INDEPENDENT AUDITOR'S REPORT

To the Members of Sarda Metals & Alloys Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Sarda Metals & Alloys Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter 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, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and 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 on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's 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.

The Company's Board of Director's has not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 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 Responsibilities for the Audit of the Ind AS 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 on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 in order 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 with reference to 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 Ind AS 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS prescribed 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 March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure 2”;

g. With respect to the other matter to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

h. 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 Ind AS financial statements – Refer Note 11 on Contingent Liabilities to the Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No. 036834

UDIN: 20036834AAAABI7768

Ahmedabad: June 13, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Sarda Metals & Alloys Limited** on the Ind AS financial statements for the year ended March 31, 2020]

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

(i)

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

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, 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, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order is not applicable to the Company.

(iv) Based on information and explanation given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. 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 in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases / the delays in deposit have not been serious.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, The dues outstanding with respect to, income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. in Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	86.57	A.Y. 2012-13	Commissioner of Income Tax (Appeals)	
Income Tax Act, 1961	Interest	0.97	A.Y. 2014-15	Assessing Officer	-
Income Tax Act, 1961	Income Tax	87.52	A.Y. 2015-16	Commissioner of Income Tax (Appeals)	-
Directorate of Electrical Safety, Government of Andhra Pradesh	Electricity Duty	883.73	From Jan 2013 to Mar 2016	Directorate of Electrical Safety and chief electrical inspector	Treated the liability as disputed one, on the basis of advise received from an independent expert
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	423.60	F.Y. 2015-16	AP Sales Tax and VAT Appellate Tribunal	
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	204.75	F.Y. 2014-15 to 2017-18	Appellate Deputy Commissioner	Penalty order of Rs.42.03 Lakhs was received during F.Y.2019-20

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. Further, the Company has not borrowed from any financial institutions or government nor has it issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, during the year the Company has utilized the money raised by way of term loans for the purposes for which they were raised. Further, the Company has not raised money by way of public issue offer.

(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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the financial statements as required by the applicable 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. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Hemant J. Bhatt
Partner

Membership No. 036834

UDIN: 20036834AAAABI7768

Ahmedabad: June 13, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Sarda Metals & Alloys Limited** on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Sarda Metals & Alloys Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Hemant J. Bhatt

Partner

Membership No.036834

UDIN: 20036834AAAABI7768

Ahmedabad: June 13, 2020

SARDA METALS & ALLOYS LIMITED
Balance Sheet as at 31.03.2020

(Amount in Rs. Crores)

Particulars	Notes	As at 31.03.2020	As at 31.03.2019
ASSETS			
(I) Non-current assets			
(a) Property, plant and equipment	4.1	507.71	516.74
(b) Capital work-in-progress	4.1	5.82	6.31
(c) Financial assets			
(I) Investments	4.2	0.003	0.003
(II) Security Deposits	4.3	0.94	0.69
(d) Other non-current assets	4.4	0.003	1.07
(e) Other tax assets (net)	4.5	1.71	1.71
		516.19	**526.52**
(II) Current assets			
(a) Inventories	4.6	131.06	139.11
(b) Financial Assets			
(I) Trade receivables	4.7	51.10	49.06
(II) Cash and Bank Balances	4.8	6.03	0.24
(III) Bank balanes other than (II) above	4.9	15.47	11.03
(IV) Other financial assets	4.10	12.19	20.25
(d) Other Current Assets	4.11	12.67	20.88
		228.52	**240.57**
Total		**744.71**	**767.09**
EQUITY AND LIABILITIES			
(I) EQUITY			
(a) Share capital	4.12	21.02	21.02
(b) Other Equity	SOCIE	223.36	219.81
		244.38	**240.83**
LIABILITIES			
(II) Non-current liabilities			
(a) Financial Liabilities			
(I) Long-term borrowings	4.13	249.82	267.14
(II) Other financial liabilities	4.14	0.33	0.03
(b) Long-term provisions	4.15	1.58	1.29
(c) Deferred tax liabilities (Net)	4.16	5.55	4.71
		257.28	**273.17**
(III) Current liabilities			
(a)Financial Liabilities			
(I) Borrowings	4.17	97.57	93.26
(II) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	4.18	0.33	1.42
B) total outstanding dues of creditors other than micro enterprises and small enterprises	4.18	75.83	89.55
(III) Other financial liabilities	4.19	62.51	64.13
(b) Other current liabilities	4.20	5.94	2.62
(c) Short-term provisions	4.21	0.12	0.18
(d) Current tax liabilities (net)	4.22	0.75	1.93
		243.05	**253.09**
Total		**744.71**	**767.09**

Significant accounting policies 1,2&3

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

As per our report of even date attached
for *Haribhakti & CO. LLP*
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

HEMANT J. BHATT	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Director	Dy. Managing Director	CFO	Company Secretary
M No: 036834	DIN: 00008170	DIN: 00040884		
Place: Ahmedabad	Place: Raipur	Place: Visakhapatnam		
Date: 13.06.2020	Date: 11.06.2020	Date: 10.06.2020		

SARDA METALS & ALLOYS LIMITED
Statement of Profit and Loss for the year ended 31.03.2020

(Amount In Rs. Crores)

	Particulars	Notes	For the year ended 31.03.2020	For the year ended 31.03.2019
I	Revenue from operations (gross)	4.23	554.19	710.09
II	Other income	4.24	2.28	8.99
III	**Total Revenue (I + II)**		**556.47**	**719.08**
IV	Expenses:			
	Cost of materials consumed	4.25	352.35	519.74
	Purchases of Stock-in-Trade		36.63	53.77
	Changes in inventories of finished goods and Stock-in-Trade	4.26	6.65	(24.91)
	Employee benefits expense	4.27	16.01	14.79
	Finance costs	4.28	47.02	54.23
	Depreciation and amortization expense	4.29	21.24	21.11
	Other expenses	4.30	71.90	70.29
	Total Expenses		**551.80**	**709.02**
V	Profit before Tax (III - IV)		**4.67**	**10.06**
VI	**Tax expense:**			
	(1) Current tax		0.79	2.17
	(2) Tax pertaining to (Excess)/Short Provision of earlier Year		0.14	0.29
	(3) Deferred tax		0.88	1.70
	Total Tax		**1.81**	**4.16**
VII	Profit for the Year (V - VI)		**2.86**	**5.90**
	Other comprehensive income			
	Remeasurements of defined benefit obligations	4.31	(0.11)	0.03
	Income tax effect	4.31	0.04	(0.01)
	Total comprehensive income for the period		**2.79**	**5.92**
	Earnings per equity share			
	[Face Value of Rs 10 /- each (Previous value of Rs 10 /- each)]		10.00	10.00
	Basic earnings per share (Rs. Per Share)		1.32	2.82
	Diluted earnings per share (Rs. Per Share)		1.32	2.82

Significant accounting policies 1,2&3
The notes referred to above form an integral part of the financial statements.

As per our Report of even date attached
for ***Haribhakti & Co. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

HEMANT J. BHATT	**K K SARDA**	**NEERAJ SARDA**	**GAURAV THAKKAR**	**SANJAYA SABAT**
Partner	Director	Dy. Managing Director	CFO	Company Secretary
M No: 036834	DIN: 00008170	DIN: 00040884		
Place: Ahmedabad	Place: Raipur	Place: Visakhapatnam		
Date: 13.06.2020	Date: 11.06.2020	Date: 10.06.2020		

SARDA METALS & ALLOYS LIMITED
Cash Flow Statement for the year ended 31.03.2020

(Amount In Rs. Crores)

	Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before tax as per Statement of Profit & Loss	4.67	10.06
	Adjusted for :		
	Depreciation and Amortisation	21.24	21.11
	Interest Income	(0.89)	(0.92)
	Finance Costs	47.03	54.23
	Unrealised Exchange (Gain)/Loss	3.99	(5.74)
	(Profit) /Loss on Sale/ Scrapping of Fixed assets	2.94	(0.01)
		74.31	**68.67**
	Operating profit before working capital changes	78.98	78.73
	Adjusted for:		
	Increase/ (Decrease) in trade payables	(17.12)	92.07
	Increase in Other Financial Liabilities	2.39	3.35
	(Decrease)/ Increase in Other current Liabilities	3.33	(4.71)
	Increase in Long term provisions	0.19	0.28
	(Decrease)/ Increase in Short term provisions	(0.05)	(0.06)
	(Increase) in Security Deposits	(0.26)	(0.20)
	(Increase) in inventories	8.05	(31.62)
	Decrease/ (Increase) in trade receivables	(1.47)	14.16
	(Increase) in Other financial assets	8.06	(1.12)
	(Increase)/ Decrease in other Current Assets	8.29	(1.74)
	Cash generated from Operating activities	**90.39**	**149.14**
	Direct taxes paid (net)	(2.17)	(4.90)
	Net cash generated from operating activities	**88.22**	**144.24**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets inculding Capital WIP	(14.68)	(12.96)
	Interest received	0.89	0.92
	Sale of Fixed Assets	0.01	0.02
	(Increase) in Fixed Deposit	(4.44)	(6.25)
	(Increase) /Decrease in Non - Current Advances	1.06	(0.54)
	Net Cash (used in) invesing activities	**(17.16)**	**(18.81)**
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	54.02	-
	Repayment of Term Loans	(75.68)	(28.60)
	Short Term Borrowings	(19.97)	(53.05)
	Loan from holding company	22.03	6.08
	Interest paid	(45.67)	(52.98)
	Net Cash (used in) financing activities	**(65.27)**	**(128.55)**
	NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	5.79	(3.12)
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	0.24	3.36
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	**6.03**	**0.24**
	Notes to the cash flow statement		
1	Cash & Cash Equivalents consist of the following:		
	Cash on hand	0.02	0.04
	Balances with Banks	0.74	0.20
	Fixed Deposits With Banks (Under lien with Bank as Margin Money)	5.27	-
		6.03	**0.24**

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) - Statement of Cash Flow.

3 **Amendment to Ind AS 7**

Reconciliation between opening & closing balances in the Balance Sheet for liabilities arising from financial activities due to cash flows and non-cash flow changes.

Particulars	As at 31.03.2019	Cash flow		Non Cash changes		As at 31.03.2020
		Proceeds	(Repayments)	Fair value Changes	Classification changes	
Long-Term Borrowings	267.14	54.02	(49.23)	0.75	(22.86)	249.82
Other Financial Liabilities	32.60	-	(26.45)	0.72	22.86	29.73
Short-Term Borrowings	93.26	22.03	(19.97)	2.25	-	97.57
Total	**393.00**	**76.05**	**(95.65)**	**3.72**	**-**	**377.12**

4 Figures in the bracket represents cash outflow

As per our report of even date attached
for ***Haribhakti & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

HEMANT J. BHATT
Partner
M No: 036834
Place: Ahmedabad
Date: 13.06.2020

K K SARDA
Director
DIN: 00008170
Place: Raipur
Date: 11.06.2020

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place: Visakhapatnam
Date: 10.06.2020

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Statement of Changes in Equity (SOCIE)

(a) Equity share capital

(Amount in Rs. Crores)

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	21,016,000	21.02	21,016,000	21.02
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	21,016,000	21.02	21,016,000	21.02

b) Other Equity

(Amount In Rs. Crores)

Particulars	Surplus				Other items of Other Comprehensive Income	Total
	Securities premium	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2018	188.69	-	23.36	1.18	0.14	213.37
Addition during the year	-	-	-	-	-	-
(Loss) for the year	-	-	5.90	-	-	5.90
Other comprehensive income	-	-	-	-	0.02	0.02
Equity contribution on account of corporate guarantees	-	-	-	0.52	-	0.52
Total comprehensive income	188.69	-	29.26	1.70	0.16	219.81
Balance at 31 March 2019	188.69	-	29.26	1.70	0.16	219.81

(Amount In Rs. Crores)

Particulars	Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium	Capital reserve	Retained Earnings	Other reserves	Remeasurements of the net defined benefit Plans	
Balance at 1 April 2019	188.69	-	29.26	1.70	0.16	219.81
Addition: Capital subsidy received			-	-	-	-
Profit for the year	-	-	2.86	-	-	2.86
Other comprehensive income	-	-	-	-	(0.07)	(0.07)
Equity contribution on account of corporate guarantees	-	-	-	0.75	-	0.75
Total comprehensive income	188.69	-	32.12	2.45	0.09	223.36
Balance at 31 March 2020	188.69	-	32.12	2.45	0.09	223.36

As per our report of even date attached
for ***Haribhakti & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

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HEMANT J. BHATT
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Place: Visakhapatnam
Date: 10.06.2020

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary

Significant accounting policies and notes to the accounts

For financial year ended 31.03.2020

1 <u>Company Overview</u>

The Company is operating 2X33 MVA Ferro Alloys Furnaces backed by a 80 MW Captive Power Plant. The company is a leading manufacturer and exporter of Ferro Alloys enjoying Two Star Export House Status.

2 <u>Significant Accounting Policies</u>

Basis of preparation of financial statements

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 (`Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.The financial statements are presented in Indian rupees rounded off to nearest Crores.

2.2 Basis of Measurement

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

a) certain financial assets and liabilities including derivative instruments measured at fair value

b) defined benefit plans - plan assets measured at fair value

2.3 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3 Summary of significant accounting policies

3.1 Financial Instrument

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

3.1.1 Financial asset

i) Initial Recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as gain or loss in the Statement of Profit and Loss at initial recognition. If the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using level 1 or 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

Financial assets of the Company include investments in equity shares of associates , trade and other receivables, loans and advances to employees etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

1) financial assets measured at amortised cost
2) financial assets measured at fair value through other comprehensive income
3) financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost:

A financial instrument is measured at 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.

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 profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are fullfilled:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets

(b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

• The rights to receive cash flows from the asset have been transferred, or

• The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not reatained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

3.1.2 Investments

Investments in associates are measured at cost.

Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

3.1.3 Trade receivables

Trade receivables that do not contain a significant financing component are measured at transaction price.

3.1.4 Financial liability

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as gain or loss in the Statement of Profit and Loss at initial recognition. If the fair value is determined through a quoted market price in an active market for an identical liability (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using level 1 or 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

1) financial liabilities measured at amortised cost
2) financial liabilities measured at fair value through profit and loss and

Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Financial liabilities at FVTPL:

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial liability

A financial libilty is derecognised when the obligation under the liabillty is discharged or cancelled or expires. When an existing financial libility is replaced by another from the existing 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 the new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

3.1.5 Loans and borrowings

Loans and borrowings are initially recognised at fair value net of transaction costs incurred. Subsequently, these are 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 as finance costs in the statement of profit and loss.

3.1.6 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the normal trade payable cycle. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

3.1.7 Derivatives

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.1.8 Fair Value

The Company measures financial instuments at fair value in accordance with the accounting policies mentioned above. Fair value is the price paid that would be received to sell asset or paid to transfer a libility in an orderely 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.

All the assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, decribed as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (level 1 inputs) and lowest priority to unobseravable inputs (level 3 inputs).

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

Level 2 - inputs otherthan qouted prices included within Level 1 that are obseravable for the asset or liability, either directly or indirectly.

Level 3 - inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occured between levels in the hierarchy by re-assessing categorisation at the end of each reporting period and discloses the same.

3.1.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a current 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.

3.2 Property, plant and equipment

i) Transition to Ind AS

The Company has elected to exercise the option under Ind AS 101 of using the previous GAAP carrying amount of its plant, property, equipment as its deemed cost on the date of transition that is 01.04.2015 to Ind AS.

ii) Recognition and measurement

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition items of PPE are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The Company identifies and determines cost of each part of an item of PPE seperately if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised in the Statement of Profit and Loss.The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

iii) Depreciation

Depreciation on each part of PPE has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013. Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier.

iv) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a seperate component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.

v) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

3.3 Intangible assets

Intangible assets comprising of computer software, brands/ trademarks, mining rights expected to provide future economic benefits are stated at cost of acquisition/ implementation/ development less accumulated amortization.

Amortization

Cost of intangibles including related expenditures are amortised on a straight line basis over the estimated useful economic life.

3.4 Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any.

3.5 Leases

a) Ind AS 116 - Leases:

Ind AS 116 supersedes Ind AS 17 - Leases. The new standard introduces single lease accounting model for the lessees under which all major leases are recognised on Balance sheet, removing the lease classification test. The lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right of use asset) at the commencement date of lease. Lessees will be required to separately recognize interest expense on the lease liability and depreciation expense on the right of use of asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17 except for additional guidance and new disclosure requirements.

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 fulfilment 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.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at lower of the fair value of the leased property or the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.
The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognised as an income on a straigh line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.The respective leased assets are included in the balance sheet based on their nature.

3.6 Inventory

(i) Stores and spares are carried at Cost (net of GST Credit availed) on moving average basis.
(ii) Raw Materials are carried at cost (net of GST Credit availed) on moving average basis and net realizable value whichever is lower .However , raw materials 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.
(iii) Finished , semi finished products and Stock-in-Trade produced or purchased by the Company are carried at lower of cost and net realizable value . Cost includes direct mateirals and labour cost and a proportion of manufacturing overheads.
(iv) By products are valued at net realizable value .
Net realisable value is the estimated selling price in the ordinary course of business , less estimated cost of completion and estimated costs necessary to make the sale .

3.7 Government grants

Capital Grants are measured at amounts receivable from the Government which are non-refundable and are recognised, as per the Capital Approach prescribed under Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", as retained earnings in reserves and surplus when it is received from the Government and the Company shall comply with the conditions associated with the grant.

3.8 Impairment

a) 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:

i) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, deposits and trade receivables.

ii) Financial assets that are debt instruments and are measured at FVTOCI.

For recognition of impairment loss on 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. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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(i.e. all shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

As a practical expedience the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analysed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

3.9 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount fo the MAT credit entitlemet at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12 - Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatment under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1 April, 2019.

c) Amendment to Ind AS 12- Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

3.10 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Contribution to Provident fund and Contributory pension fund are accounted for on accrual basis. Provident fund contributions are made to statutory provident fund.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

3.11 Provisions and contingent liabilities

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 economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

3.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

3.13 Foreign currency transactions

The Company's financial statements are presented in INR which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise with the exception that exchange differences to the extent treated as borrowing costs are recognised accordingly .

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Outstanding loans repayable in foreign currency are restated at the year end exchange rate. Exchange gains and losses in respect of such restatement is accounted for as an income or expense except to the extent treated as borrowing costs

3.14 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the control on the goods have been transferred to the buyer and there is no continuing effective control or managerial involvement with, the goods.

3.15 Other income

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

Dividend income

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

3.16 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.
All other borrowing costs are recognised as an expense in the year in which they are incurred.

3.17 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

3.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Company (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 20 for details on segment information presented.

3.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flow. The cash flows from operating, inesting and financing activities of the Company are segragated.

(All amounts in Indian rupees, except share data and unless otherwise stated)

4.1 Property Plant & Equipment

(Amount in Rs. Crores)

Description	Gross block				Depreciation				Net Block
	As at 1-Apr-19	Additions	Sale / Transfer / Adjustments	As at 31-Mar-20	As at 1-Apr-19	For the Year	Sale / Transfer / Adjustments	As at 31-Mar-20	As at 31-Mar-20
Freehold Land (Owned)	20.07	-	-	20.07	-	-	-	-	20.07
Buildings	95.54	3.61	-	99.15	16.92	3.72	-	20.64	78.51
Plant & Machinery	483.19	10.95	3.98	490.16	66.45	17.05	1.03	82.47	407.69
Computer & Accessories	0.36	0.08	-	0.44	0.24	0.08	-	0.32	0.12
Furniture & fixture	0.61	0.01	-	0.62	0.46	0.04	-	0.50	0.12
Office Equipments	0.23	0.16	-	0.39	0.19	0.01	-	0.20	0.19
Vehicles	1.43	0.34	0.14	1.63	0.41	0.34	0.13	0.62	1.01
Total	**601.43**	**15.15**	**4.12**	**612.46**	**84.67**	**21.24**	**1.16**	**104.75**	**507.71**
Capital work in progress	**6.31**	**14.07**	**14.56**	**5.82**	**-**	**-**	**-**	**-**	**5.82**

(Amount in Rs. Crores)

Description	Gross block				Depreciation				Net Block
	As at 1-Apr-18	Additions	Sale / Transfer /	As at 31-Mar-19	As at 1-Apr-18	For the Year	Sale / Transfer /	As at 31-Mar-19	As at 31-Mar-19
Freehold Land (Owned)	20.07	-	-	20.07	-	-	-	-	20.07
Buildings	92.55	2.99	-	95.54	13.41	3.51	-	16.92	78.62
Plant & Machinery	479.74	3.45	-	483.19	49.58	16.88	-	66.45	416.73
Computer & Accessories	0.26	0.10	-	0.36	0.03	0.21	-	0.24	0.11
Furniture & fixture	0.59	0.02	-	0.61	0.37	0.09	-	0.46	0.15
Office Equipments	0.22	0.01	-	0.23	0.07	0.12	-	0.19	0.04
Vehicles	1.00	0.50	0.07	1.43	0.17	0.30	0.06	0.41	1.02
Total	**594.43**	**7.07**	**0.07**	**601.43**	**63.63**	**21.11**	**0.06**	**84.67**	**516.74**
Capital work in progress	0.41	12.34	6.44	6.31	-	-	-	-	6.31

(Amount in Rs Crores)

Particulars	As at 31.03.2020	As at 31.03.2019
4.2 Non Current Investments		
Trade Invesments		
Investment in Equity Instruments of Other entities		
Natural Resources Energy Pvt Ltd. (2,845 Equity shares of Rs. 10 each)	0.003	0.003
	0.003	**0.003**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.003	0.003
Aggregate provision for diminution in value of investments	-	-
Investment carried at cost	0.003	0.003
Investment carried at amortized cost	-	-
Investment carried at fair value through OCI	-	-
Investment carried at fair value through Profit & Loss	-	-
4.3 Non-current financial assets		
(Unsecured, considered good)		
Security Deposits	0.94	0.69
	0.94	**0.69**
4.4 Other Non current Assets		
Capital advances	0.003	1.07
	0.003	**1.07**
4.5 Other tax assets(Net)		
Balances with tax authorities	1.71	1.71
	1.71	**1.71**
4.6 Inventories		
(valued at lower of cost and net realisable value)		
a. Raw Materials and components	71.39	71.71
b. Finished goods / By - Products	53.30	59.95
c. Stores, spares and Consumables	6.37	7.45
	131.06	**139.11**

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.7	**Trade Receivables**		
	a)Trade Receivables considered good - Secured;	16.65	13.69
	b)Trade Receivables considered good - Unsecured	33.84	34.85
	c)Trade Receivables which have significant increase in Credit Risk	0.61	0.61
	d) Less: Provision	-	(0.09)
		51.10	**49.06**
4.8	**Cash and Bank balances**		
	Cash on hand	0.02	0.04
	Balances with Banks		
	In current accounts	0.74	0.20
	Fixed Deposit	5.27	-
	(Under lien with the banks as Margin Money and with original maturity upto 3months from balance sheet date))		
		6.03	**0.24**
4.9	**Bank balances other than 4.8 above**		
	Fixed Deposit	15.47	11.03
	(Under lien with the banks as Margin Money & Debt Service Reserve Account and with original maturity more than 3 months and upto 12 months from balance sheet date)		
		15.47	**11.03**
	1) Fixed Deposit with Banks are held as margin money or security against the borrowings, guarantees, other commitments		
	2) For the purpose of cash flow statement, cash and cash equivalents comprise of:		
	Balances with banks		
	- In current accounts	0.74	0.20
	- In cash credit accounts	-	-
	- Bank Deposits with original maturity of upto 3 months	5.27	-
	Cash on hand	0.02	0.04
	Total	**6.03**	**0.24**
4.10	**Other short-term financial assets**		
	Interest accrued but not due on deposits	0.35	0.35
	Export incentive receivables	1.38	2.81
	Loans and advances to employees	0.21	0.14
	Other receivables	10.25	16.95
		12.19	**20.25**
4.11	**Other Current Assets**		
	Advances to vendors	4.95	4.46
	GST input credit	6.76	15.05
	Prepaid expenditure	0.96	1.37
		12.67	**20.88**

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.12	**Share Capital**		
(a)	**AUTHORISED**		
	Authorised Equity Shares of Rs 10 each (Nos)	25,000,000	25,000,000
	Authorised Equity Share Capital (in Rs Crores)	25.00	25.00
	Issued, Subscribed and fully paid up Equity Shares of Rs 10 (Nos)	21,016,000	21,016,000
	Issued, Subscribed and fully paid up Equity Shares of Rs 10 (In Rs Crores)	21.02	21.02
		21.02	**21.02**
(b)	**Reconciliation of shares at the beginning and at the end of reporting period**		
	Equity Shares		
	At the beginning of the year in Nos	21,016,000	21,016,000
	Issued during the year in Nos	-	-
	Out standing at the end of the year in Nos	21,016,000	21,016,000
	Equity Shares		
	At the beginning of the year in Rs Crores	21.02	21.02
	Issued during the year in Rs Crores	-	-
	Out standing at the end of the year in Rs Crores	21.02	21.02
(c)	**Shares held by each share holder holding more than 5 % shares**		
	Sarda Energy & Minerals Limited, Holding Company (No's)	21,016,000	21,016,000
	% of holding	100%	100%
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
(d)	**Shares held by holding Company**		
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Nos)	21,016,000	21,016,000
	(Includes 45,000 shares held by nominees ,on the behalf of the Company)		
	Sarda Energy & Minerals Ltd Equity shares of Rs 10 each fully paid (in Rs Crores)	21.02	21.02
	(Includes 45,000 shares held by nominees, on the behalf of the Company)		
(e)	**Shares issued for consideration other than cash (last five years)**		
	The company has not issued any shares for consideration other than cash during the last five financial years .	-	-
(f)	**Terms/ rights attached to equity shares**	-	-
	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 of the company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.		
(g)	There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment	-	-

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.13	**Long - Term Borrowings**		
	A. Term loans (Secured)		
	From banks		
	Indian Rupee Loan	247.39	266.91
	Buyer's Credit - Capital Goods	2.18	-
	Hire Purchase Obligations - Car Loan	0.25	0.23
		249.82	**267.14**

Term Loans are Secured by the following As at 31st March 2020 & As at 31st March 2019 -

For Indian Rupee Loan

A Pari-Passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, pari-passu first charge on the moveable properties and fixed assets of the company and pari-passu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders. Security in favour of HDFC Bank for Term Loans of Rs 51.64 (availed in FY 19-20) is yet to be created.

B Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders

C Corporate Guarantee of Rs 51.64 Crores (PY Rs.60 Crores) of Holding Company Sarda Energy & Minerals Limited

D Personal Guarantee of Director Mr K K Sarda

For Hire Purchase Obligations

Hire Purchase finance is secured by hypothecation of respective asset.

Terms of Repayment & interest as at 31st March 2020

A Indian Rupee Term Loan from Banks of Rs 293.31 Crores (Sanctioned Amount) is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027. Out of the 41 unequal quarterly instalments, 10 instalments have been repaid upto 31.12.2019. Company has availed moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . As a result the repayment schedule shall be extended till 31.03.2028. The Company has conidered instalment payable in FY 20-21 from September 2020 onwards in current maturities

B Indian Rupee Term Loan from HDFC Bank (TL 1) of Rs 40.14 Crores (Sanctioned Amount) is payable in 27 unequal quarterly instalments commencing from September 2019 and ending on March 2026. Out of the 27 unequal quarterly instalments, 2 installment has been repaid upto 31.12.2019. Company has applied for moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . However, the request for moratorium for instalment falling due on 31.03.2020 has been turned down by bank after 31.03.2020. As a result the instalment falling due on 31.03.2020 has been considered as other Short Term Borrowings. Assuming non extension for moratorium for June 2020 instalment by the bank , instalment payable in FY 20-21 from June 2020 onwards is included in current maturities.

C Indian Rupee Term Loan from HDFC Bank (TL 2) of Rs 11.50 Crores (Sanctioned Amount) is payable in 24 equal quarterly instalments commencing from September 2019 and ending on June 2025. Out of the 24 equal quarterly instalments, 2 instalments have been repaid upto 31.12.2019. Company has applied for moratorium on instalment due on 31.03.2020 and 30.06.2020 (As per RBI Directives for Covid 19) . However, the request for moratorium for instalment falling due on 31.03.2020 has been turned down by bank after 31.03.2020. As a result the Instalment falling due on 31.03.2020 has been considered as other Short Term Borrowings. Assuming non extension for moratorium for June 2020 instalment by the bank , instalment payable in FY 20-21 from June 2020 onwards is included in current maturities.

D Hire Purchase obligation from Axis Bank of Rs 47.06 lacs is payable in 48 equal monthly instalments of Rs 1.15 lacs commencing from Feb 2018. Out of the 48 instalments, 22 instalments have been repaid upto 31.03.2020. Company has not availed any moratorium on this loan.

E Hire Purchase obligation from BOB of Rs 20 lacs is payable in 48 equal monthly instalments of Rs 0.49 lacs commencing from Dec, 2019. Out of the 48 instalments, 3 instalments have been repaid upto 31.03.2020. Company has not availed any moratorium on this Loan.

	Term Loans - Rate of Interest :
A	Axis Bank O/s Rs 114.18 Crores - 1 Yr MCLR +2.65% i.e 10.90%
B	IDFC TL O/S Rs 117.05 Crores - 1 Yr MCLR +1.58 % i.e 10.88%
C	HDFC TL 1 & 2 O/S Rs 47.87 Crores - 1 Yr MCLR + 0.85% i.e 9.30%
D	Hire Purchase Obligations - 7.90% (Axis) 8.60% (BOB)
	Terms of Repayment & interest as at 31st March 2019
A	Indian Rupee Term Loan from Banks of Rs 35,331.65 Lacs is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027. Out of the 41 unequal quarterly instalments, 7 instalments have been repaid upto the financial year 2018-19.
B	Rate of interest on Term Loans from Banks are at 1 Year MCLR Plus 3.30% and 1 Year MCLR Plus 2.25%
C	Hire Purchase obligation of Rs 47.06 lacs is payable in 48 equal monthly instalments of Rs 1.15 lacs. Out of the 48 instalments, 14 instalments have been repaid upto financial year 2018-19.

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.14	**Other financial liabilities**		
	Deposit from Employees	0.15	0.03
	Deposit from Vendors	0.18	-
		0.33	**0.03**
4.15	**Long - term Provisions**		
	Provision for employee benefits		
	Gratuity	1.07	0.88
	Leave Encashment	0.51	0.41
		1.58	**1.29**
4.16	**Deferred tax liabilities (Net)**		
	Deferred tax liability (A)		
	Tax effect On Depreciation on fixed assets	106.67	107.11
	Tax effect on change in borrowings due to effective interest rate	0.04	0.08
	Total Deferred Tax Liabilities	**106.71**	**107.19**
	Deferred Tax Asset (B)		
	Tax Effect of Provision for Doubt Debts	(0.05)	(0.08)
	Tax Effect of Provision for Leave Salary	(0.18)	(0.16)
	Tax Effect of Provision for Gratuity	(0.35)	(0.27)
	Tax Effect of Provision for Bonus & Exgratia	(0.18)	(0.16)
	Tax Effect of Carried Forward Loss	(89.62)	(92.16)
	Tax Effect on land	(3.33)	(3.14)
	Total Deferred Tax Assets	**(93.71)**	**(95.97)**
	MAT Credit Entitlement (C)	(7.45)	(6.51)
	Deferred tax liability (Net) at the end of the year	**5.55**	**4.71**

(Amount in Rs Crores)

Particulars	As at 31.03.2020	As at 31.03.2019
4.17 Short-term borrowings		
Secured		
From Banks		
Working capital loans from banks	16.49	46.71
Buyers' credits	41.30	28.80
(Secured by Standby Letter of credit , Previous Year Letter of Undertaking issued by Banks)		
Unsecured		
From Other Parties		
Loans and Advances from related parties		
Sarda Energy & Minerals Ltd - Holding Company	39.78	17.75
	97.57	**93.26**

Terms of repayment & Security:

A Working capital loans are payable on demand, Buyers Credit are payable on specific dates & no fixed date for repayment of loan from Holding Company.

B Working Capital Facilities are secured by first pari-passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company . These facilities are also secured by personal guarantee of Mr.K.K.Sarda , Director .

C These securities are created in favor of M/s Axis Trustee Services Ltd, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda, & RBL Bank Ltd.

D First pari-passu charge created by way of hypothecation of current assets in favour of Yes Bank Ltd. has been created on Bilateral basis. Second pari-passu charge in favour of Yes Bank is yet to be created

(Amount in Rs Crores)

Particulars	As at 31.03.2020	As at 31.03.2019
4.18 Trade Payables		
Due to Micro and Small Enterprises	0.33	1.42
Due to Others	75.83	89.55
	76.16	**90.97**
4.19 Other financial Liabilities		
Current maturities of long-term debt	27.88	32.60
Other Short Term borrowings	1.85	-
Interest accrued but not due on borrowings	2.38	3.23
Employee related payable	1.60	1.54
Creditors for capital goods	3.83	4.06
Other expenses payable	24.97	22.70
	62.51	**64.13**
4.20 Other Current Liabilities		
Statutory dues payable	1.06	0.84
Advances from customers	4.73	1.54
Open access UI Charges payable	0.15	0.24
	5.94	**2.62**
4.21 Short -Term Provisions		
Provision for employee benefits		
Leave encashment	0.06	0.12
Gratuity	0.06	0.06
	0.12	**0.18**
4.22 Current tax liabilities(net)		
Provision for taxation (net)	0.75	1.93
	0.75	**1.93**

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.23	**Revenue from Operations**		
	Revenue :		
	On sale of power	49.45	71.46
	Total (A)	**49.45**	**71.46**
	On sale of materials		
	-ferro alloys	456.58	578.97
	-coal & coke	11.21	4.80
	-manganese ore	14.84	27.69
	Total (B)	**482.63**	**611.46**
	Other operating revenue		
	Export incentives (MEIS licence)	5.48	9.03
	Compensation cess Refund	6.48	12.42
	Duty draw back claims on exports	7.99	4.97
	Others	2.16	0.75
	Total (C)	**22.11**	**27.17**
		554.19	**710.09**
4.24	**Other Income**		
	Interest income	0.89	0.92
	Forein exchange rate difference gain A/c	-	4.18
	Profit/ Loss on sale/ destruction of fixed asset (Net)	0.003	0.01
	Other Non-operating Income	1.39	3.88
		2.28	**8.99**
4.25	**Cost of material consumed**		
	Raw Materials Consumed - Coal	166.48	203.12
	Raw Materials Consumed - Manganese Ore	169.07	258.38
	Raw Materials Consumed - others	16.80	58.24
		352.35	**519.74**
4.26	**Changes in inventories of finished goods, By- Products and Stock-in-Trade**		
	Inventories at the end of the year		
	Finished , By -Products and Stock in Trade	53.30	59.95
	Inventories at the beginning of the year		
	Finished , By -Products and Stock in Trade	59.95	35.04
		6.65	**(24.91)**

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
4.27	**Employee benefits expense**		
	Salaries & managerial remuneration	13.92	13.39
	Contributions to Provident Fund & NPS	0.79	0.48
	Staff welfare expenses	1.04	0.67
	Gratuity expenses	0.16	0.25
	Leave encashment expenses	0.10	0.00
		16.01	**14.79**
4.28	**Finance Costs**		
	Interest expense on borrowings	41.14	46.02
	Other borrowing Cost	3.63	4.96
	Amortization of anciliary borrowing costs	1.48	0.77
	Exchange Difference to the extent considered as an adjustment to borrowing costs	0.77	2.48
		47.02	**54.23**
4.29	**Depreciation**		
	Depreciation on Property, Plant & Equipment	21.24	21.11
		21.24	**21.11**
4.30	**Other expenses**		
	Stores , spares and consumables	18.19	21.77
	Material handling expenses	7.92	9.28
	Plant operation and maintenance expenditure	8.31	8.18
	Other manufacturing expenses	0.16	0.17
	RPPO expenses	2.49	2.53
	Repairs and manitenance		
	- building	0.09	0.07
	- plant and machinery	1.88	1.65
	- others	2.42	2.14
	Power & fuel	0.38	0.37
	Rent	0.77	0.77
	Rates and taxes	2.00	2.01
	Insurance charges	1.43	1.80
	Travelling and conveyance expenses	1.88	2.03
	Legal and professional expenses	0.79	0.70
	Social welfare and development expenses	0.17	0.15
	Carriage outward	9.15	10.54
	Cash discount expenses	0.04	0.15
	Open access UI charges	2.66	1.45
	Transmission charges and others	3.06	1.77
	Exchange differences (net)	2.51	-
	Provision for doubtful debts	(0.05)	-
	Payment to auditors	0.15	0.14
	Loss on Destruction/Scrapping of Asset	2.95	0.00
	Misc. expenses	2.55	2.61
		71.90	**70.29**

(Amount in Rs Crores)

	Particulars	As at 31.03.2020	As at 31.03.2019
	Payment to auditors		
	As auditor:		
	Statutory Audit fee	0.09	0.09
	Tax Audit fees	0.02	0.02
	Others	0.04	0.03
		0.15	**0.14**
4.31	**Other comprehensive income**		
	A (i) Items that will not be reclassified to profit or loss		
	Remeasurements of the defined benefit plans	(0.11)	0.03
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.04	(0.01)
	B (i) Items that will be reclassified to profit or loss	-	-
	(ii) Income tax relating to items that will be reclassified to profit		
	Total Other Comprehensive Income	**(0.07)**	**0.02**

5. Financial instruments

A. Accounting classification and fair values

(Amount In Rs Crores)

31.03.2020	Carrying amount				Fair value			
INR	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash & Bank Balances	-	-	6.03	6.03	-	-	-	-
Bank balances other than above	-	-	15.47	15.47				
Non-current investments	-	-	0.003	0.003	-	-	-	-
Long-term loans and advances	-	-	0.94	0.94	-	-	-	-
Trade and other receivables	-	-	51.10	51.10	-	-	-	-
Other Current financial asset	-	-	12.19	12.19	-	-	-	-
	-	-	**85.73**	**85.73**	-	-	-	-
Financial liabilities								
Long term borrowings	-	-	249.82	249.82	-	-	-	-
Short term borrowings	-	-	97.57	97.57	-	-	-	-
Trade and other payables	-	-	76.15	76.15	-	-	-	-
Other Non-Current financial liabilities	-	-	0.33	0.33	-	-	-	-
Other Current financial liabilities	-	-	62.51	62.51	-	-	-	-
	-	-	**486.38**	**486.38**	-	-	-	-

(Amount In Rs Crores)

31.03.2019	Carrying amount				Fair value			
INR	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash & Bank Balances	-	-	0.24	0.24	-	-	-	-
Bank balances other than above	-	-	11.03	11.03				
Non-current investments	-	-	0.003	0.003	-	-	-	-
Long-term loans and advances	-	-	0.69	0.69	-	-	-	-
Trade and other receivables	-	-	49.06	49.06	-	-	-	-
Other Current financial asset	-	-	20.25	20.25	-	-	-	-
	-	-	**81.28**	**81.28**	-	-	-	-
Financial liabilities								
Long term borrowings	-	-	267.14	267.14	-	-	-	-
Short term borrowings	-	-	93.26	93.26	-	-	-	-
Trade and other payables	-	-	90.97	90.97	-	-	-	-
Other Non-Current financial liabilities	-	-	0.03	0.03	-	-	-	-
Other Current financial liabilities	-	-	64.13	64.13	-	-	-	-
	-	-	**515.53**	**515.53**	-	-	-	-

* Carring Value and the fair value approximates.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largley due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

6 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise loans and borrowings in foreign currency as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Interest rate risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obloigation as agreed. To manage this, the Company periodically reviews the finanial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Trade and other receivables	51.10	49.06
Investments	0.003	0.003
Cash and cash equivalents	6.03	0.24

Impairment losses

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Trade and other receivables (measured under life time excepted credit loss model		
Opening balance	(0.09)	(0.09)
Provided during the year	-	-
Reversal of provision	(0.09)	-
Closing balance	-	(0.09)

Ageing analysis

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Upto 3 months	40.32	44.59
3-6 months	4.80	3.83
More than 6 months	5.98	0.64

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

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Cash Credit Facility	33.51	3.29

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(Amount In Rs. Crores)

As at 31.03.2020	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings from Banks	88.03	186.90	64.53	339.46
Borrowings from Sarda Energy & Minerals Ltd	39.78	-	-	39.78
Trade payables	76.16	-	-	76.16
Other financial liabilities	34.63	-	-	34.63
	238.60	**186.90**	**64.53**	**490.03**

(Amount In Rs. Crores)

As at 31.03.2019	Less than 1 year	1-5 years	More than 5 Years	Total
Borrowings from Banks	108.81	173.77	96.23	378.81
Borrowings from Sarda Energy & Minerals Ltd	17.75	-	-	17.75
Trade payables	90.97	-	-	90.97
Other financial liabilities	31.55	-	-	31.55
	249.08	**173.77**	**96.23**	**519.08**

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversley effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

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

a) Interest rate risk exposure

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Variable rate borrowings	335.34	367.42
Fixed rate borrowings	41.72	29.14

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

Impact on profit after tax

(Amount In Rs. Crores)

	31.03.2020	31.03.2019
Interest rates - increase by 70 basis points	(1.61)	(1.72)
Interest rates - decrease by 70 basis points	1.61	1.72

c) Forex risk exposure

(Amount In Rs. Crores)

Particulars	31.03.2020	31.03.2019
Export Debtors/Export Orders in hand	70.72	115.76
Less: Financial Hedge	-	6.27
Net FCY Receivables (A)	**70.72**	**109.49**
Imports/Creditors	104.82	104.78
Import order of Raw Materials	17.90	28.12
Other FCY loans	5.59	5.11
Net FCY Payables (B)	**128.31**	**138.01**
Unhedged Foreign Currency Exposure (A-B)	**(57.59)**	**(28.52)**

d) Sensitivity analysis

Impact on profit after tax

(Amount In Rs. Crores)

Particulars	31.03.2020	31.03.2019
Foreign exchange rates - increase by 1%	(0.40)	(0.19)
Foreign exchange rates - decrease by 1%	0.40	0.19

7 **a) CAPITAL MANAGEMENT**

The Company’s main objectives when managing capital are to:

· ensure ongoing access to funding to maintain, refurbish and expand the Business

. ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

· ensure compliance with covenants related to its credit facilities and

· minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.

· safeguard its ability to continue as a going concern

· to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

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

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

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

(Amount In Rs. Crores)

	31.03.2020	**31.03.2019**
Total liabilities	277.70	299.74
Less : Cash and cash equivalent	6.03	0.24
Net debt	**271.67**	**299.50**
Total equity	244.38	240.83
Net debt to equity ratio	**1.11**	**1.24**

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

8 INCOME TAX EXPENSES

i) Income tax recognised in profit or loss

(Amount In Rs Crores)

a) Current tax expense	year ended 31.03.2020	year ended 31.03.2019
Current year	0.79	2.17
Adjustment for prior periods	0.14	0.29
Deferred tax expense		
Origination and reversal of temporary differences	0.88	1.70
Total income tax expense	**1.81**	**4.16**

ii) Income tax recognised in OCI

Particulars	year ended 31.03.2020	year ended 31.03.2019
Remeasurements of defined benefit plans	(0.04)	0.01
Total income tax expense relating to OCI items	**(0.04)**	**0.01**

b) Reconciliation of tax expense and accounting profit

Particulars	year ended 31.03.2020	year ended 31.03.2019
Accounting profit before tax from continuing operations	4.67	10.06
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	**4.67**	**10.06**
Expected Tax Rate	31.20%	31.20%
Tax using the Company's domestic tax rate (Current year 31.20% and Previous Year 31.20%)	1.46	3.14
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-	-
Adjustments in respect of current income tax of previous years	0.14	0.29
Utilisation of previously unrecognised tax losses	(2.50)	(2.95)
Difference in tax due to MAT	0.79	2.17
Income not considered for tax purpose		-
Exp Allowable for tax purpose	(7.50)	(7.43)
Expense not allowed for tax purpose	8.53	7.24
Deduction under Chapter VI		-
Mat Credit entitlement written off		-
Other temporary differences	0.88	1.70
The effective income tax rate	35.85%	38.44%
Income tax reported in the statement of profit and loss	**1.81**	**4.16**
Income tax attributed to discontinued operations		
Total	**1.81**	**4.16**

c) Amounts recognised directly in equity

Particulars	year ended 31.03.2020	year ended 31.03.2019
Current tax	-	-
Deferred tax	(0.04)	0.01
Total	**(0.04)**	**0.01**

9 **EMPLOYEE BENEFITS**

a) **Defined Benefit Plan :**

Employee benefit in the form of Gratuity is a defined benefit obligation. Gratuity Liability at each balance sheet date is ascertained on Actuarial Valuation basis using projected unit credit method. Actuarial gains/losses are not deferred and are taken to other Comprehensive income in the statement of Profit & Loss for the Year.

b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(Amount In Rs. Crores)

Actuarial study analysis	31st March 2020	31st March 2019
Principal actuarial assumptions		
Discount rate	6.85%	7.75%
Salary Escalation	5.00%	5.00%
Attrition rate	4.00%	4.00%
Expected rate of return on plan assets	NA	NA
Plan duration	NA	NA
Components of statement of income statement charge		
Current service cost	0.15	0.12
Interest cost	0.06	0.06
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	(0.06)	0.07
Total charged to consolidated statement of profit or loss	**0.15**	**0.25**
Movements in net liability/(asset)		
Net liability at the beginning of the year	0.93	0.73
Employer contributions	(0.09)	(0.02)
Total expense recognised in the statement of profit or loss	0.16	0.25
Acquisition /Divestures/Transfer	-	-
Total amount recognised in OCI	0.13	(0.03)
Net liability at the end of the year	**1.13**	**0.93**
Reconciliation of benefit obligations		
Obligation at start of the year	0.93	0.73
Current service cost	0.15	0.12
Interest cost	0.07	0.06
Benefits paid directly by the Group	(0.09)	(0.02)
Acquisition /Divestures/Transfer	-	-
Obligation of past service cost	(0.06)	0.07
Actuarial loss / (Gain)	0.13	(0.03)
Defined benefits obligations at the end of the year	**1.13**	**0.93**
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in Demographic changes	0.01	(0.02)
Actuarial gain/(loss) due to changes in financial assumptions	0.09	(0.01)
Actuarial gain/(loss) on account of experience adjustments	0.03	(0.01)
Total actuarial gain/(loss) recognised in OCI	**0.13**	**(0.04)**
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	NA	NA
Interest on plan assets	NA	NA
Contributions made	NA	NA
Benefits paid	NA	NA
Actuarial (loss)/gain on plan assets	NA	NA
Fair value of plan assets at the end of the year	NA	NA

c) ***Sensitivity analysis of significant assumptions***

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

(Amount In Rs. Crores)

Particulars	**31st March 2020**	**31st March 2019**
Discount rate		
+ 1% discount rate	1.05	0.79
- 1% discount rate	1.23	0.94
Salary increase		
+ 1% salary growth	1.22	0.93
- 1% salary growth	1.06	0.80

d) **Experience adjustments**

(Amount In Rs. Crores)

Particulars	**31st March 2020**	**31st March 2019**	**31st March 2018**	**31st March 2017**	**31st March 2016**
Defined benefit obligation	1.13	0.93	0.73	0.79	0.63
Fair value of plan assets					
(Surplus)/deficit in plan assets	(1.13)	(0.93)	(0.73)	(0.79)	(0.63)
Experience adjustment on plan liabilities	0.03	(0.01)	0.04	(0.04)	(1.86)
Actual return on plan assets less interest on plan assets	-	-			

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) **Details of plan assets : NA**

f) **Defined contribution plan :**

The Company has recognized the following amount in the statement of profit and loss contribution to provident fund (Employers contribution) during the year is Rs. 0.67 Crores (previous year : Rs 0.49 Crores).

g) The liability towards compensated absences (Earned leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase/(decrease) in liability by Rs. 0.06 Crores. [Previous year (0.01) Crores]

Earned Leave assumptions:

Sr. No	**Particulars**	**31st March 2020**	**31st March 2019**
i)	**Financial Assumptions**		
	Discount rate	6.85%	7.75%
	Salary Escalation Rate	5.00%	5.00%
	Attrition Rate	4.00%	4.00%
ii)	**Demographic Assumptions**		
	Leave Accounting & Consumption Technique	LIFO	LIFO
	Proportion of Leave Availment	5.00%	5.00%
	Proportion of encashment in service/Lapse	0.00%	0.00%
	Proportion of encashment on separation	95.00%	95.00%
	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table		

10 RELATED PARTY TRANSACTIONS

(a) Parent entity

Name	Type	Ownership interest 31.03.2020
Sarda Energy & Minerals Limited	Listed Company	100%

(b) Subsidiaries, associates, joint ventures

Sr. No	Name	Relationship	Place of incorporation	Principal activities
1	Natural Resources Energy Pvt. Ltd.	Associate	Chattisgarh	Acquire coal mines through auctions for captive use of shareholding companies (as an SPV)
2	Vizvac Arma Infrastructure Pvt. Ltd.	Director's Significant Influence	Andhra Pradesh	Manufacturing of Brick, Block, Tiles
3	Geschaft Formulae India Private Limited	Director's Significant Influence	Mumbai	Information Technology Services
4	Sarda Agriculture & Properties Pvt. Ltd	Director's Significant Influence	Chattisgarh	Agriculture
5	Svan Capital Management LLP	Director's Significant Influence	Andhra Pradesh	Investment
6	Prachi Agricultural & Properties Pvt. Ltd	Director's Significant Influence	Chattisgarh	Agriculture
7	Comienzo Agri Science Limited	Director's Significant Influence	Mumbai	Seeds Development
8	R R Sarda & Co.	Director's Significant Influence	Nagpur	Services of renting of property
9	Chhatisgarh Investments Limited	Director's Significant Influence	Nagpur	Investment
10	Sarda Power & Steel Limited	Director's Significant Influence	Nagpur	Manufacturing of Steel

(c) Directors / Other Key Management personnel of the company

Name	Designation
Mr. K K Sarda	Chairman
Mr. Manish Sarda	Dy Managing Director
Mr. Neeraj Sarda	Dy Managing Director
Mrs. Sonal Sarda	Whole Time Director
Mr. V Sridar	Independent Director
Mr. C.K. Lakshminarayanan	Independent Director
Mr. Gaurav Thakkar	CFO
Mr. Sanjaya Sabat	Company Secretary

(d) Key Management personnel of the parent entity:

Name	Nature
Mr. K K Sarda	CMD
Mr Padam Kumar Jain	WTD & CFO
Mr Manish Sethi	Company Secretary

(e) Compensation Paid to Directors/Other Key Managerial Personnel of the company

(Amount In Rs Crores)

Particulars	31.03.2020	31.03.2019
Compensation Paid to Directors		
Short-term employee benefits	1.65	1.67
Post-employment benefits	0.31	0.24
Compensation Paid to Key Managerial Personnels		
Remunaration paid	0.32	0.31
Sitting fees & Commission paid to Independent Directors	0.06	0.11

(f) Transactions with related parties *(Amount In Rs Crores)*

Particulars	31.03.2020	31.03.2019
with Parent Entity :		
Interest paid/(Received)	2.65	1.96
Purchase of Goods	10.66	65.20
Sale of Goods	12.50	20.65
Sale of power	9.66	0.28
Sale of MEIS License	1.63	3.07
Corporate Gurantee Commission	0.67	0.46
With Entities where Director's Significant Influence Exist		-
Geschaft Formulae India Private Limited - IT Services	0.40	0.36
R. R. Sarda & Co - Rent Paid	0.07	0.07
Chhatisgarh Investments Limited - Rent Paid	0.05	0.05

(g) Outstanding balances receivables / (payables) *(Amount In Rs Crores)*

Particulars	31.03.2020	31.03.2019
Geschaft Formulae India Private Limited	(0.04)	(0.07)
R R Sarda & Co	(0.07)	(0.15)
Chhatisgarh Investments Limited	(0.08)	(0.04)
Loan from Sarda Energy & Minerals Limited	(39.78)	(17.75)

(h) Loans to/ from related parties *(Amount In Rs Crores)*

Particulars	31.03.2020	31.03.2019
Loan Received	160.65	205.41
Loans Repaid	129.95	196.86

(I) Outstanding balances of Guarantees received *(Amount In Rs Crores)*

Particulars	31.03.2020	31.03.2019
Personal Gurantee of Mr K K Sarda	786.44	684.80
Corporate Guarantees of Sarda Energy & Minerals Limited	52.07	61.70

11 Contingent liabilities and commitments (to the extent not provided for)

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2020	31.03.2019
i)	other money for which the company is contingently liable	16.89	16.47
ii)	Guarantees given by Company's Bankers	7.73	3.74

a) During the financial year 2014-15, Income tax department has conducted a search operation U/s 132 of Income Tax Act, 1961, covering the block periods from AY 2009-10 to 2014-15. The assessment has been completed by the tax authorities and a demand has been raised for the A.Y. 2012-13 for Rs. 0.87 Crores on account of disallowance of expednhiture and addition of Forex gain. For Assessment year 2015-16 addition of Rs 7.97 Crores has been made on account of discrepancies in stocks and demand has been rasied for Rs 0.88 Crores after adjustment of advance tax . The company has filed appeals with Commisioner Appeals and ITAT respectively for both the assessment years which is pending and for the AY 2014-15 demand notice of Rs.0.01 Crores is pending.

b) During the financial year 2015-16 Commercial Tax disallowed Input Tax credit of Rs 3.39 Crores on equipments of Power Plant and imposed Penalty of Rs 0.85 Crores . The company has filed appeal challenging disallowance of input tax credit with Commercial Tax Appellate Tribunal. The company has filed a writ petition for stay of recovery proceedings of penalty with the Hon'ble High court of AP which was granted by AP High court.

c) During the financial year 2018-19 Asst Commissioner has passed order for the Fincncial years 2014-15 to 17-18 (Upto June 2017) wherein the VAT input credit to the extent of Rs 1.63 Crores has been disallowed. The Compnay has filed appeal with Appellate Deputy Commissioner against the order of disallowance of input credit which is pending. During the financial year 2019-20 Asst Commissioner has imposed penalty of Rs 0.42 Crores against which stay has been granted by Hon'ble High court of AP.

d) Electricity Duty - Rs 8.84 Crores (PY Rs 8.84 Crores) for the period from January 2013 to March 2017 for sale of Electricity. The compnay has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.

12 Commitments

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2020	31.03.2019
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.70	5.53
ii)	uncalled liability on shares and other investments partly paid	Nil	Nil
iii)	other commitments	Nil	Nil

13 Value of imports on CIF basis *(Amount In Rs Crores)*

Sr No.	Particulars	31.03.2020	31.03.2019
i)	Capital goods , Stores & Consumables	2.96	0.54
ii)	Raw Materials	232.03	316.79

14 Expenditure in foreign currency

(Amount In Rs Crores)

Sr No.	Particulars	31.03.2020	31.03.2019
i)	Travelling	0.13	0.10
ii)	Others	0.10	0.11

15 Earnings in foreign exchange

(Amount In Rs Crores)

Sr .No	Particulars	31.03.2020	31.03.2019
i)	FOB Value of Exports	273.77	452.19

16 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its

a) Gross amount required to be spent by the company during the year is Rs 5.52 Lacs (FY 2018-19 is 0.48 Lacs)

b) Amount spent during the year on:

(Amount In Rs Crores)

Sl. No.	Particualrs	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	0.17	-	0.17

17 Earning Per Shares *(Amount In Rs)*

Sr. No.	Particulars	31.03.2020	31.03.2019
i)	**Basic earnings per share**		
	From continuing operations attributable to the equity holders of the company	1.32	2.82
	From discontinued operation		
	Total basic earnings per share attributable to the equity holders of the company	**1.32**	**2.82**
ii)	**Diluted earnings per share**		
	From continuing operations attributable to the equity holders of the company	1.32	2.82
	From discontinued operation		
	Total diluted earnings per share attributable to the equity holders of the company	**1.32**	**2.82**

iii) Reconciliations of earnings used in calculating earnings per share

(Amount In Rs Crores)

Sr. No.	Particulars	31.03.2020	31.03.2019
a)	**Basic earnings per share**		
	Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
	From continuing operations	2.79	5.92
	From discontinued operation	-	-
		2.79	**5.92**
b)	**Diluted earnings per share**		
	Profit from continuing operations attributable to the equity holders of the company:	2.79	5.92
	Add: interest savings on convertible bonds	-	-
	Others (specify)	-	-
	Used in calculating diluted earnings per share	-	-
	Profit from discontinued operation	-	-
	Profit attributable to the equity holders of the company used in calculating diluted earnings per share	**2.79**	**5.92**

iv) Weighted average number of shares used as the denominator

(In No's Crores)

Sr. No.	Particulars	31.03.2020	31.03.2019
a)	Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2.10	2.10
b)	Adjustments for calculation of diluted earnings per share:	-	
c)	Options	-	
d)	Convertible bonds	-	
e)	Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	2.10	2.10

18 Dues to Micro and Small enterprises as defined under the MSMED Act,2006

(Amount In Rs Crores)

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019	Remarks
i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)			
	- Principal amount due to micro and small enterprise	0.33	1.42	There are no Outstanding to MSME vendors for more than 45 days.
	- Interest due on above	-	-	
ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.			
	- Payment made beyond the Appointed date	-	-	
	- Interest paid beyond the Appointed date	-	-	
iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	
v)	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 enterprises.	-	-	

19 COVID - 19 - Financial Disclosure:

Assessment of the impact of COVID-19 by the Company is based on the internal and external information as also the economic outlook and forecasts available as on the date of approval of financial statements. The Company has taken into consideration such assessment in its revenue recognition and in determining the recoverability of receivables and valuation of inventories. The Company expects to recover the carrying amount of assets as recognized in its financial statements for the year ended March 31, 2020.

Given the uncertainties around COVID-19, the assessment is a continuous process. The Company shall continue to conduct an assessment of the impact of COVID-19 on its business in the coming quarters during financial year 20-21.

20. Segment Reporting

Segment information has been prepared in confirmity with the accounting policies adopted for preparing and presenting the financial statements of the

Amount (Rs in Crores)

Particulars	2019-20			2018-19		
	Power	Ferro	Total	Power	Ferro	Total
Revenue						
Sales & Other Income	49.51	504.68	554.19	71.50	638.59	710.09
Inter Segment Sales	115.88	-	115.88	143.13	-	143.13
Others Unallocated	-	-	-	-	-	-
Less: Inter Segment Sales	(115.88)	-	(115.88)	(143.13)	-	(143.13)
Total Revenue	**49.51**	**504.68**	**554.19**	**71.50**	**638.59**	**710.09**
Result						
Segment Result	(0.77)	75.14	74.37	15.16	64.70	79.86
Unallocated Expenses net off Unallocated Income	-	-	(20.15)	-	-	(19.74)
Operating Profit			**54.22**			**60.12**
Interest & Forex Fluctuation Loss (Net)			49.55			50.06
Profit Before Tax & Extraordinary Items			**4.67**			**10.06**
Provision for Taxation						
For Current Tax			0.79			2.17
Tax pertaining to Short Provision of earlier Year			0.14			0.29
For Deferred Tax			0.88			1.70
Profit After Taxation			**2.86**			**5.90**
Add: Other comprehensive income			(0.07)			0.02
Total comprehensive income for the period			**2.79**			**5.92**
Other Information						
Segment Assets	362.92	343.94	706.86	376.81	363.78	740.59
Unallocated Assets			37.85	-		26.50
Total Assets			**744.71**			**767.09**
Segment Liabilities	15.61	92.38	108.00	64.10	54.35	118.45
Unallocated Liabilities			392.34	-	-	407.80
Equity and Reserves			244.37			240.84
Total Liabilities			**744.71**			**767.09**
Capital Expenditure	0.40	13.65	14.05	2.68	7.66	10.34
Depreciation/Amortisation	11.17	8.52	19.69	11.13	8.48	19.61
Unallocated Captal Expenditure & Depreciation	-	-	2.17	-	-	4.12

21. Figures of the Previous year have been regrouped / reclassified / rearranged wherever necessary to confirm to the Current Year's presentation.

As per our report of even date attached

for ***Haribhakti & CO. LLP***
CHARTERED ACCOUNTANTS
FRN: 103523W/W100048

for and on behalf of the Board

HEMANT J. BHATT
Partner
M No: 036834
Place: Ahmedabad
Date: 13.06.2020

K K SARDA
Director
DIN: 00008170
Place: Raipur
Date: 11.06.2020

NEERAJ SARDA
Dy. Managing Director
DIN: 00040884
Place: Visakahapatnam
Date: 10.06.2020

GAURAV THAKKAR
CFO

SANJAYA SABAT
Company Secretary