee benefits 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, 2019

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
16	Other Income		
	Interest Income on		
	Long Term Deposit	-	90,381
	Short Term Deposit	827,672	-
	Other income		
	Gain on sale of mutual fund	-	261,314
	Insurance Claim	-	9,408
	Miscellaneous Income	-	54,400
		827,672	415,503

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
17	Cost of raw material consumed and components consumed / Written Off		
	Inventory at the beginning of the year	6,000,336	6,000,336
	Less Inventory at the end of the year	-	6,000,336
	Cost of raw materials and components consumed / Written Off	6,000,336	-

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
18	Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	Inventories at the end of the year		
	-By Product and Scrap	-	12,368,655
		-	12,368,655
	Inventories at the beginning of the year		
	-By Product and Scrap	12,368,655	12,368,655
		12,368,655	12,368,655
		12,368,655	-

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
19	Employee Benefits		
	Salaries, wages and allowances and bonus	650,744	2,691,109
	Contribution to provident and other funds	55,752	112,189
	Staff welfare expenses	-	6,851
		706,496	2,810,149

(Amount In Rupees)

Note No.	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
20	Finance Cost		
	Other borrowing cost and charges	4,105	4,292
		4,105	4,292



(Amount In Rupees)

Note No	Particulars	Year ended 31-03-2019	Year ended 31-03-2018
21	Other Expense		
	Consumption of Stores & Spares	-	-
	Freight & Transport Charges	-	1,190
	Power & Fuel	-	999,319
	Labour Charges	73,524	267,596
	Travelling & Conveyance	4,746	104,003
	Insurance	45,996	425,128
	Service Tax Expenses	-	4,746
	Rates & Taxes	13,284	267,778
	Auditors' Remuneration (Refer note-a)	11,800	20,000
	Guest House Expense	-	135,046
	Licence & Registration	-	28,791
	Printing & Stationary Expense	250	1,900
	Telephone Expense	11,189	39,407
	Net Sundry Balance Written off / Round off	10,977,000	86,516
	Net General Expense	4,470	75,993
	Security Charges	-3,000	1,332,286
	Miscellaneous Expense	1,235	1,509
	Professional & Legal Expense	17,200	1,501
		11,157,694 00	3,812,710.00
a)	Auditors Remuneration		
	- Audit Fee	11,800	10,000
	- Other Services	-	10,000
		11,800	20,000

22 Earning per shares

Particulars		Current Year	Previous Year
Profit/(Loss) as per statement of profit and loss account (After prior period adjustment)	Rupees	(32,157,257)	(9,335,056)
Weighted average number of Equity shares (Basic)	Nos	818,950	818,950
Earning per shares (Basic & Diluted)	Rupees	(39.27)	(11.40)
Nominal Value of shares	Rupees	100	100

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 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 anti-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)*	5,073,356	5,073,356
(B) Claim against the company not acknowledge as debts which pertain to litigation filed against the company and pending before various courts, authorities, arbitration, tribunal, Consumer Dispute Redressal Forum etc	1,138,261	1,138,261

*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.



24 Related Party Transaction
A Holding Company
Electrotherm (India) Limited

Transactions carried out with related parties referred to in (A) above, in ordinary course of business

Nature of Transaction	Enterprises described in (A) above
Repayment / Adjustment of Advances	90,00,00,000 (53,52,09,219)
Receipt of Advances	90,30,34,755 (44,04,97,506)
Outstanding Advance Payable	1,75,00,508 (1,44,85,753)

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 issued notice dated 7th May, 2013 under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the company secured by hypothecation and mortgage and vide order dated 22nd November 2017 of District Magistrate, Bellary the bank has taken physical possession of movable and immovable property and therefore the concept of the going concern of the Company may be adversely affected.

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 The Company has acquired Land at Halekote-2S Village, Sruguppa Hobli or Firka, Sruguppa Taluka, District Bellary and Honnarahalli Village, Hactchalli Hobli, Sruguppa Taluka, Bellary District and its Legal Document for transfer of the property in the name of the Company is in process.

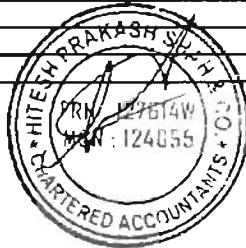
28 The company is in process to fill the post of Company Secretary.

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 amount of Inventories and capital work in progress has been taken by the management on the basis of information available with the company and is subject to physical verification/confirmed by the Company. During the year, the company has written off the inventories of Rs 1,83,68,991/- as in the opinion of the Company the net realisable value is Rs Nil.

(e) During the year the company has written off the balance of the Inventories, Sundry Deposit, Advance Receivable in cash or kind and Accrued Interest as the same are not recoverable and its break up is as under:

Particular	Amount in Rs
Advance receivable in cash or kind	1,00,00,000
Interest Accrued	1,00,000
Sundry Deposit	8,77,000
Total	1,09,77,000



30 (a) State Bank of India ("SBI") has issued notice dated 7th May, 2013 under section 13(2) of the Securitization and Reconstruction of Financial Assets and 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 authorized 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 14th March, 2015, 23rd May, 2015, 11th September, 2015, 23rd August 2016, 1st February 2018, 9th March 2018, 30th August 2018, 5th January 2019 and 4th February 2019. However, as per the available information, there was no bidder in the E-Auction at the reserve price and thereafter no action has been taken by the Bank and therefore its relevant accounting treatment will be given on its finalization / settlement and further these are treated as short term borrowings.

(b) State Bank of India has filed Original Application against the Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under section 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 willful defaulter

(d) Provision of the following interest on debts of State Bank Of India has not been made by the company and to that extent loss & bank loans have been understated.

Particulars	Interest for the year		
	Upto 31 March 2018	Current Year	Upto 31 March 2019
State Bank of India	621,712,242	164,344,829	786,057,071

31 Income Tax

a Component of Income tax

Particulars	As at 31-03-2019	As at 31-03-2018
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 Asset has been made as there is no certainty of its realization in near future in pursuance to heavy accumulated losses.

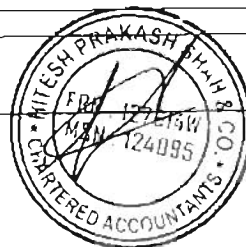
b Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

Particulars	Current Year	Previous year
Accounting profit before income tax	-32,157,257	-9,335,056
Enacted tax rates in India	26.00	25.75
Computed tax expense	-8,360,887	-2,403,777
Non-deductible expenses for tax purpose	2,600,000	22,710
Deductible expenses for tax purpose	70,807	-848
Other	714,387	804,278
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	4,975,693	1,577,637
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 2017-18. The unabsorbed business loss of financial year 2010-11 will expire from 31.03.2019 and the losses of subsequent years will expire on yearly basis. The company does not have MAT credit. The losses of current year are not considered below.

Particulars	As at 31-03-2019	As at 31-03-2018
Business Loss	263,770,962	257,644,214
Unabsorbed Depreciation	111,291,918	111,291,918



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

32.1 Category-wise Classification of Financial Instruments:

Particulars	Refer	As at 31-03-2019			As at 31-03-2018		
		Fair Value through profit or loss	Amortized cost	Carrying Value	Fair Value through profit or loss	Amortized cost	Carrying Value
Financial assets							
Investment	4	-	100,000	100,000	-	100,000	100,000
Other financial Assets	4	-	1,846,998	1,846,998	-	2,826,998	2,826,998
Cash and cash equivalents	6	-	3,329,483	3,329,483	-	1,034,204	1,034,204
Total		-	5,276,481	5,276,481	-	3,961,202	3,961,202
Financial liabilities							
Borrowings	11 & 13	-	415,039,924	415,039,924	-	412,005,169	412,005,169
Trade payables	12	-	91,487	91,487	-	438,784	438,784
Total		-	415,131,411	415,131,411	-	412,443,953	412,443,953

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 & short-term deposits 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:

Particulars	(Amount In Rupees)			
	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2019				
Interest free borrowings	255,139,940	-	-	255,139,940
Trade payables	-	-	-	-
Other financial liabilities	159,899,984	-	-	159,899,984
Year ended 31st March, 2018				
Interest free borrowings	252,105,185	-	-	252,105,185
Trade payables	-	-	-	-
Other financial liabilities	159,899,984	-	-	159,899,984

(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 2019 the company is not having any foreign currency risk.

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, 2019, the Company meet its capital requirement through equity and low debts.

35 Standards Issued but not effective: -

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's Financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1st April 2019 amending the following standard

i) Impact Ind AS-116 (effective date of adoption is 01st April 2019): Leases is not effectively applicable as the company does not have any property on lease.

ii) Amendment to existing but not effective: -

- Appendix C to Ind AS 12: Uncertainty over Income Tax Treatments
- Amendments to Ind AS 109: Prepayment features with Negative Compensation
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Annual improvement to Ind AS (2018)
 - Amendments to Ind AS 103: Party to Joint Arrangements obtains control of a business that is a Joint Operation
 - Amendments to Ind AS 111: Joint Arrangements
 - Amendments to Ind AS 12: Income Tax
 - Amendments to Ind AS 23: Borrowing Costs

Application of above standards are not expected to have any significant impact on the Company's Financial Statements




Shree Ram Electro cast Private Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

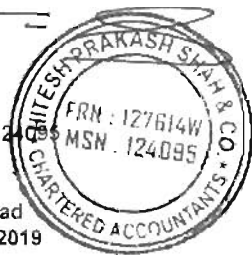
36 Events occurred after the Balance Sheet Date

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 27 May 2019, 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. In some case Previous Year amount has not been stated, if there is Nil amount for the current year

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



Place : Ahmedabad
Date : 27th May 2019

For Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director

Place : Palodia
Date : 27th May 2019

AVINASH BHANDARI
Director