

HANS ISPAT LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR
2017-2018



INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
HANS ISPAT LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **HANS ISPAT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, Statement of Profit and loss (including Other Comprehensive Income), the Cash flow statement, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statement.



Basis of Qualified Opinion

We draw attention to Note No. 30 of the accompanying Financial statement, in respect of non-provision of interest on NPA accounts of bank of Rs. 5,49,74,069/- (aggregating to Rs. 14,14,57,729/- as on date). The exact amount of the said non provision of interest are not determined and accounted for by the company. On account of the said non-provision, Finance cost, Net Loss for the current year has been under stated by Rs.5,12,74,069/- and total retained earnings (Loss) and Bankers Liabilities are under stated by Rs.14,14,57,729/-

Opinion

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 its Loss (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Matter of Emphasis

1. We draw attention on Note No. 29(a) relating to third party confirmations and its classification
2. We draw attention on Note No. 29(b) relating to non writing off the doubtful debts of Rs. 2,69,97,656/-
3. We draw attention on Note No. 29(c) of assignment of debts of State Bank of India to Invent Assets Securitization & Reconstruction

Other Matter

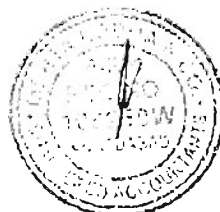
The Comparative financial information of the Company for the year ended 31st March 2017 included in the statement, is based on the previously issued statutory Financial Statements for the year ended 31st March 2017 were audited by the predecessor auditor vide their audit report dated 22nd May 2017. The Adjustment to those Financial Statements for the difference in accounting principles adopted by the Company on transition to IND AS have been audited by current statutory auditor.

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
- (c) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-B**
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-



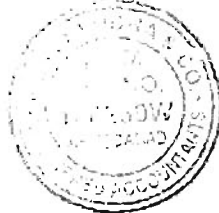
(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements,

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

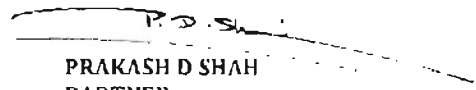
(iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company, and

(iv) The reporting on disclosures relating to the Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018

Place: Ahmedabad
Date: 11th May 2018



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


PRAKASH D SHAH
PARTNER
M.No. 034363

[ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF HANS ISPAT LIMITED, FOR THE YEAR ENDED ON 31ST MARCH, 2018]

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

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

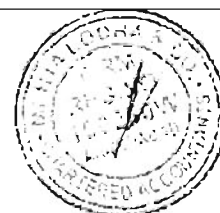
(c) The title of immovable properties, as disclosed in the Financial Statement under the head of Property, plant & equipment, is held in the name of the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly the para (iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it during the year.
- v. As informed to us, during the year the company has not accepted any deposit from public.
- vi. We have broadly reviewed the books of Account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies Act, 2013, related to the manufacture of the MS billets and Thermo Mechanical Treatment (TMT Bar), and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not however made a detailed examination of the same
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases.

Further no undisputed amounts payable in respect of above dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues outstanding on account of dispute in respect of Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess etc. except follows-

Name of the Statutory Dues	Forum where dispute is pending	Amount (Rs.)
Income Tax Act, 1961	Hon'ble Income Tax Appeal Tribunal, for the A.Y.2007-08 to 2010-11.	18,27,430/-

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in following repayment of loans or borrowings from financial institution and bank or Government or dues to debenture holders as at the balance sheet date and the same details are as under-



Particulars	Nature of Facility	Amount of Default as on 31.03.2018 (Amount in Rs)			Period of Default
		Principal	Interest	Total	
Bank of Baroda	Cash Credit	6,50,40,207	3,69,74,853	10,20,15,060	April 2014 to March 2018
	Working Capital Term Loan	17,23,00,000	8,84,59,061	26,07,59,061	
	Funded Term Loan	1,39,00,000	69,76,348	2,08,76,348	
	Term Loan	1,80,00,000	90,47,467	2,70,47,467	
Total		26,92,40,207	14,14,57,729	41,06,97,936	

- ix. In our opinion, and according to the information and explanations given to us during the year, company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanation given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it and therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: Ahmedabad
Date: 11th May 2018



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

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

ANNEXURE B Referred to in paragraph 2(f) of the Independent Auditor's Report of the even date to the members of **HANS ISPAT LIMITED** on the Financial Statement for the year ended **March 31, 2018**.

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on 31st March, 2018.

We have audited the internal financial controls over financial reporting of **HANS ISPAT LIMITED** ("the Company") as of **31st March 2018** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertaining to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



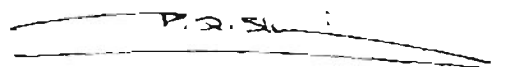
Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date: 11th May, 2018



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


Prakash D Shah
Partner
Membership No.:034363

Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

1. CORPORATE INFORMATION:

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

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 11th May 2018.

2. BASIS OF PREPARATION:

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

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the Company has prepared in accordance with Ind AS.

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

The financial statements are presented in Indian Rupees.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

b FOREIGN CURRENCIES:

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

Transactions and balances

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

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

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

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

c. FAIR VALUE MEASUREMENT:

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

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

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

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

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

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

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

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

d. **PROPERTY, PLANT AND EQUIPMENT (PPE):**

On the date of transition the Company has elected to continue with the previous GAAP's carrying amount as deemed cost to measure all the items of property, plant and equipment.

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

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

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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

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

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

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

e **IMPAIRMENT OF NON-FINANCIAL ASSETS:**

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

f **BORROWING COSTS:**

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

g **LEASES:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if 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.

Company as a lessee:

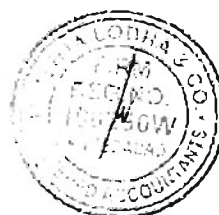
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. A leased asset is depreciated over the useful life of the asset.

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

h **FINANCIAL INSTRUMENTS:**

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

Financial assets



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)
- Equity instruments - measured at fair value through other comprehensive Income (FVTOCI)

Debt Instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTPL

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

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

Equity investments

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

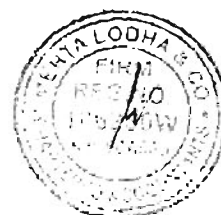
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.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

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

Derecognition

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

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



Notes to Financial Statements of Harsco Ispat Limited for the year ended 31st March, 2018

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

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

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

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

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

Financial assets measured at amortised cost:

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

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

Financial liabilities

Initial recognition and measurement



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

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

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

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

Subsequent measurement

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

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

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

Offsetting of financial instruments

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

INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Cost is determined on FIFO (First-in-First Out) method.

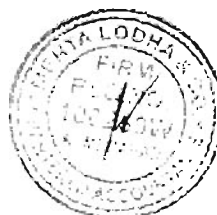
Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

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

REVENUE:

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

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



Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

However, sales tax/ value added tax (VAT) and goods and service tax are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

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

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

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

k RETIREMENT AND OTHER EMPLOYEE BENEFITS:

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

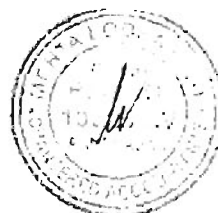
In respect of gratuity liability, the Company operates defined benefit plan wherein contributions are made to a separately administered fund. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each reporting date being carried out using the projected unit credit method.

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

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

- Service costs comprising current service costs; and
- Net interest expense or income

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



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

TAXES:

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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

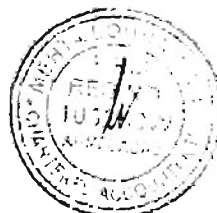
- ▶ When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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



Financial Statements of Hans Ispat Limited
for the year ended 31st March, 2018

m PROVISIONS:

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

n EARNINGS PER SHARE

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

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

o CASH AND CASH EQUIVALENT:

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

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

p CASH DIVIDEND

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Estimates and assumptions

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

(a) Defined benefit plans (gratuity benefits)



Notes to Financial Statements of Hans Ispat Limited for the year ended 31st March, 2018

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

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

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

(b) Fair value measurement for financial instruments

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



Hans Ispat Limited

Balance Sheet as at 31st March 2018

(Amount In Rupees)

Particulars	Notes	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	292,584,148	331,722,949	370,581,148
Financial assets				
Investments	4	1,150,520	1,069,650	988,630
Other financial assets	4	25,947,128	96,505,281	100,466,338
Total non-current assets		319,681,794	429,297,880	472,036,116
Current assets				
Inventories	5	170,112,607	163,413,654	263,892,406
Financial assets				
Investments	4	-	-	15,146,190
Trade receivables	6	95,352,151	66,008,780	69,069,740
Cash and cash equivalents	7	49,300,280	60,501,815	108,197,719
Other financial assets	4	2,164,292	5,543,565	5,344,420
Current tax assets		8,363,866	6,818,876	4,429,124
Other current assets	8	88,315,733	164,966,608	150,307,016
Total current assets		391,598,929	467,253,298	614,386,615
Total Assets		711,280,723	896,551,178	1,086,422,731
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	364,200,000	364,200,000	364,200,000
Other equity	10	(1,218,832,605)	(1,171,170,500)	(966,537,744)
Total equity		(854,632,605)	(806,970,500)	(602,337,744)
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	11	366,728,701	485,036,630	512,147,182
Provisions	15	4,381,564	6,274,064	7,251,171
Total non-current liabilities		371,110,265	491,310,694	519,398,353
Current liabilities				
Financial liabilities				
Borrowings	11	65,040,207	65,040,207	65,040,207
Trade payables	12	801,745,331	879,768,093	856,600,964
Other financial liabilities	13	322,604,608	231,317,623	221,585,610
Other current liabilities	14	2,932,268	33,681,054	23,015,842
Provisions	16	2,580,849	2,404,007	3,119,499
Total current liabilities		1,194,803,063	1,212,210,984	1,169,362,122
Total Equity and Liabilities		711,280,723	896,551,178	1,086,422,731
Summary of significant accounting policies	2.1			
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For Mahta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106260W

PRAKASH D. SHAH

Partner

Membership No. 34363

Place : Ahmedabad

Date : 11th May 2018



For Hans Ispat Limited

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

PAWAN GAUR
Chief Financial officer

Place : Palodia

Date : 11th May 2018

HANS ISPAT LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2018

(Amount in Rupees)

Particulars	Notes	Year Ended 31-03-2018	Year Ended 31-03-2017
Revenue from operations	16	4,115,709,629	4,001,521,543
Other Income	17	18,511,074	28,652,456
Total Income		4,134,220,703	4,030,173,999
Expenses			
Cost of raw materials and components consumed	18	3,618,966,746	2,860,658,287
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	316,128	45,310,494
Excise duty on sales		118,033,849	450,288,692
Employee benefits expenses	20	53,958,568	79,933,660
Finance costs	21	124,559	1,460,961
Depreciation and amortisation expenses	3	39,973,868	40,253,769
Other expenses	22	350,429,035	756,320,688
Total expenses		4,181,802,553	4,234,224,551
Profit / (Loss) before tax		(47,581,850)	(204,050,552)
Tax expense	28	-	-
Total tax expense		-	-
Profit / (Loss) for the year		(47,581,850)	(204,050,552)
Other comprehensive Income			
A. Other comprehensive Income / (Loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		(80,255)	(582,204)
Income tax effect		-	-
Net other comprehensive income / (Loss) not to be reclassified to profit or loss in subsequent periods		(80,255)	(582,204)
Other comprehensive income / (Loss) for the year, net of tax		(80,255)	(582,204)
Total comprehensive Income / (Loss) for the year, net of tax		(47,662,105)	(204,632,756)
Earnings per equity share [nominal value per share Rs. 10/- (March 31, 2017: Rs.10/-)]	27		
Basic & Diluted		(1.31)	(5.60)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

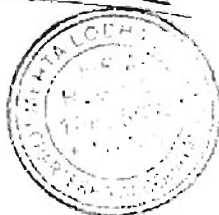
For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106250W

For Hans Ispat Limited

PRAKASH D. SHAH
Partner
Membership No. 34363



Place : Ahmedabad
Date : 11th May 2018

[Signature]

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 11th May 2018

HANS ISPAT LIMITED
Cash Flow Statement for the Year Ended on 31st March 2018
(Amount In Rupees)

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(47,581,860)	(204,050,552)
Adjustments to reconcile profit before tax to net cash flows:		
(Gain)/Loss on Sale/Discard of Property, Plant and Equipment & Capital Work-in-Progress (net)	-	145,592
Depreciation of property, plant and equipment	39,973,868	40,253,769
Finance income (including fair value changes in financial instruments)	(17,551,355)	(26,620,095)
Finance costs (including fair value changes in financial instruments)	124,559	1,460,961
Re-measurement loss on defined benefit plans	(80,256)	(582,204)
Operating Profit before working capital changes	(25,116,033)	(189,392,529)
Working capital adjustments:		
Decrease/(Increase) in trade receivables	(29,343,371)	3,060,960
Decrease/(Increase) in inventories	(6,698,953)	100,478,752
Decrease/(Increase) in other current financial assets	3,389,273	(199,145)
Decrease/(Increase) in other non-current financial assets	70,658,155	3,961,057
(Increase) in other current non-financial assets	98,650,875	(14,659,592)
(Decrease)/Increase in trade payables	(78,022,782)	23,167,129
(Decrease)/Increase in other current liabilities	(30,748,786)	10,665,212
(Decrease)/Increase in other current financial liabilities	91,186,985	9,732,013
Increase in provisions	(1,715,858)	(1,892,599)
Cash generated from operations	92,140,526	(54,878,742)
Direct taxes paid (net)	(1,544,990)	(2,389,752)
Net Cash (used in) generated from operating activities	90,595,535	(57,268,494)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment, including CWIP and capital advances	(835,067)	(2,812,338)
Proceeds from sale of Property, Plant and equipment	-	1,271,176
Sales / (Purchase) of investments (net)	144,916	19,080,190
Interest income	17,325,589	22,605,075
Net Cash (used in) generated from investing activities	16,635,418	40,144,103
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(118,307,929)	(27,110,552)
Interest paid	(124,559)	(1,460,961)
Net Cash (used in) generated from financing activities	(118,432,488)	(28,571,513)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(11,201,535)	(45,695,904)
Cash and Cash Equivalents at the beginning of the year	60,501,815	106,197,719
Cash and Cash Equivalents at the end of the year (Refer note-7)	49,300,280	60,501,815

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

As per our report of even date

For Mehra Lodha & Co.

Chartered Accountants

ICAI Firm Registration No: 106250W

For Hans Ispat Limited

PRAKASH D. SHAH
Partner
Membership No. 34363

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Ahmedabad
Date : 11th May 2018



PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 11th May 2018

HANS ISPAT LIMITED

Statement of Change in Equity for the year ended 31st March 2018

A. Equity Share Capital

Equity shares of Rs.10 each Issued, subscribed and fully paid	Numbers	Amt In Rupees
As at 1 st April 2016	36,420,000	364,200,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2017	36,420,000	364,200,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2018	36,420,000	364,200,000

B. Other Equity

Particulars	(Amount In Rupees)		
	Reserves & Surplus		
	Securities Premium	Retained Earnings	Total Other Equity
As at 1 st April, 2018	100,092,000	(1,066,629,744)	(966,537,744)
Profit / (Loss) for the year	-	(204,050,552)	(204,050,552)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(682,204)	(682,204)
Total Comprehensive Income	-	(204,632,756)	(204,632,756)
As at 31 st March, 2017	100,092,000	(1,271,262,500)	(1,171,170,500)
Profit / (Loss) for the year	-	(47,581,850)	(47,581,850)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	(80,255)	(80,255)
Total Comprehensive Income/(Loss)	-	(47,662,105)	(47,662,105)
As at 31 st March, 2018	100,092,000	(1,318,924,605)	(1,218,832,605)

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

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

Place : Ahmedabad
Date : 11th May 2018



For Hans Ispat Limited

SHAILESH BHANDARI
Director

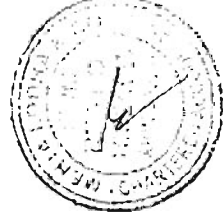
PAWAN GAUR
Chief Financial officer

Place : Palodia
Date : 11th May 2018

AVINASH BHANDARI
Director

Notes to Financial Statements for the Year ended 31st March, 2018**Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress****(a) Property, Plant and Equipment**

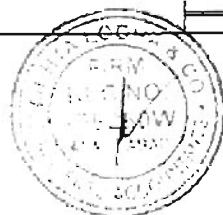
Particulars	Land & Site Development	Buildings	Plant & Machinery	Computer & Peripherals	Furniture & fixture	Vehicles	Office equipment	(Amount In Rupees)	
								Total	
Cost/Deemed Cost									
As at 1st April, 2016	13,207,449	46,976,083	300,723,559	77,400	307,446	9,023,097	266,114	370,581,148	
Additions	-	1,051,562	1,349,118	180,780	146,778	-	84,100	2,812,338	
Deductions / Capitalisation	-	-	1,496,196	-	-	-	-	1,496,196	
As at 31st March, 2017	13,207,449	48,027,645	300,576,481	258,180	454,224	9,023,097	350,214	371,897,290	
Additions	-	-	320,000	-	-	-	515,067	835,067	
Deductions / Capitalisation	-	-	-	-	-	-	-	-	
As at 31st March, 2018	13,207,449	48,027,645	300,896,481	258,180	454,224	9,023,097	865,281	372,732,357	
Depreciation/Amortization and Impairment									
As at 1st April, 2016	-	-	-	-	-	-	-	-	
Depreciation/Amortization for the year	-	2,047,409	36,400,522	76,440	102,417	1,557,110	69,871	40,253,769	
Deductions	-	-	79,428	-	-	-	-	79,428	
As at 31st March, 2017	-	2,047,409	36,321,094	76,440	102,417	1,557,110	69,871	40,174,341	
Depreciation/Amortization for the year	-	2,055,614	36,350,552	81,635	50,123	1,366,347	69,597	39,973,868	
Deductions	-	-	-	-	-	-	-	-	
As at 31st March, 2018	-	4,103,023	72,671,646	158,075	152,540	2,923,467	139,468	80,148,209	
Net Block									
As at 31st March, 2018	13,207,449	43,924,622	228,224,836	100,105	301,684	6,098,640	725,813	292,584,148	
As at 31st March, 2017	13,207,449	45,980,236	264,256,387	181,740	351,807	7,465,987	280,343	331,722,949	
As at 1st April, 2016	13,207,449	46,976,083	300,723,559	77,400	307,446	9,023,097	266,114	370,581,148	



Notes to Financial Statements for the Year Ended 31st March, 2018

(Amount in Rupees)

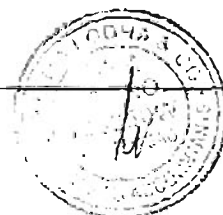
		(Amount in Rupees)		
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
7	Cash and Cash Equivalents			
	Balances with Banks			
	- In Current accounts	49,239,917	60,463,745	106,054,018
	Cash in Hand	80,363	18,070	143,701
		49,300,280	60,601,815	106,197,719



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
8	Other Assets			
	Prepaid expense	1,775,258	716,308	743,345
	Due from Subsidiary of holding Company	21,894	-	-
	Advance receivable in cash or kind			
	Advances for Goods & Expenses and others	61,588,608	126,775,964	132,947,914
	Balances with Government Authorities (Net)	2,930,275	37,474,338	16,615,757
		64,518,881	164,250,382	149,563,671
		68,316,733	164,966,608	150,307,016
	Current	68,316,733	164,966,608	150,307,016
	Non-Current	-	-	-
		68,316,733	164,966,608	150,307,016
9	Equity Share Capital			
	Authorised Share Capital			
		EQUITY SHARES		
		Numbers	(Amount in Rupees)	
	As at 1 st April, 2016	37,000,000	370,000,000	
	Increase/(decrease) during the year	-	-	
	As at 31 st March, 2017	37,000,000	370,000,000	
	Increase/(decrease) during the year	-	-	
	As at 31 st March, 2018	37,000,000	370,000,000	
	Rights, preference and restriction attached to Equity Shares			
	-The company has only one class of equity shares having a face value of Rs 10/- per share. -Each holder of equity shares is entitled to one vote per share. -The company declares and pay dividends in Indian rupees. -The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting. -During the year ended 31 March 2018, the amount of per share (if any) dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2017: Rs Nil) -In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
	Issued Share Capital			
	Equity shares of Rs 10 each issued, subscribed and fully paid		Numbers	(Amount in Rupees)
	As at 1 st April, 2016		36,420,000	364,200,000
	Increase/(decrease) during the year		-	-
	As at 31 st March, 2017		36,420,000	364,200,000
	Increase/(decrease) during the year		-	-
	As at 31 st March, 2018		36,420,000	364,200,000
	Details of Shareholders holding more than 5% Equity Shares in the Company			
		As at 31-03-2018		As at 31-03-2017
	Name of the Shareholder	No. of Shares	% held	No. of Shares
	Holding Company-Electrotherm (India) Limited	36,420,000	100.00%	36,420,000
				100.00%
	As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.			
10	Other Equity			
	Securities Premium			
	As at 1 st April, 2016			100,092,000
	Increase/(decrease) during the year			-
	As at 31 st March, 2017			100,092,000
	Increase/(decrease) during the year			-
	As at 31 st March, 2018			100,092,000
	Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013			
	Retained Earning			
	As at 1 st April, 2016			(1,066,629,744)
	Increase/(decrease) during the year			(204,832,756)
	As at 31 st March, 2017			(1,271,282,500)
	Increase/(decrease) during the year			(47,882,103)
	As at 31 st March, 2018			(1,318,924,603)
	Total Other Equity			
	As at 31st March, 2018			(1,218,832,603)
	As at 31st March, 2017			(1,171,170,500)
	As at 1st April, 2016			(966,537,744)



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

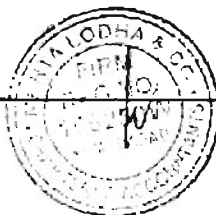
(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
11	Borrowings			
	Long term Borrowing from Bank			
	Indian Rupee Term Loan [Refer note No. (a) & (b)]	18,000,000	18,000,000	18,000,000
	Indian Rupee Funded Interest Term Loan [Refer note No. (a) & (b)]	13,900,000	13,900,000	13,900,000
	Indian Rupee Working Capital Term Loan [Refer note No. (a) & (b)]	172,300,000	172,300,000	172,300,000
	Long term Borrowing from Financial Institute			
	Indian Rupee Loan [Refer note No. (a) & (c)]	484,878,701	510,203,701	525,953,701
	Hire Purchase Finance for Vehicles (Secured by Hypothecation of Specific Vehicles) [Refer note No. (d)]	184,608	1,950,552	3,578,091
	Less: Current maturity grouped as other current financial liability	689,233,309	718,354,253	733,732,792
		322,504,608	231,317,823	221,585,610
	Short term Borrowings from Bank			
	Working Capital Loans - [Refer below Note (a) & (b)]	85,040,207	65,040,207	65,040,207
		85,040,207	65,040,207	65,040,207
	Total Borrowings	431,768,908	550,078,837	677,187,389
	Current	65,040,207	65,040,207	65,040,207
	Non-Current	366,728,701	485,038,630	512,147,182
		431,768,908	550,078,837	677,187,389
a	Secured by First Pan-passu charge on the entire fixed assets & immovable properties of the company situated at Village : Budharmora, Bhuj-Bhachau Highway, Tal. Anjar, Dist. Kutch and personal guarantee of some of the directors of the company. Further Loan from Invent Assets Securitisation & Reconstruction Pvt Ltd are secured by all present and future goods, books debts and all other Movable Assets.			
b	On 31 July 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.			
c	The Loan from Invent Assets Securitisation & Reconstruction Private Limited is repayable in 18 Quarterly installments from 30 th Sep 2015.			
d	Hire Purchase Finance for Vehicles carries interest @ 9.50% p.a.			
e	Company has defaulted in repayment of borrowings from Bank of Baroda. Details of defaults are as follows			
	Nature of Borrowings	Principal	Interest	Total
	Cash Credit	65,040,207	-	65,040,207
	Working Capital Term Loan	172,300,000	-	172,300,000
	Funded Interest Term Loan	13,900,000	-	13,900,000
	Term Loan	18,000,000	-	18,000,000
	Total	269,240,207	-	269,240,207
				April 2014

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
12	Trade Payables			
	Dues to Micro, Small and Medium Enterprises	-	-	-
	Dues to Subsidiary of Holding Company	-	143,256	180,308
	Dues to Director	-	288,778	221,002
	Dues to Holding Company	274,703,899	555,133,638	844,082,324
	Dues to Others	627,041,432	324,192,421	212,137,332
		801,745,331	878,788,093	856,500,954
	There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.			

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
13	Other Current Financial Liabilities			
	Current maturity of Long term borrowings (Refer note-11)	322,504,608	231,317,823	221,585,610
		322,504,608	231,317,823	221,585,610

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
14	Other Current Liabilities			
	Interest free Advance from Customers	1,611,820	22,635,977	3,640,138
	Statutory dues payable	1,270,838	11,045,077	19,375,704
	Other Miscellaneous Liabilities	149,710	-	-
		2,832,268	33,681,054	23,015,842

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
15	Provisions			
	Provision for Employee Benefits			
	- Compensated Absences	684,483	1,274,128	1,271,568
	- Gratuity	4,381,664	5,291,567	6,157,242
	- Bonus	1,899,186	2,112,378	2,841,840
		6,965,213	8,678,071	10,370,670
	Current	2,580,649	2,404,007	3,119,499
	Non-Current	4,381,664	6,274,064	7,251,171
		6,965,213	8,678,071	10,370,670



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
16	Revenue from operations		
	Sale of Products (including excise duty)		
	Finished Goods	4,115,709,629	4,001,521,543
	Total Revenue from operations	4,115,709,629	4,001,521,543

Effective July 01, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence revenue from operations for the year ended March 31, 2018 is not comparable with the previous year corresponding figures.

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
17	Other Income		
	Interest Income on		
	Bank deposits	255,528	3,917,210
	Others	17,070,041	18,687,865
	Other non-operating income		
	Fair value gain on financial instruments at fair value through profit and loss	80,870	81,020
	Net Discount and Claims and net amounts written back	755,769	1,514,243
	Miscellaneous income	203,950	518,118
	Net Gain on Sale of Investment	144,916	3,934,000
		18,511,074	28,852,458

(Amount in Rupees)

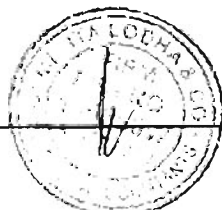
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
18	Cost of raw material and components consumed		
	- Opening Inventory	13,653,053	45,780,163
	- Add: Purchases	3,611,969,001	2,790,749,739
	- Add: Other charges and expenditure	10,610,053	37,779,438
	- Less: Closing Inventory	(17,265,361)	(13,653,053)
	Cost of raw materials and components consumed	3,618,966,748	2,860,656,287

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
19	(Increase)/Decrease in Inventory		
	Inventories at the end of the year		
	- Work in Process	4,847,202	4,097,327
	- Finished Goods	88,234,496	89,300,499
		93,081,698	93,397,826
	Inventories at the beginning of the year		
	- Work in Process	4,097,327	4,602,077
	- Finished Goods	89,300,499	134,106,243
		93,397,826	138,708,320
	(Increase)/Decrease in Inventory		
	- Work in Process	(749,875)	504,750
	- Finished Goods	1,066,003	44,805,744
		316,128	45,310,494

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
20	Employee benefits expenses		
	Salaries, wages and bonus	51,246,275	73,200,671
	Contribution to provident fund	2,849,879	4,302,796
	Gratuity expense (Refer note 23)	(441,599)	1,000,617
	Staff welfare expenses	304,013	1,429,576
		53,958,668	79,933,660

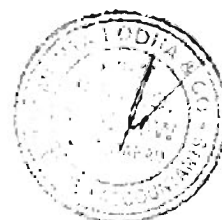


HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

		(Amount In Rupees)	
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
21	Finance Cost		
	Interest others	111,929	1,444,731
	Bank charges	12,630	16,230
		124,559	1,460,961

		(Amount In Rupees)	
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
22	Other Expense		
	Consumption of Stores & Spares	39,275,005	112,852,209
	Freight & Transport Charges	88,012,871	126,473,318
	Power & Fuel	174,126,982	442,719,681
	Jobwork Charges	41,392,262	63,154,832
	Repairs and Maintenance:		
	Plant and machineries	134,800	749,490
	Buildings	-	200
	Others	1,711,715	1,751,087
	Legal & Consultancy Charges	2,517,751	2,746,425
	Traveling & Conveyance Expenses	401,742	256,169
	Insurance	1,909,432	1,091,679
	Vat & GST Expenses	3,243,770	187,673
	Rates & Taxes	784,353	1,663,868
	Auditors' Remuneration (Refer note-a)	80,000	290,000
	Sales Commission	5,878,297	5,013,444
	Loss on Sale/Discard/Reduction in Value of Fixed Assets (net)	-	145,592
	Increase/(Decrease) in excise duty on Inventory	(9,922,278)	(4,876,333)
	Miscellaneous Expenses	882,333	2,101,354
		350,429,035	756,320,888
a)	Payments to Auditors		
	As Auditor:		
	- Audit Fee	-	200,000
	In other capacity:		
	- Taxation matters	30,000	30,000
	- Other Services	50,000	60,000
		80,000	90,000
		80,000	290,000



HANS ISPAT LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

20 Employee Benefits Expense

A. Defined contribution plans:

Amount of Rs 2,849,879 (31st March, 2017: Rs. 4,302,796) is recognised as expenses and included in Note No. 20 "Employee benefits expense".

PARTICULAR	Year ended 31-03-2018	Year ended 31-03-2017
Provident Fund	2,849,879	4,302,796
Total	2,849,879	4,302,796

B. Defined benefit plans:

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

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

	1 st April, 2017	Service cost	Net interest expense	Sub-total Included in Statement of Profit and Loss (Note 23)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actual changes arising from changes in actuarial assumptions	Experience adjustments	Sub-total Included in OCI	Contributio ns by employer	31 st March, 2018
Gratuity											
Defined benefit obligation	4,390,374	729,623	330,156	1,069,779	(1,148,844)	-	(183,855)	264,110	80,266	-	4,381,564
Fair value of plan assets											
Benefit liability	4,390,374	729,623	330,156	1,069,779	(1,148,844)	-	(183,855)	264,110	80,266	-	4,381,564
Total benefit liability	4,390,374	729,623	330,156	1,069,779	(1,148,844)	-	(183,855)	264,110	80,266	-	4,381,564



HANS ISPAT LIMITED**Notes to Financial Statements for the Year Ended 31st March, 2018**

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

Particulars	Year ended 31-03-2018
Discount rate	7.52%
Future salary increase	6.00%
Expected rate of return on plan assets	7.52%
Employee Turnover Rate	2.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A

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

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

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

Gratuity

Particulars	(Increase) / decrease in defined benefit obligation (Impact)	
	Sensitivity level	As at 31-03-2018
Discount rate	1% increase	(491,108)
	1% decrease	595,820
Salary increase	1% increase	801,042
	1% decrease	(503,188)
Employee turnover	1% increase	95,718
	1% decrease	(113,177)

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

Particulars	As at 31-03-2018
Within the next 12 months (next annual reporting period)	491,497
Between 2 and 5 years	822,792
Beyond 5 years	14,205,824
Total expected payments	15,320,113

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

Particulars	As at 31-03-2018 Years
Gratuity	17

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

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

Note: Previous year figure have not been reported as during the pervious year the company have made provision on the basis of the estimation made by the management.



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018
24 COMMITMENTS AND CONTINGENCIES
a) Contingent Liabilities :-

(Amount in Rupees)

Sr. No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
a)	Disputed Statutory Claims/Debits			
	- Income tax (including penalty)	1,827,430	1,827,430	1,827,430
	- Excise Duty	-	-	2,000,434
b)	Bank guarantee and Letter of Credit	466,284	-	3,057,930
c)	Amount payable to supplier of creditor (Refer Note below)	10,300,000	-	-

Note:- M/s Krishna Fuels, a supplier of scrap has filed a Civil Suit in the year 2009 before the Court of Principal Senior Civil Judge, Gandhinagar against the Company for recovery of Rs. 1,03,00,000 (Principal outstanding amount of Rs. 84,48,375/- and interest thereon). Thereafter, the matter was transferred to the Hon'ble Commercial Court, Rajkot and the Hon'ble Commercial Court, Rajkot has ex-parte passed an order dated 23rd December, 2017 for decree amount of Rs. 84,48,375/- and interest at the rate of 8% per annum and costs. The Company came to know about the aforesaid facts when the Company was served with Commercial Execution Petition No. 2/2018 before the Commercial Court at Rajkot in March, 2018. The Company is taking necessary action for filing appeal / defend the same at appropriate court.

b) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. NIL (31st March, 2017 Rs. NIL, 1st April, 2016 Rs. NIL).

25 Segment Information
Operating Segments

The Company is engaged in the business of Steel Products and all other activities of the Company revolve around the main business and they are not substantially different in risks and returns. Therefore reporting in pursuance to Ind AS 108 "Operating Segments" has not been made.

26 Related Party disclosures

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

A Relationships

(a)	Key Management Personnel Mr. Mukesh Bhanwarlal Bhandari Mr. Shalish Bhanwarlal Bhandari Mr. Avinash Prakashchand Bhandari Mr. Mahendrakumar Ramniklal Patra Mr. Chaitanyantrap Sharma Mrs. Kruti Shukla Mr. Ravindra Mundnika Singh	Director Director Director Director cum Manager Independent Director Woman Director Additional Director
	*Mrs. Kruti Shukla ceases to be director w.e.f 08th September, 2017 **Mr. Ravindra Mundnika Singh appointed w.e.f. 17th March 2018	
(b)	Associate Concern Electrotherm (India) Limited Shree Hans Papers Limited	Holding Company Subsidiary of Holding Company

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

Particulars	2017-18	(Amount) In Rupees 2016-17	
Purchase of Raw Material: - Electrotherm (India) Limited	1,110,400,657	377,438,993	
Purchase of Consumable Material - Electrotherm (India) Limited	13,880,363	21,108,142	
Sales - Electrotherm (India) Limited	986,704,178	124,718,556	
Remuneration - Mr. Mahendrakumar Ramniklal Patra	3,614,078	3,625,613	
Expenses (Repair & Maintenance and Freight expense) - Electrotherm (India) Limited	-	34,904	
Amount given on their behalf -Shree Hans Papers Limited	164,850	17,650	
Outstanding as at year end (Payable/(Receivable))	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
-Shree Hans Papers Limited	(21,394)	143,258	180,308
- Electrotherm (India) Limited	274,703,898	555,133,836	844,082,324
- Mr. Mahendrakumar Ramniklal Patra	-	298,778	221,002

Terms and conditions of transactions with related parties

For the year ended 31st March 2018 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017 Rs. Nil, 1st April 2016 Rs. Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

27 Earnings Per Share (EPS):

Particulars	2017-18	2016-17
Profit / (Loss) for the year (Amount in Rupees)	(47,881,850)	(204,050,552)
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	36,420,000	36,420,000
Earnings per Share (Basic and Diluted)	(1.31)	(5.60)
Nominal Value of Shares	10.00	10.00



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018
28 Income Tax
a Component of Income tax

Particulars	(Amount in Rupees)	
	As at 31.03.2018	As at 31.03.2017
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

b Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018

Particulars	(Amount in Rupees)	
	As at 31.03.2018	As at 31.03.2017
Accounting profit before income tax	(47,581,850)	(204,050,552)
Enacted tax rates in India	30.90%	30.90%
Computed tax expense	(14,702,792)	(63,051,621)
Non-deductible expenses for tax purpose	660,444	373,434
Deductible expenses for tax purpose	(528,395)	(892,841)
Other	5,008,293	3,021,871
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	9,562,450	80,349,157
Tax expense as per statement of profit and loss	-	-

c Other information

(a) Unabsorbed depreciation can be carried forward indefinitely. Business loss and capital loss can be carried forward for a period of eight years from the year in which losses arose.

(b) The company has not provided for the Deferred Tax Liability because of constant losses incurred by the company and that there are no chances of any tax liability occurring in near future and no Deferred Tax Asset has been made as there is no certainty of its realization in near future in pursuance to heavy accumulated losses.



HANS ISPAT LIMITED**Notes to Financial Statements for the Year Ended 31st March, 2018**

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

(b) Criminal complain u/s 138 read with Section 142 of the Negotiable instrument Act, 1881 has been filed before the Hon'ble Judicial Magistrate First Class Ahmedabad for dishonour of cheque of following Parties and out of which the balances of Shivamy Enterprise (India) Pvt Ltd., Shree Balram Steel Traders and Kallash Ispat has been shown as doubtful and the provision for the doubtful debt has been provided in the books as on 1st April 2018.

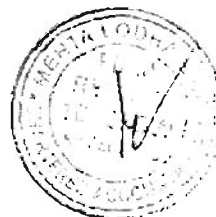
Name of the Parties	Amounts Involved in Court Case
Shivamy Enterprise (India) Pvt Ltd.	1,19,25,656
Shree Balram Steel Traders	3,00,000
Kallash Ispat	1,05,00,000
Jupiter Business Ltd	42,72,000
Total	2,69,97,656

- (c) This company is in process of filling the vacancy of Company Secretary as per the requirement of section 203 of Company's Act, 2013 and appointment of Woman Director.
- (d) In view of non-recovery of the amounts or non-settlement of the accounts, the company has determined Rs Nil/- (on 31 March 2017 Rs Nil, 01 April 2016 Rs. 3,28,11,747 as doubtful Trade receivables and in view of business prudence the company has made provision for the same
- (e) During the December 2014, State Bank of India has assigned its entire debts alongwith all its securities and rights to Invent Assets Securitisation & Reconstruction Private Limited (Hereinafter referred as "IASRPL") and as per the terms and conditions of the Settlement Agreement dated 5th March 2015, if the all terms and conditions are fully complied with by the company upto 30th September 2019, there will be reduction in debts of IASRPL by Rs 8,83,28,701/-.
- (f) Bank of Baroda had filed Original Application against Company & guarantors before Debt Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1983. The Company has filed written statements before the DRT and now the said original application is pending before DRT.
- (g) Bank of Baroda has issued a show cause notice to the Company & guarantors / directors for declaring them as wilful defaulter. The Company has filed its reply to the said show cause notice. Thereafter, the Company has requested for some other suitable date for hearing before committee and there is no communication in respect of the same. When the Company came to know that the Bank of Baroda has declared the company and its directors as wilful defaulter and reported the same to Reserve Bank of India / CIBIL, the Company has challenged the said action before the Hon'able Gujarat High Court and the Hon'able Gujarat High Court vide order dated 1st August, 2017 granted stay on the identification as wilful defaulter till the hearing and final disposal of the petition.
- (h) Bank of Baroda had issued notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") on 15.01.2015. The Company has filed its reply to the said notice and Bank of Baroda has issued a rejoinder letter. Thereafter, Bank of Baroda vide letter dated 16.04.2018 issued notice demanding possession of secured assets and the Company has replied to the said possession notice.
- (i) Audit fees will be accounted on the adoption of accounts at the annual general meeting of the members
- (j) In view of non taxable income under the Income Tax Act for the current year, its component has not been stated.

- 30 The accounts of the Bank of Baroda are classified as Non Performing Asset on 15.01.2015 and therefore provision for the following interest has not been made by the Company and to that extent loss and bank loan have been understated.

(Amount In Rupees)

Particulars	Interest Up to 01.04.2017	Interest for the Year 2017-18	Interest Up to 31.03.2018
Cash Credit	2,04,28,238	1,65,46,615	3,69,74,853
Term Loan	57,02,421	33,45,046	90,47,467
Funded Interest Term Loan	43,99,166	25,77,182	69,76,348
Working Capital Term Loan	5,59,53,835	3,25,05,226	8,84,59,061
Total Amounts	8,64,83,660	5,49,74,069	14,14,57,729



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018
31 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management
31.1 Category-wise Classification of Financial Instruments:

(Amount in Rupees)

Particulars	Refer Note	As at 31-03-2018		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	1,150,520	-	1,150,520
Trade receivables	6	-	95,352,151	95,352,151
Cash and cash equivalents	7	-	49,300,280	49,300,280
Other financial assets	4	-	28,101,418	28,101,418
Total		1,150,520	172,753,849	173,904,369
Financial liabilities				
Borrowings (including current maturities)	11,13	-	754,273,516	754,273,516
Trade payables	12	-	801,745,331	801,745,331
Total		-	1,556,018,847	1,556,018,847

(Amount in Rupees)

Particulars	Refer Note	As at 31-03-2017		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	1,089,650	-	1,089,650
Trade receivables	8	-	68,008,780	68,008,780
Cash and cash equivalents	7	-	60,501,815	60,501,815
Other financial assets	4	-	102,048,846	102,048,846
Total		1,089,650	228,559,441	229,628,091
Financial liabilities				
Borrowings (including current maturities)	11,13	-	781,394,460	781,394,460
Trade payables	12	-	879,768,093	879,768,093
Total		-	1,661,162,553	1,661,162,553

(Amount in Rupees)

Particulars	Refer Note	As at 01-04-2016		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in quoted mutual funds	4	16,134,820	-	16,134,820
Trade receivables	8	-	69,069,740	69,069,740
Cash and cash equivalents	7	-	106,197,719	106,197,719
Other financial assets	4	-	105,810,758	105,810,758
Total		16,134,820	281,078,217	297,213,037
Financial liabilities				
Borrowings (including current maturities)	11,13	-	798,772,999	798,772,999
Trade payables	12	-	856,600,964	856,600,964
Total		-	1,655,373,963	1,655,373,963

31.2 Category-wise Classification of Financial Instruments:
(a) Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

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

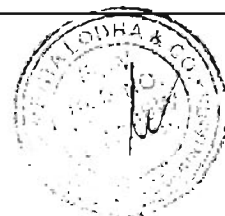
(Amount in Rupees)

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Significant observable inputs (Level 1)	Total	Significant observable inputs (Level 1)	Total	Significant observable inputs (Level 1)	Total
Financial Assets						
Investments in quoted mutual funds (measured at FVTPL) (refer note 4)	1,150,520	1,150,520	1,089,650	1,089,650	16,134,820	16,134,820

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices

(b) Financial instrument measured at Amortised Cost

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



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018
32 Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

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

The corporate finance function reports quarterly to the Company's Audit committee, that monitors risks and policies framed to mitigate risk exposures

(a) Market Risk

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

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Since the Company has insignificant foreign currency exposure, the exposure to risk of changes in market foreign currency is minimal. As on 31st March 2018 the outstanding unhedged / hedged foreign currency exposure is Rs Nil (31st March 2017 is Rs Nil).

iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in mutual fund. The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. As at 31st March 2018, the carrying value of such instruments recognised at FVTPL amounts to Rs. 11,50,520/- (31st March 2017 Rs.10,89,650/- and Rs. 1,61,34,820/- 1st April, 2016). The details of such investments in mutual funds is given in Note 4.

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

(b) Credit Risk

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

Trade receivables and Loans

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

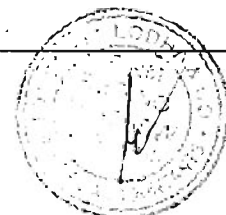
The provision on trade receivables for expected credit loss is recognised on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated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

Expected credit loss of Trade Receivable

Particulars	(Amount in Rupees)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Gross carrying amount	128,183,698	98,820,527	101,881,487
Expected loss rate	25.60	33.20	32.21
Expected credit losses (loss allowance provision)	32,811,747	32,811,747	32,811,747
Carrying amount of trade receivables (net of impairment)	95,352,151	66,008,780	69,069,740

Concentrations of Credit Risk form part of Credit Risk

During the year ended 31st March, 2018, sales to a customer approximated Rs.146.11 Crores or 35.60 % of net revenue and during the year ended 31st March 2017, sales to such customer approximated Rs. 61.08 Crores or 15.26 % of net revenue. Accounts receivable from such customer approximated Rs. 0.55 Crores at 31st March, 2018 and Rs. 1.22 Crores at 31st March, 2017. A loss of this customer could adversely affect the operating results or cash flows of the Company.



HANS ISPAT LIMITED
Notes to Financial Statements for the Year Ended 31st March, 2018
(c) Liquidity risk

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

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

(Amount In Rupees)

Particulars	On Demand / Less than 1 Year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2018				
Borrowings	387,544,815	388,728,701	-	754,273,516
Trade payables	801,745,331	-	-	801,745,331
Year ended 31st March, 2017				
Borrowings	296,357,830	485,036,830	-	781,394,660
Trade payables	879,768,093	-	-	879,768,093
As at 1st April 2016				
Borrowings	286,625,817	145,418,481	368,728,701	798,772,999
Trade payables	856,600,964	-	-	856,600,964

33 Capital Management

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

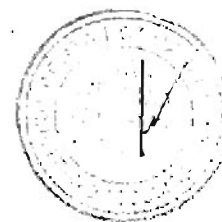
In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

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

The Capital structure of the Company is as follows:

(Amount In Rupees)

Particular	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Equity	364,200,000	364,200,000	364,200,000
Other Equity	(1,218,832,805)	(1,171,170,500)	(966,537,744)
Total	(854,632,805)	(806,970,500)	(602,337,744)



Hans Ispat Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

34 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS ("Ind AS")

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018. The comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of the opening Ind AS balance sheet at April 1, 2018 (the Company's date of transition) subject to certain exemptions and exceptions provided in Ind AS 101 with respect to transition date (refer note below). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions Used

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

II Exceptions applied

a Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

b De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The presentation requirements under Previous GAAP differs from Ind AS and hence, Previous GAAP information have been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statement of the Company prepared in accordance with Previous GAAP.

(i) Reconciliation of Balance Sheet as previously reported as per previous GAAP to Ind AS :

(Amount in Rupees)							
Particulars	Foot Note	As at 31-03-2017 (Reported as per Previous GAAP)	Adjustment due to Ind AS	As at 31-03-2017 (As per Ind AS)	As at 01-04-2018 (Reported as per Previous GAAP)	Adjustment due to Ind AS	As at 01-04-2018 (As per Ind AS)
ASSETS							
Non-current assets							
Property, plant and equipment		331,722,949	-	331,722,949	370,581,148	-	370,581,148
Financial assets	d	1,000,000	88,850	1,088,850	1,000,000	(11,370)	988,630
Investments		88,505,281	-	88,505,281	100,486,338	0	100,486,338
Other financial assets		-	-	-	-	-	-
Total non-current assets		429,228,230	88,850	429,297,880	472,047,486	(11,370)	472,036,116
Current assets							
Inventories	b	163,413,654	-	163,413,654	262,973,658	918,748	263,892,406
Financial assets	d	-	-	-	15,076,168	120,022	15,148,190
Investments	b, c	98,820,527	(32,811,747)	88,008,780	102,844,489	(33,774,729)	89,069,740
Trade receivables		60,501,815	-	60,501,815	108,197,719	-	108,197,719
Cash and cash equivalents		5,543,585	-	5,543,585	6,344,420	-	5,344,420
Other financial assets		5,557,835	1,261,241	6,818,876	4,429,124	-	4,429,124
Current tax assets	e	154,382,153	10,584,655	164,966,808	153,041,478	(2,734,460)	150,307,018
Other current assets	e	-	-	-	-	-	-
Total current assets		488,219,349	(20,896,051)	467,253,298	649,857,034	(35,470,419)	614,386,615
Total Assets		917,447,579	(20,896,401)	896,551,178	1,121,904,520	(35,481,789)	1,086,422,731
EQUITY AND LIABILITIES							
Equity							
Equity share capital		384,200,000	-	384,200,000	384,200,000	-	384,200,000
Other equity		(1,150,274,099)	(20,896,401)	(1,171,170,500)	(931,055,955)	(35,481,789)	(966,537,744)
Total equity		(766,074,099)	(20,896,401)	(896,970,500)	(546,855,955)	(35,481,789)	(602,337,744)
LIABILITIES							
Non-current liabilities							
Financial liabilities							
Borrowings		485,036,630	-	485,036,630	512,147,182	-	512,147,182
Provisions		8,274,064	-	8,274,064	7,251,171	-	7,251,171
Total non-current liabilities		493,310,694	-	493,310,694	519,398,353	-	519,398,353
Current liabilities							
Financial liabilities							
Borrowings		65,040,207	-	65,040,207	65,040,207	-	65,040,207
Trade payables		879,768,093	-	879,768,093	858,600,984	-	858,600,984
Other financial liabilities		231,317,623	-	231,317,623	221,585,610	-	221,585,610
Other current liabilities		33,681,054	-	33,681,054	23,015,842	-	23,015,842
Provisions		2,404,067	-	2,404,067	3,119,499	-	3,119,499
Total current liabilities		1,212,210,944	-	1,212,210,944	1,169,362,122	-	1,169,362,122
Total equity and liabilities		917,447,579	(20,896,401)	896,551,178	1,121,904,520	(35,481,789)	1,086,422,731



Hans Ispat Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

(iv) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

(Amount in Rupees)				
Particulars	Foot Note	Year Ended 31-03-2017 (Reported as per Previous GAAP)	Adjustment due to Ind AS	Year Ended 31-03-2017 (As per Ind AS)
Revenue from operations	d	4,000,558,661	962,982	4,001,521,543
Other income	d, e	10,079,052	12,573,404	28,652,456
Total income		4,010,637,713	13,536,386	4,024,173,999
Expenses				
Cost of raw materials and components consumed		2,680,658,287	-	2,680,658,287
Changes in inventories of finished goods, work-in-progress and stock-in-trade	b	44,391,748	918,748	45,310,494
Excise duty on sales		450,288,692	-	450,288,692
Employee benefits expense	a	80,515,684	(562,204)	79,953,480
Finance cost		1,480,981	0	1,480,981
Depreciation and amortisation expense		40,253,769	0	40,253,769
Other expenses	e	756,486,258	(185,570)	756,320,688
Total expenses		4,334,053,677	179,974	4,334,224,551
Profit before tax		(217,415,964)	13,385,412	(204,050,552)
Prior Period Expense	e	(1,802,180)	1,802,180	-
Tax expense				
Total tax expense		(219,218,144)	15,167,592	(204,050,552)
Profit/(Loss) for the Year		(219,218,144)	15,167,592	(204,050,552)
Other comprehensive income				
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss on defined benefit plans	b, f	-	(582,204)	(582,204)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(582,204)	(582,204)
Other comprehensive income for the period, net of tax		-	(582,204)	(582,204)
Total comprehensive income for the period, net of tax		(219,218,144)	14,585,388	(204,632,756)

(ii) Reconciliation of Equity

(Amount in Rupees)			
Particulars	Foot Note	As at 31.03.2017	As at 01.04.2018
Net Worth under (GAAP)		(766,074,098)	(569,855,955)
Fair Value Gain / (Loss) on Investments	d	89,650	108,852
Deferral of Sales and related costs	b	-	(44,234)
Other Adjustment	e	11,845,698	(2,734,480)
Expected Credit Loss	c	(32,811,747)	(32,811,747)
Net Worth under Ind AS		(808,970,600)	(602,337,744)

Explanatory Notes to the transition from previous GAAP to Ind AS:

- Re-measurement cost of net defined liability:**
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset selling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI.
- Deferral of Sales and related costs**
Under Ind AS 18, revenue and related costs are recognised when the risks and rewards are passed to the customers and the Company retains no continuing managerial involvement.
- Expected credit loss provision**
As per Ind AS 109 the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts on financial assets.
- Classification and fair value measurement of Financial Assets and Financial Liabilities:**
The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.
- Other**
Expenses and Income pertaining to previous year transfer to the respective years.
- Other comprehensive income:**
Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP Statement of Profit and Loss to Statement of Profit and Loss as per Ind AS. Further, Indian GAAP Statement of Profit and Loss is reconciled to total comprehensive income as per Ind AS.
- Statement of cash flow:**
The transition from Indian GAAP to Ind AS does not have material impact on the Statement of Cash Flows.



Hans Ispat Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

35 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 11th May, 2018, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

As per our report of even date

For Mehta Lodha & Co.

Chartered Accountants

ICAI Firm Registration No. 106250W

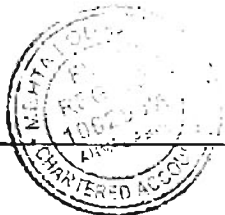
PRAKASH D. SHAH

Partner

Membership No. 34363

Place Ahmedabad

Date 11th May 2018



For Hans Ispat Limited

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

PAYAN GAUR
Chief Financial officer

BHASKARPARA COAL COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR
2017-2018**



INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Bhaskarpara Coal Company Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **Bhaskarpara Coal Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

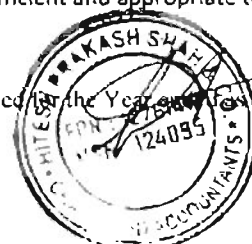
Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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

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



Matter of Emphasis

A. We draw attention to following notes:-

1. **Note No. 21** in the financial statements, in relation to cancellation of allotment of Coal Block by the Hon'ble Supreme Court of India and further the company does not have any business to carry on, as on date, hence the accounts are prepared on the non-going concern basis.
2. **Note No. 7.1** in the financial statements, related to the "Share Application Money, pending allotment", of Rs.2,49,45,000/-.
3. **Note No. 4** regarding the amount of Rs.24,40,704/- recoverable from consultant in respect of which confirmation of balance is not made available and is considered as good and recoverable.

Opinion

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit including comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

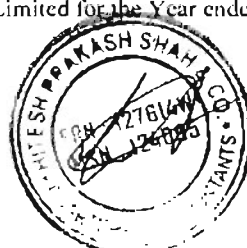
(d) In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.



- ii. There are no long term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
- iii. There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company; and

Place: Ahmedabad
Date: 16/04/2018



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

HITESH P SHAH
PROPRIETOR
M.No. 124095

ANNEXURE A TO THE AUDITOR'S REPORT

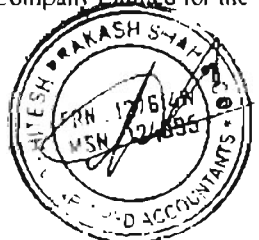
[ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF BHASKARPARA COAL COMPANY LIMITED, FOR THE YEAR ENDED ON 31ST MARCH, 2018]

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

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

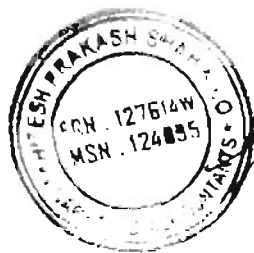
(c) According to the information and explanations given to us the title deeds of immovable properties, as disclosed in Note 1 of fixed assets to the financial statements, are held in the name of the Company, except otherwise stated.
- ii. The Company does not have any inventories. Therefore requirements as per clause (ii) of Paragraph 3 of the Order are not applicable to the Company.
- iii. As informed to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly paragraph (iii) of the order is not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of The Companies Act, 2013 are applicable and hence not commented upon.
- v. As informed to us and subject to note no 7.10 in the financial statement, during the year the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified,
- vi. The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company and accordingly paragraph (vi) of the order is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There is no outstanding dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not borrowed any loans from financial institution and bank as at the balance sheet date and therefore clause (viii) of the Order are not applicable to the Company.



- ix. In our opinion, and according to the information and explanations given to us, company has not raised money by way of initial public offer or further public offer (including debt instruments) or Term loans and accordingly paragraph (ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not provided for managerial remuneration in the books of accounts during the year and accordingly paragraph (xi) of the order is not applicable to the company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Paragraph (xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. As informed to us and according to the explanation and information provided to us the Company has made no preferential allotment of shares during the year under review and therefore clause (xiv) of the Order is not applicable to the Company.
- xv. As informed to us and according to the explanation and information provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of Companies Act, 2013. Accordingly, the provisions of Paragraph (xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Paragraph (xvi) of the Order are not applicable to the Company.

Place: Ahmedabad
Date: 16/04/2018



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

HITESH P SHAH
PROPRIETOR
M.No. 124095

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of **Bhaskarpara Coal Company Limited** on the financial statements for the year ended March 31, 2018.

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

1. We have audited the internal financial controls over financial reporting of **Bhaskarpara Coal Company Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, except otherwise stated or informed to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad
Date: 16/04/2018



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

HITESH P SHAH
PROPRIETOR
M. No.124095

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Balance Sheet as at March 31, 2018

(In ₹)

Particulars	Note No.	As at	As at	As at
		March 31, 2018	March 31, 2017	April 1, 2016
		Audited	Audited	Audited
(1)	(2)	(3)	(4)	(5)
I ASSETS				
(1) Non-Current Assets				
Property, Plant and Equipment	1	69,563,893	69,586,091	69,608,289
Capital Work-in-Progress		78,793,918	78,793,918	78,793,918
Financial Assets:				
Other Financial Assets	2	5,854,864	5,524,519	5,282,427
Total Non-Current Assets		154,212,675	153,904,528	153,684,634
(2) Current Assets				
Financial Assets:				
Cash and Cash Equivalents	3	30,837	172,823	137,837
Other Current Assets	4	2,446,457	2,440,704	2,441,301
Total Current Assets		2,477,294	2,613,527	2,579,138
TOTAL ASSETS		156,689,969	156,518,055	156,263,772
I EQUITY AND LIABILITIES				
(1) Equity				
Equity Share Capital	5	171,861,770	171,861,770	171,861,770
Other Equity	6	(40,307,061)	(40,480,803)	(40,733,048)
		131,554,709	131,380,967	131,128,722
(2) Share Application money, pending allotment	7	24,945,000	24,945,000	24,945,000
(3) Liabilities				
Non-Current Liabilities				
Total Non-Current Liabilities		-	-	-
Current Liabilities				
Financial Liabilities:				
Trade Payables	8	8,260	8,050	8,050
Other Current Liabilities	9	182,000	182,000	182,000
Current Tax Liabilities	10	-	2,038	-
Total Current Liabilities		190,260	192,088	190,050
TOTAL EQUITY AND LIABILITIES		156,689,969	156,518,055	156,263,772

The accompanying notes referred to above form an integral part of the Financial Statements.

In terms of our report attached.

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

(Hitesh P. Shah)
Proprietor
Membership No: 124095

Date: 16/04/2018
Place: Ahmedabad



For and on behalf of the Board

Dmeshkumar Sharma
DIN: 00914419

Date: 16/04/2018
Place: Ahmedabad

Rajiv Kumar Saxena
DIN: 03466982

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Profit and Loss for the year ended March 31, 2018

(In ₹)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
		Audited	Audited
(1)	(2)	(3)	(4)
REVENUE:			
Revenue from Operations		-	-
Other Income	11	3 67 050	4 57 065
TOTAL INCOME (I)		3 67 050	4 57 065
EXPENSES:			
Depreciation and Amortisation expenses	12	22 198	22 198
Other Expenses	13	1 03 158	56 177
TOTAL EXPENSES (II)		1 25 356	78 375
Profit before Tax Expenses (I)-(II)		2 41 694	3 78 690
Tax Expense:			
Current Tax		67 952	1 22 744
Earlier Year Tax		-	3 701
Total Tax Expenses		67 952	1 26 445
Profit for the Year (III)		1 73 742	2 52 245
Other Comprehensive Income			
Item that will be reclassified to Profit and Loss		-	-
Item that will not be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		1 73 742	2 52 245
Earnings per Equity share	14		
(Face value of ₹10 each)			
Basic (In ₹)		0.0101	0.0147
Diluted (In ₹)		0.0088	0.0128

In terms of our report attached.

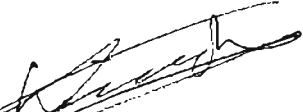
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W


(Hitesh P. Shah)
Proprietor
Membership No:124095

Date: 16/04/2018
Place: Ahmedabad



For and on behalf of the Board


Dineshkumar Sharma
DIN: 00914419

Date: 16/04/2018
Place: Ahmedabad


Rajiv Kumar Saxena
DIN: 03466982

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Statement of Change in Equity as at March 31, 2018

A. Equity Share Capital

As at March 31, 2018

(in ₹)

Balance as at April 01, 2017	Changes in Equity Share capital during the period	Balance as at March 31, 2018
171,861,770	-	171,861,770

As at March 31, 2017

(in ₹)

Balance as at April 01, 2016	Changes in Equity Share capital during the period	Balance as at March 31, 2017
171,861,770	-	171,861,770

As at April 01, 2016

(in ₹)

Balance as at April 01, 2015	Changes in Equity Share capital during the period	Balance as at April 01, 2016
171,861,770	-	171,861,770

B. Other Equity

For the period ended March 31, 2018

(in ₹)

Particulars	Reverse & Surplus			Total Other Equity
	General Reserve	Ind AS Translation Reserve	Retained Earnings	
Balance as at April 01, 2017	-	-	(40,480,803)	(40,480,803)
Profit for the period	-	-	173,742	173,742
Total Comprehensive Income/(loss) for the period	-	-	173,742	173,742
Dividends (includes Dividend Distribution Tax)	-	-	-	-
Balance as at March 31, 2018	-	-	(40,307,061)	(40,307,061)

For the period ended March 31, 2017

(in ₹)

Particulars	Reverse & Surplus			Total Other Equity
	General Reserve	Ind AS Translation Reserve	Retained Earnings	
Balance as at April 01, 2016	-	-	(40,733,048)	(40,733,048)
Profit for the period	-	-	252,245	252,245
Total Comprehensive Income/(loss) for the period	-	-	252,245	252,245
Dividends (includes Dividend Distribution Tax)	-	-	-	-
Balance as at March 31, 2017	-	-	(40,480,803)	(40,480,803)

Balance as at April 01, 2016

(in ₹)

Particulars	Reverse & Surplus			Total Other Equity
	General Reserve	Ind AS Translation Reserve	Retained Earnings	
Balance as at April 01, 2016	-	-	(40,733,048)	(40,733,048)

For Hitesh Prakash Shah & Co.

Chartered Accountants

Firm Registration No: 127614W

(Hitesh P. Shah)

Proprietor

Membership No: 124095

Date: 16/04/2018

Place: Ahmedabad



For and on behalf of the Board

Dineshkumar Sharma

DIN: 00914419

Date: 16/04/2018

Place: Ahmedabad

Rajiv Kumar Saxena

DIN: 03466982

Bhaskarpara Coal Company Limited
CIN U10100CT2008PLC020943
Cash Flow Statement for the year ended on March 31, 2018

(In ₹)

Particulars	Year ended on March 31, 2018	Year ended on March 31, 2017
(1)	(2)	(3)
(A) Cash flow from operating activities		
Profit (Loss) before Tax	2 41 694	3 78 690
Adjustments for:		
Interest Income	(3 67 050)	(4 57 065)
Depreciation and amortisation	22 198	22 198
Operating Profit before Working Capital Changes	(1 03 158)	(56 177)
Movement in working Capital:		
Decrease/(Increase) in Financial & other current assets	-	597
Increase/(Decrease) in Trade payables and other liabilities	210	2 038
Cash Generated from Operation	(1 02 948)	(53 542)
Direct Taxes Paid	(75 743)	(1 26 445)
Cash generated/ (used) from/ (in) operating activities (A)	(1 78 691)	(1 79 987)
(B) Cash Flow from investing activities		
Sale of fixed assets	-	-
Redemption / (Investment) in Bank Deposits	(3 30 345)	(2 42 092)
Interest Received	3 67 050	4 57 065
Net cash used in investing activities (B)	36 705	2 14 973
(C) Cash Flow from financing activities		
Interest Paid	-	-
Cash generated / (Used) from / (In) financing activities (C)	-	-
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(1 41 986)	34 986
Cash and cash equivalents at beginning of the year	1 72 823	1 37 837
Cash and cash equivalents at end of the year	30 837	1 72 823
Cash & Bank Balance as per Note No.3	30 837	1 72 823

Notes:

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

In terms of our report attached.

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

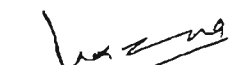

(Hitesh P. Shah)
Proprietor
Membership No:124095



Date: 16/04/2018
Place: Ahmedabad

For and on behalf of the Board


Dineshkumar Sharma
DIN: 00914419


Rajiv Kumar Saxena
DIN: 03466982

Date: 16/04/2018
Place: Ahmedabad

Note 1 Significant Accounting Policies

1.1 Basis of accounting and preparation of Financial Statements :

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

For all period upto and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the requirement of Indian GAAP, i.e. comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended 31st March 2018 are the Company's first financial statements under Ind AS and the same are prepared in accordance with Ind AS 101 on 'First-time adoption of Indian Accounting Standards'.

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

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

An asset is treated as current when it is:

- > Expected to be realised or intended to be sold or consumed in the normal operating cycle
- > Held primarily for the purpose of trading
- > Expected to be realised within twelve months after the reporting period or
- > Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- > it is expected to be settled in the normal operating cycle;
- > it is held primarily for the purpose of trading;
- > it is due to be settle within twelve months after the reporting period or;
- > There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non current.

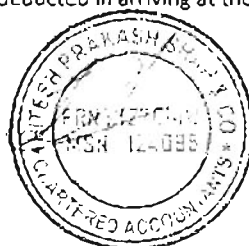
Deferred tax assets and liabilities are classified as non-current assets and liabilities

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

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

On the date of transition the Company has elected to continue with the previous GAAP's carrying amount as deemed cost to measure all the items of property, plant and equipment.

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



Note 1 Significant Accounting Policies

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

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

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

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

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

1.4 IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

1.5 BORROWING COSTS:

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

1.6 REVENUE:

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

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

i) Sale of Goods

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

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

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



Note 1 Significant Accounting Policies

1.7 TAXES:

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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

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

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

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

1.8 PROVISIONS:

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



Bhaskarpara Coal Company Limited

Note 1 Significant Accounting Policies

1.9 EARNINGS PER SHARE

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

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

1.10 CASH AND CASH EQUIVALENT:

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

General

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



Bhaskarpara Coal Company Limited

Notes to Financial Statement

Note 1

Property, Plant & Equipment

I) As at 31st March, 2018

Sr. No.	Particulars	Deemed Cost			Depreciation and Amortisation			Net Block	
		As at April 1, 2017	Additions	Deduction / Adjustment	As at March 31, 2018	As at April 1, 2017	For the Period	Deduction / Adjustment	As at March 31, 2018
(A)	Tangible Assets								
	Freehold Land	6 94 84 673	-	-	6 94 84 673	-	-	-	6 94 84 673
	Furniture and Fixtures	61 451	-	-	61 451	12 406	12 406	-	24 812
	Vehicles	43 945	-	-	43 945	6 647	6 647	-	13 294
	Electrical Equipment	17 486	-	-	17 486	3 145	3 145	-	6 290
	Computer	734	-	-	734	-	-	-	734
	Total Tangible Assets	6 96 08 289	-	-	6 96 08 289	22 198	22 198	-	6 95 63 893
(B)	Capital Work-in-Progress	7 87 93 918	-	-	7 87 93 918	-	-	-	7 87 93 918
	Grand Total	14 84 02 207	-	-	14 84 02 207	22 198	22 198	-	14 83 57 811

II) As at 31st March, 2017

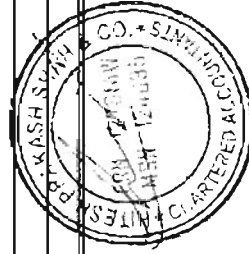
Sr. No.	Particulars	Deemed Cost			Depreciation/ Amortisation/Impairment			Net Block	
		As at April 1, 2016	Additions	Deduction / Adjustment	As at March 31, 2017	As at April 1, 2016	For the Period	Deduction / Adjustment	As at March 31, 2017
(A)	Tangible Assets								
	Freehold Land	6 94 84 673	-	-	6 94 84 673	-	-	-	6 94 84 673
	Furniture and Fixtures	61 451	-	-	61 451	12 406	12 406	-	49 045
	Vehicles	43 945	-	-	43 945	6 647	6 647	-	37 298
	Electrical Equipment	17 486	-	-	17 486	3 145	3 145	-	14 341
	Computer	734	-	-	734	-	-	-	734
	Total Tangible Assets	6 96 08 289	-	-	6 96 08 289	22 198	22 198	-	6 95 86 091
(B)	Capital Work-in-Progress	7 87 93 918	-	-	7 87 93 918	-	-	-	7 87 93 918
	Grand Total	14 84 02 207	-	-	14 84 02 207	22 198	22 198	-	14 83 80 009

III) As at 1st April, 2016

Sr. No.	Particulars	Net Block As at April 1, 2016	
(A)	Total Tangible Assets		6 96 08 289
(B)	Capital Work-in-Progress		7 87 93 918
	Grand Total		14 84 02 207

Notes

1.1 None of the Tangible Assets are acquired on Lease.



Bhaskarpara Coal Company Limited

Notes to Financial Statements

2 Other Financial Assets:

(In ₹)				
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Balance with the bank in Fixed Deposit Accounts (Deposited as margin money with HDFC Bank)	58 54 864	55 24 519	52 82 427
	Total	58 54 864	55 24 519	52 82 427

3 Cash & Cash Equivalent:

(In ₹)				
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Balance with Banks (Current Accounts)	30 837	1 72 823	1 37 403
(b)	Cash on Hand	-	-	434
	Total	30 837	1 72 823	1 37 837

4 Other Current Assets

(In ₹)				
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Other Receivables			
(a)	Amount recoverable from Globe Consultant	24 40 704	24 40 704	24 40 704
(b)	Advance income tax for AY 2018-19 (net of tax provision of Rs. 67,952/-)	5 753	-	597
	Total	24 46 457	24 40 704	24 41 301

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

5 Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised						
Equity Shares of ₹ 10/- each	7 50 00 000	75 00 00 000	7 50 00 000	75 00 00 000	7 50 00 000	75 00 00 000
Issued, Subscribed and fully Paid Up						
Equity Shares of ₹ 10/- each	1 71 86 177	17 18 61 770	1 71 86 177	17 18 61 770	1 71 86 177	17 18 61 770

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

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

B Shares held by Holding Company

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

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



Bhaskarpara Coal Company Limited

Notes to Financial Statements

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

6 Other Equity

(In ₹)				
Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Retained Earning			
	Opening Balance	(4 04 80 803)	(4 07 33 048)	(4 05 84 553)
	Addition during the year	1 73 742	2 52 245	(1 48 495)
	Deduction during the year	-	-	-
	Closing Balance	(4 03 07 061)	(4 04 80 803)	(4 07 33 048)

7 Share Application money, pending allotment:

(In ₹)				
Sr. No.		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Share Application money, pending allotment:	2 49 45 000	2 49 45 000	2 49 45 000
	Total	2 49 45 000	2 49 45 000	2 49 45 000

7.1 "Share Application Money, pending allotment

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

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

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

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



Bhaskarpara Coal Company Limited

Notes to Financial Statements

8 Trade Payables

(in ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Trade Payables	8 260	8 050	8 050
	Total	8 260	8 050	8 050

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

9 Other Current Liabilities

(in ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Registration Fees Payable	1 82 000	1 82 000	1 82 000
	Total	1 82 000	1 82 000	1 82 000

10 Current Tax Liabilities

(in ₹)

Sr. No.	Nature of Provision	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Provision for Income Tax (net of Advance Income Tax and Tax Deducted At Source)		2 038	-
	Total	-	2 038	-

11 Other Income

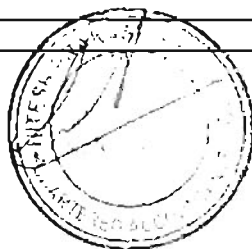
(in ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Fixed Deposit Interest	3 67 050	4 57 065
	Total	3 67 050	4 57 065

12 Depreciation & Amortisation Expense

(in ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Depreciation and Amortisation	22 198	22 198
	Total	22 198	22 198



Bhaskarpara Coal Company Limited

Notes to Financial Statements

13 Other Expenses

(In ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Auditors' Remuneration - Audit Fees	8 260	8 050
(b)	Bank Charges and Commission	750	2 127
(c)	Photocopy Expenses	6 050	-
(d)	Travelling Expenses	42 498	8 800
(e)	Professional Fees	12 000	-
(f)	ROC Filing Fees	33 600	37 200
	Total	1 03 158	56 177

14 Earning Per Share (EPS):

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

(In ₹)

Particulars	Unit	As at March 31, 2018	As at March 31, 2017
Net Profit /(Loss) as per Statement of Profit & Loss	₹	1 73 742	2 52 245
Weighted average of number of equity shares	No.		
Basic		1 71 86 177	1 71 86 177
Diluted		1 96 80 677	1 96 80 677
Profit/(Loss) per share of face value of Rs. 10 Each			
Basic	₹	0.0101	0.0147
Diluted	₹	0.0088	0.0128

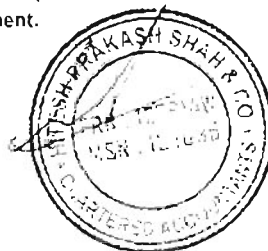
15 Contingent Liability and Commitments (To the Extent not provided for):

(In ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Contingent Liability			
(a)	Bank Guarantee given to Ministry of Coal, Government of India.	1 65 13 000	8 45 00 000	8 45 00 000
(b)	The District Registrar / Collector of Stamps has raised demand for difference in amount of stamp duty which was subsequently upheld by the Commissioner Revenue in the revision. Further appeal filed by the company has been admitted by Board of Revenue and stay granted, hence no provision has been made in this respect.	58 52 089	58 52 089	58 52 089
	Total	2 23 65 089	9 03 52 089	9 03 52 089

16 Segment Reporting:

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



Bhaskarpara Coal Company Limited

Notes to Financial Statements

17 Related Party Disclosures:

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

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

Sr. No.	Description of Relationship	Name of the Related Party
(a)	Holding Company	Electotherm (India)Limited
(b)	Enterprise having significant influence	UltraTech Cement Limited

(b) Key Management Personnel

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

(c) Details of Transactions with Related Parties during the Period and balances outstanding as at March 31, 2018:

(A) Transactions with related parties during the Year

Sr. No.	Particulars	Director of the Holding Company	
		As at March 31, 2018	As at March 31, 2017
	Reimbursement of Expenses (Income Tax) - Shailesh Bhanwarlal Bhandari	37,000	78,105

(B) Balance outstanding

(In ₹)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i)	Share Application Money - UltraTech Cement Ltd.	2 49 45 000	2 49 45 000	2 49 45 000

18 Deferred Tax Adjustment

In accordance with Indian Accounting Standard 12 “Income Taxes”, the Company has no deferred tax assets as there is no certainty of its realization in near future.

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

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



Note 20: First Time Ind AS adoption reconciliation

Effect of Ind AS Adoption on the balance sheet as at 31st March 2017 and 1st April 2016

		As at 31st March 2017			As at 1st April 2016		
Sr No	Particular	Previous GAAP	Effect of Transition to	Ind As	Previous GAAP	Effect of Transition to	Ind As
Non Current Assets							
a	Property, Plant and Equipment	69,586,091	-	69,586,091	69,608,289	-	69,608,289
b	Capital Work-in-Progress	78,793,918	-	78,793,918	78,793,918	-	78,793,918
c	Financial Assets:Other Financial Assets	5,524,519	-	5,524,519	5,282,427	-	5,282,427
	Total Non Current Assets	153,904,528	-	153,904,528	153,684,634	-	153,684,634
Current Assets							
a	Financial Assets:Cash and Cash Equivalents	172,823	-	172,823	137,837	-	137,837
b	Other Current Assets	2,440,704	-	2,440,704	2,441,301	-	2,441,301
	Total Current Assets	2,613,527	-	2,613,527	2,579,138	-	2,579,138
	Total Assets	156,518,055	-	156,518,055	156,263,772	-	156,263,772
Equity							
a	Equity Share Capital	171,861,770	-	171,861,770	171,861,770	-	171,861,770
b	Other Equity	(40,480,803)	-	(40,480,803)	(40,733,048)	-	(40,733,048)
	Total Equity	131,380,967	-	131,380,967	131,128,722	-	131,128,722
c	Share Application money, pending allotment	24,945,000	-	24,945,000	24,945,000	-	24,945,000
Current Liabilities							
a	Financial Liabilities:Trade Payables	8,050	-	8,050	8,050	-	8,050
b	Other Current Liabilties	182,000	-	182,000	182,000	-	182,000
c	Current Tax Liabilities	2,038	-	2,038	-	-	-
	Total Current Liabilities	192,088	-	192,088	190,050	-	190,050
	Total Equity and Liabilities	156,518,055	-	156,518,055	156,263,772	-	156,263,772

Effect of Ind AS Adoption on the Statement of Profit and Loss for the Year ended 31st March 2017

Sr No	Particular	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Effect of Transition to	Ind As	Previous GAAP	Effect of Transition to	Ind As
a	Revenue from Operations	-	-	-	-	-	-
b	Other Income	457,065	-	457,065	437,337	-	437,337
	Total Income (A)	457,065	-	457,065	437,337	-	437,337
Expenses							
a	Depreciation and Amortisation expenses	22,198	-	22,198	59,290	-	59,290
b	Other Expenses	56,177	-	56,177	381,503	-	381,503
	Total Expenses (B)	78,375	-	78,375	440,793	-	440,793
	Profit Before Tax (A-B)	378,690	-	378,690	(3,456)	-	(3,456)
Tax Expense							
c	Current year Tax	122,744	-	122,744	135,137	-	135,137
	Earlier year tax	3,701	-	3,701	9,902	-	9,902
	Net Tax Expense	126,445	-	126,445	145,039	-	145,039
	Profit for the Year	252,245	-	252,245	(148,495)	-	(148,495)
Other Comprehensive Income							
(i)	Items that will not be reclassified to Profit and Loss	-	-	-	-	-	-
(ii)	Items that will be reclassified to Profit and Loss	-	-	-	-	-	-
	Total Other Comprehensive Income for the Period	-	-	-	-	-	-
	Total Comprehensive Income for the Period	252,245	-	252,245	(148,495)	-	(148,495)

Reconciliation of total equity as at 31st March 2017 and 1st April 2016

Sr No	Particular	As at 31st March 2017	As at 1st April 2016
	Total Equity (shareholders' Fund) under Previous GAAP	131,380,967	131,128,722
	Total Adjustment to Equity	-	-
	Total Equity Under Ind AS	131,380,967	131,128,722

Reconciliation of Total Comprehensive Income for the Year ended 31st March 2017

Sr No	Particular	As at 31st March 2017	As at 1st April 2016
	Profit as per Previous GAAP	252,245	(148,495)
	Adjustment	-	-
	Total Effect of Transition to Ind AS	-	-
	Profit for the Year as per IND AS	252,245	(148,495)
	Other Comprehensive Income for the Year (Net of Tax)	-	-
	Total Comprehensive Income under Ind AS	252,245	(148,495)

Reconciliation of Total Comprehensive Income for the year ended 31st March 2017

Particular	As at 31st March 2017	
	Previous GAAP	Effect of Transition to IND AS
Net Cash Flows from Operating activities	(179,987)	-
Net Cash Flows from Investment activities	214,973	-
Net Cash Flows from Financing activities	-	-
Net Increase in Cash and Cash Equivalents	34,986	-
Cash and Cash Equivalent at the beginning of the period	137,837	-
Cash and Cash Equivalent at the end of the period	172,823	-



Bhaskarpara Coal Company Limited

Notes to Financial Statements

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

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

- 22 Figures of the previous year are regrouped where necessary.

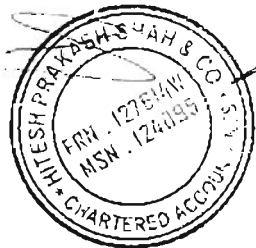
As per our report of even date attached

For Hitesh Prakash Shah & Co.

Chartered Accountants

Firm Registration No: 127614W

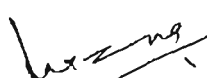

(Hitesh P. Shah)
Proprietor
Membership No: 124095
Date: 16/04/2018
Place: Ahmedabad



For and on behalf of the Board


Dineshkumar Sharma
DIN: 00914419

Date: 16/04/2018
Place: Ahmedabad


Rajiv Kumar Saxena
DIN: 03466982

ET ELEC-TRANS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR 2017-2018

ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Et Elec-Trans Limited
Ahmedabad

Report on the Stand alone Ind AS Financial Statements

I have audited the accompanying standalone Ind AS financial statements of **Et Elec-Trans Limited ('the company')**, which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Stand alone Financial Statements

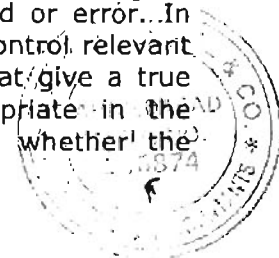
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the



Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

I believe that broadly the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone Ind AS financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- (ii) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

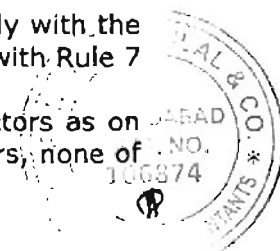
Emphasis of Matters

I draw attention to the following matter in the notes to the financial statements:

- a) Note 1.3 in the financial statements, which indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 1.3, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements of the Company have been prepared on accounting assumption that the company is no more going concern.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2017 ('the Order') issued by the Central Government of India in terms of sub - section (11) of Section 143 of the Act, I give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said order.
- 2. As required by section 143(3) of the Act, I report that:
 - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of my audit;
 - (b) In my opinion proper books of account as required by the law have been kept by the company so far as it appears from my examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rule, 2014;
 - (e) On the basis of the written representation received from the directors as on 31st March, 2018 and taken on the records by the Board of Directors, none of



- the directors is disqualified as on 31st March, 2018 from being appointed as director in terms of section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B"
- (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses to the Standalone Financial Statements;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad
Date: 21/05/2018

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



Ashok B. Shah

(Ashok B. Shah)
Proprietor
Membership No. 106874

ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS

36, 3rd Floor, Alishan, Opp. Dr. Vallu's Hospital, Stadium Road, Navrangpura,
Post Navjivan, Ahmedabad - 380 014. Telephone (M) 9824082390

Annexure to the Independent Auditor's Report

Re: **ET Elec-Trans Limited**

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

- (i) The Company does not have any fixed assets, hence paragraph 3(i) of the Order are not applicable.
- (ii) The Company does not hold any inventory or securities as stock in trade, hence paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to me and based on the records of the Company examined by me, the Company has not granted any loans, guarantees and securities or made any investments covered under Section 185 and 186 of the Act. Accordingly, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to me, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to me and based on the records of the Company examined by me, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales tax, service tax, duty of customs, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities in India;

According to the information and explanations given to me, no undisputed amounts payable in respect of income-tax, service tax, duty of customs, value added tax, cess and any other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except (1) Professional tax of Rs. 6,185/- (2) Value Addition tax of Rs. 71,204/-; As informed, the Company is currently not liable to provident fund, employees' state insurance and duty of excise.



- (b) According to the information and explanations given to me and based on the records of the Company examined by me, there are no dues outstanding of income-tax, sales tax, service tax, duty of customs and value added tax on account of any dispute. As informed, the Company is currently not liable to duty of excise.
- (viii) The Company has not borrowed funds from financial institutions, banks, governments or debenture holders hence paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, the provision of paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of my examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, I have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of my audit nor have I been informed of any such instance by the Management.
- (xi) According to the information and explanations given to me and based on the records of the Company examined by me, the Company has not paid or provided managerial remuneration under section 197 of the Act. Hence, the provision of paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a Nidhi company. Hence, paragraph 3(xii) of the Order is not applicable
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the records of the Company examined in course of my audit and as per the information and explanations given to me, the Company has not entered in any non-cash transactions with directors or persons connected with them. Hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.



Reasons to be stated for unfavourable or qualified answers:

- (i) Regarding para 7(a) for undisputed dues remains outstanding for a period of more than six months from the dates they became payable as on 31st March, 2018, the company has no enough liquid resources to pay off the same. I am informed by the management that the company is in the process of paying of the same at earliest.
- (ii) The company has an accumulated loss which exceeds 50% of its net worth. The company has stopped it's commercial activities.

Place: Ahmedabad
Date: 21/05/2018

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



Ashok B. Shah

(Ashok B. Shah)
Proprietor
Membership No. 106874

**ASHOK BHOGILAL & CO.
CHARTERED ACCOUNTANTS**

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

Annexure to the Independent Auditor's Report

Re: Et Elec-Trans Limited

Annexure B referred to in paragraph 2(f) of My Report of even date to the members of the Company on the standalone Financial Statements for the year ended March 31, 2018

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

I have audited the internal financial controls over financial reporting of the Et Elec-Trans Limited ('the Company') as of March 31, 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Ahmedabad
Date: 21/05/2018

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



Ashok B. Shah

(Ashok B. Shah)
Proprietor
Membership No. 106874

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Balance Sheet as at March 31, 2018

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
		Audited	Audited	Audited
(1)	(2)	(3)	(4)	(5)
I ASSETS				
(1) Non-Current Assets				
Property, Plant and Equipment		-	-	-
Capital Work-in-Progress		-	-	-
Financial Assets:				
Other Financial Assets	1	36,707	36,707	36,707
Total Non-Current Assets		36,707	36,707	36,707
(2) Current Assets				
Financial Assets:				
Cash and Cash Equivalents	2	5,859	5,859	6,089
Other Current Assets		-	-	-
Total Current Assets		5,859	5,859	6,089
TOTAL ASSETS		42,566	42,566	42,796
I EQUITY AND LIABILITIES				
(1) Equity				
Equity Share Capital	3	9,000,000	9,000,000	9,000,000
Other Equity	4	(14,724,902)	(14,721,902)	(14,698,272)
		(5,724,902)	(5,721,902)	(5,698,272)
(2) Liabilities				
Non-Current Liabilities				
Financial Liabilities:				
Borrowings	5	5,339,048	5,336,048	5,312,648
Other Financial Liabilities	6	351,031	351,031	351,031
Total Non-Current Liabilities		5,690,079	5,687,079	5,663,679
Current Liabilities				
Financial Liabilities:				
Trade Payables		-	-	-
Other Current Liabilities	7	77,389	77,389	77,389
Current Tax Liabilities		-	-	-
Total Current Liabilities		77,389	77,389	77,389
TOTAL EQUITY AND LIABILITIES		42,566	42,566	42,796

The accompanying notes referred to above form an integral part of the Financial Statements.

In terms of our report attached.

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

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

For and on behalf of the Board

Siddharth Bhandari
Siddharth Bhandari
DIN: 01404674

Avinash Bhandari
Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 21/05/2018



Place: Ahmedabad
Date: 21/05/2018

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Statement of Profit and Loss for the year ended March 31, 2018

(Amount in Rupees)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
		Audited	Audited
(1)	(2)	(3)	(4)
REVENUE:			
Revenue from Operations		-	-
Other Income		-	-
TOTAL INCOME (I)		-	-
EXPENSES:			
Depreciation and Amortisation expenses		-	-
Other Expenses	8	3 000	23 630
TOTAL EXPENSES (II)		3 000	23 630
Profit before Tax Expenses (I)-(II)		(3 000)	(23 630)
Tax Expense:			
Current Tax		-	-
Earlier Year Tax		-	-
Total Tax Expenses		-	-
Profit for the Year (III)		(3 000)	(23 630)
Other Comprehensive Income			
Item that will be reclassified to Profit and Loss		-	-
Item that will not be reclassified to Profit and Loss		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		(3 000)	(23 630)
Earnings per Equity share (Face value of `10 each)	9		
Basic (In `)		(0.0033)	(0.0263)
Diluted (In `)		(0.0033)	(0.0263)

In terms of our report attached.

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

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

For and on behalf of the Board

Siddharth Bhandari
Siddharth Bhandari
DIN: 01404674

Avinash Bhandari
Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 22/05/2018

Place: Ahmedabad
Date: 22/05/2018



ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Statement of Change in Equity as at March 31, 2018**A. Equity Share Capital**

As at March 31, 2018

(Amount in Rupees)

Balance as at April 01, 2017	Changes in Equity Share capital during the period	Balance as at March 31, 2018
9,000,000	-	9,000,000

As at March 31, 2017

(Amount in Rupees)

Balance as at April 01, 2016	Changes in Equity Share capital during the period	Balance as at March 31, 2017
9,000,000	-	9,000,000

As at April 01, 2016

(Amount in Rupees)

Balance as at April 01, 2015	Changes in Equity Share capital during the period	Balance as at April 01, 2016
9,000,000	-	9,000,000

B. Other Equity

For the period ended March 31, 2018

(Amount in Rupees)

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

For the period ended March 31, 2017

(Amount in Rupees)

Particulars	Reverse & Surplus			Total Other Equity
	General Reserve	Ind AS Translation Reserve	Retained Earnings	
Balance as at April 01, 2016	-	-	(14,698,272)	(14,698,272)
Profit / (Loss) for the period	-	-	(23,630)	(23,630)
Total Comprehensive Income/(loss) for the period	-	-	(23,630)	(23,630)
Dividends (Includes Dividend Distribution Tax)	-	-	-	-
Balance as at March 31, 2017	-	-	(14,721,902)	(14,721,902)

Balance as at April 01, 2016

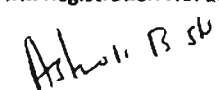
(Amount in Rupees)

Particulars	Reverse & Surplus			Total Other Equity
	General Reserve	Ind AS Translation Reserve	Retained Earnings	
Balance as at April 01, 2016	-	-	(14,698,272)	(14,698,272)

For Ashok Bhogilal & Co.

Chartered Accountants

Firm Registration No: 119508W



(Ashok B. Shah)

Proprietor

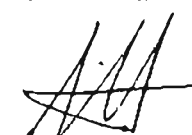
Membership No:106874

Place: Ahmedabad

Date: 21/05/2018

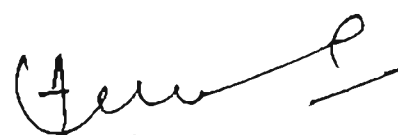


For and on behalf of the Board


 Siddharth Bhandari
 DIN: 01404674

Place: Ahmedabad

Date: 21/05/2018


 Avinash Bhandari
 DIN: 00058986

ET ELEC-TRANS LIMITED

CIN U34102GJ2008PLC055557

Cash Flow Statement for the year ended on March 31, 2018

(Amount in Rupees)

Particulars	Year ended on March 31, 2018	Year ended on March 31, 2017
(1)	(2)	(3)
(A) Cash flow from operating activities		
Profit (Loss) before Tax	(3 000)	(23 630)
Adjustments for:		
Interest Income	-	-
Depreciation and amortisation	-	-
Operating Profit before Working Capital Changes	(3 000)	(23 630)
Movement in working Capital:		
Decrease/(Increase) in Financial & other current assets	-	-
Increase/(Decrease) in Financial and other liabilities	3 000	23 400
Cash Generated from Operation	-	(230)
Direct Taxes Paid	-	-
Cash generated/ (used) from/ (in) operating activities (A)	-	(230)
(B) Cash Flow from Investing activities		
Sale of fixed assets	-	-
Redemption / (Investment) in Bank Deposits	-	-
Interest Received	-	-
Net cash used in Investing activities (B)	-	-
(C) Cash Flow from financing activities		
Interest Paid	-	-
Cash generated / (Used) from / (in) financing activities (C)	-	-
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	-	(230)
Cash and cash equivalents at beginning of the year	5 859	6 089
Cash and cash equivalents at end of the year	5 859	5 859
Cash & Bank Balance as per Note No.2	5 859	5 859

Notes:

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

In terms of our report attached.

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


(Ashok B. Shah)
Proprietor
Membership No:106874

For and on behalf of the Board


Siddharth Bhandari
DIN: 01404674


Avinash Bhandari
DIN: 00058986

Place: Ahmedabad
Date: 21/05/2018



Place: Ahmedabad
Date: 21/05/2018

Note 1 Significant Accounting Policies

1.1 Basis of accounting and preparation of Financial Statements :

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

For all period upto and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the requirement of Indian GAAP. i.e. comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended 31st March 2018 are the Company's first financial statements under Ind AS and the same are prepared in accordance with Ind AS 101 on 'First-time adoption of Indian Accounting Standards'.

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

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

An asset is treated as current when it is:

- > Expected to be realised or intended to be sold or consumed in the normal operating cycle
- > Held primarily for the purpose of trading
- > Expected to be realised within twelve months after the reporting period or
- > Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- > it is expected to be settled in the normal operating cycle;
- > it is held primarily for the purpose of trading;
- > it is due to be settle within twelve months after the reporting period or;
- > There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non current.

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

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

1.3 Accounting Presumption

During the year the company has not carried out any business or commercial activity. The accounts have been prepared on the accounting assumption that the company is no more a going concern. During the year the company has a cash loss of Rs. 3,000/- and accumulated losses of Rs. 1,47,24,902/- which has fully eroded the net worth of the company.

1.4 IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

1.5 BORROWING COSTS:

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



ET ELEC-TRANS LIMITED

Note 1 Significant Accounting Policies

1.6 REVENUE:

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

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

i) Sale of Goods

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

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

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

1.7 TAXES:

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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



ET ELEC-TRANS LIMITED

Note 1 Significant Accounting Policies

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

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

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

1.8 PROVISIONS:

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

1.9 EARNINGS PER SHARE

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

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

1.10 CASH AND CASH EQUIVALENT:

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



ET ELEC-TRANS LIMITED

Note 20: First Time Ind As adoption reconciliation

These financial statements, for the year ended 31 March 2018, are the first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company opening balance sheet was prepared as at 1 April 2016, the company date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Effect of Ind AS Adoption on the balance sheet as at 31st March 2017 and 1st April 2016

Sr No		Particular	As at 31st March 2017			As at 1st April 2016		
			Previous GAAP	Effect of Transition to IND AS	Ind As	Previous GAAP	Effect of Transition to IND AS	Ind As
Non Current Assets								
a	Property, Plant and Equipment	-	-	-	-	-	-	
b	Capital Work-in-Progress	-	-	-	-	-	-	
c	Financial Assets:Other Financial Assets	36,707	-	36,707	36,707	-	36,707	
Total Non Current Assets		36,707	-	36,707	36,707	-	36,707	
Current Assets								
a	Financial Assets:Cash and Cash Equivalents	5,859	-	5,859	6,089	-	6,089	
b	Other Current Assets	-	-	-	-	-	-	
Total Current Assets		5,859	-	5,859	6,089	-	6,089	
Total Assets		42,566	-	42,566	42,796	-	42,796	
Equity								
a	Equity Share Capital	9,000,000	-	9,000,000	9,000,000	-	9,000,000	
b	Other Equity	(14,721,902)	-	(14,721,902)	(14,698,272)	-	(14,698,272)	
Total Equity		(5,721,902)	-	(5,721,902)	(5,698,272)	-	(5,698,272)	
Non Current Liabilities								
a	Financial Liabilities - Borrowings	5,336,048	-	5,336,048	5,312,648	-	5,312,648	
b	Other FinancialLiabilities	351,031	-	351,031	351,031	-	351,031	
c	Other Current Liabilities	77,389	-	77,389	77,389	-	77,389	
Total Current Liabilities		5,764,468	-	5,764,468	5,741,068	-	5,741,068	
Total Equity and Liabilities		42,566	-	42,566	42,796	-	42,796	



ET ELEC-TRANS LIMITED

Effect of Ind AS Adoption on the Statement of Profit and Loss for the Year ended 31st March 2017

Sr No	Particular	As at 31st March 2017			As at 1st April 2016		
		Previous GAAP	Effect of Transition to IND AS	Ind As	Previous GAAP	Effect of Transition to IND AS	Ind As
a	Revenue from Operations	-	-	-	-	-	-
b	Other Income	-	-	-	26	-	26
	Total Income (A)	-	-	-	26	-	26
	Expenses						
a	Depreciation and Amortisation expenses	-	-	-	-	-	-
b	Other Expenses	23,630	-	23,630	9,115	-	9,115
	Total Expenses (B)	23,630	-	23,630	9,115	-	9,115
	Profit Before Tax (A-B)	(23,630)	-	(23,630)	(9,089)	-	(9,089)
	Tax Expense						
c	Current year Tax	-	-	-	-	-	-
	Earlier year tax	-	-	-	-	-	-
	Net Tax Expense	-	-	-	-	-	-
	Profit for the Year	(23,630)	-	(23,630)	(9,089)	-	(9,089)
	Other Comprehensive Income						
(i)	Items that will not be reclassified to Profit and Loss	-	-	-	-	-	-
(ii)	Items that will be reclassified to Profit and Loss	-	-	-	-	-	-
	Total Other Comprehensive Income for the Period	-	-	-	-	-	-
	Total Comprehensive Income for the Period	(23,630)	-	(23,630)	(9,089)	-	(9,089)



ET ELEC-TRANS LIMITED

Reconciliation of total equity as at 31st March 2017 and 1st April 2016

Sr No	Particular	As at 31st March 2017	As at 1st April 2016
	Total Equity (shareholders' Fund) under Previous GAAP	(5,721,902)	(5,698,272)
	Total Adjustment to Equity	-	-
	Total Equity Under Ind AS	(5,721,902)	(5,698,272)

Reconciliation of Total Comprehensive Income for the Year ended 31st March 2017

Sr No	Particular	As at 31st March 2017	As at 1st April 2016
	Profit as per Previous GAAP	(23,630)	(9,089)
	Adjustment	-	-
	Total Effect of Transition to Ind AS	-	-
	Profit for the Year as per IND AS	(23,630)	(9,089)
	Other Comprehensive Income for the Year (Net of Tax)	-	-
	Total Comprehensive Income under Ind AS	(23,630)	(9,089)

Reconciliation of Total Comprehensive Income for the year ended 31st March 2017

Particular	As at 31st March 2017		
	Previous GAAP	Effect of Transition to IND AS	Ind As
Net Cash Flows from Operating activities	(230)	-	(230)
Net Cash Flows from Investment activities	-	-	-
Net Cash Flows from Financing activities	-	-	-
Net Increase in Cash and Cash Equivalents	(230)	-	(230)
Cash and Cash Equivalent at the beginning of the period	6,089	-	6,089
Cash and Cash Equivalent at the end of the period	5,859	-	5,859



ET ELEC-TRANS LIMITED

Notes to Financial Statements

1 Other Financial Assets:

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Sundry Deposits	36 707	36 707	36 707
	Total	36 707	36 707	36 707
	Current	-	-	-
	Non Current	36 707	36 707	36 707
	Total	36 707	36 707	36 707

2 Cash & Cash Equivalent:

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Balance with Banks (Current Accounts)	5 859	5 859	6 089
(b)	Cash on Hand	-	-	-
	Total	5 859	5 859	6 089

3 Equity Share Capital

(Amount in Rupees)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised						
Equity Shares of ` 10/- each	10 00 000	1 00 00 000	10 00 000	1 00 00 000	10 00 000	1 00 00 000
Issued, Subscribed and fully Paid Up						
Equity Shares of ` 10/- each	9 00 000	90 00 000	9 00 000	90 00 000	9 00 000	90 00 000

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

(Amount in Rupees)

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

B Shares held by Holding Company

Electrotherm (India) Limited	7 24 400	72 44 000	7 24 400	72 44 000	7 24 400	72 44 000
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C List of Shareholders holding more than 5% of Paid-up Equity Share Capital

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

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

4 Other Equity

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Retained Earning			
	Opening Balance	(1 47 21 902)	(1 46 98 272)	(1 46 89 183)
	Addition during the year	(3 000)	(23 630)	(9 089)
	Deduction during the year	-	-	-
	Closing Balance	(1 47 24 902)	(1 47 21 902)	(1 46 98 272)



ET ELEC-TRANS LIMITED

Notes to Financial Statements

5 Borrowings

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Non Current Borrowings			
(a)	From Holding Company	51 29 808	51 29 808	51 29 808
(b)	From Directors	2 09 240	2 06 240	1 82 840
	Total	53 39 048	53 36 048	53 12 648
	Aggregate Secured Loan	-	-	-
	Aggregate Unsecured Loan	53 39 048	53 36 048	53 12 648

6 Other Financial Liabilities

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Non Current Liabilities			
(a)	Creditors for Expenses	3 24 945	3 24 945	3 24 945
(b)	Other Trade Deposits	26 086	26 086	26 086
	Total	3 51 031	3 51 031	3 51 031

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

7 Other Current Liabilities

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Statutory Liabilities	77 389	77 389	77 389
	Total	77 389	77 389	77 389

8 Other Expenses

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	Bank Charges and Commission	-	230
(b)	ROC Filing Fees	3 000	23 400
	Total	3 000	23 630

9 Earning Per Share (EPS):

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

(Amount in Rupees)

Particulars	Unit	As at March 31, 2018	As at March 31, 2017
Net Profit /(Loss) as per Statement of Profit & Loss		(3 000)	23 630
Weighted average of number of equity shares outstanding	No.		
Basic		9 00 000	9 00 000
Diluted		9 00 000	9 00 000
Profit/(Loss) per share of face value of Rs. 10 Each			
Basic		{0.0033}	{0.0263}
Diluted		{0.0033}	{0.0263}



10 Segment Reporting:

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

ET ELEC-TRANS LIMITED

Notes to Financial Statements

11 Related Party Disclosures:

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

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

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

(b) Key Management Personnel

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

(c) Details of Transactions with Related Parties during the Period and balances outstanding as at March 31, 2018:

(A) Transactions with related parties during the Year

(Amount in Rupees)

Sr. No.	Particulars	Holding Company		Key Managerial Person	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Borrowings (Reimbursement of ROC filing fees):- Siddharth Mukeshbhai Bhandari			3 000	23,400

(B) Balance outstanding

(Amount in Rupees)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i)	Holding Company Electrotherm (India) Limited	51 29 808	51 29 808	51 29 808
(ii)	Key Managerial Person - Siddharth Mukeshbhai Bhandari	2 09 240	2 06 240	1 82 840

12 Deferred Tax Adjustment

In accordance with Indian Accounting Standard 12 “Income Taxes”, the Company has no deferred tax assets as there is no certainty of its realization in near future.

13 Figures of the previous year are regrouped where necessary.

As per our report of even date attached

For Ashok Bhogilal & Co.

Chartered Accountants

Firm Registration No: 119508W

Ashok B. Shah

(Ashok B. Shah)

Proprietor

Membership No:106874

For and on behalf of the Board

Siddharth Bhandari

Siddharth Bhandari

DIN: 01404674

Avinash Bhandari

Avinash Bhandari

DIN: 00058986

Place: Ahmedabad

Date: 27/05/2018



Place: Ahmedabad

Date: 27/05/2018

SHREE HANS PAPERS LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR
2017-2018**



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
SHREE HANS PAPERS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SHREE HANS PAPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

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

Auditor's Responsibility

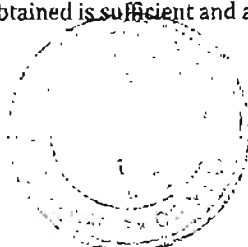
Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statement.



Opinion

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 its Loss (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls refers to our separate report in **Annexure-B**

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

(i) There are no pending litigation and accordingly no impact of it in its financial statements is required to be shown.

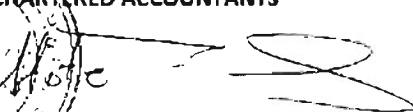
(ii) There are no long term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same; and

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

(iv) The reporting on disclosures relating to the Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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



HITESH P SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

ANNEXURE A TO THE AUDITOR'S REPORT

[ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SHREE HANS PAPERS LIMITED, FOR THE YEAR ENDED ON 31ST MARCH, 2018]

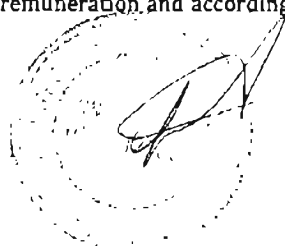
- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

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

(c) The title of immovable properties (except advances), as disclosed in Note No. of 3- 'Property, plant and equipment, are held in the name of the company.
- ii. The Company does not have any inventory and accordingly paragraph 3(ii) of the Order is not applicable.
- iii. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly the para (iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it during the year.
- v. During the year the company has not accepted any deposit from public (other than the exempted deposit) within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified and accordingly Clause 3(v) of the Order is not applicable.
- vi. Pursuant to rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its product.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, Income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.

Further no undisputed amounts payable in respect of above dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

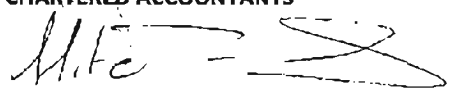
(b) On the basis of information furnished to us, there are no dues in respect of Income Tax, Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess etc.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken loans or borrowings from financial institution and banks as at the balance sheet date, accordingly provisions of Clause 3(viii) of the Order is not applicable.
- ix. In our opinion, and according to the information and explanations given to us, during the year, company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/provided for managerial remuneration and accordingly Clause 3(xi) of the Order is not applicable.

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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it and therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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


HITESH P SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) of the Independent Auditor's Report of the even date to the members of **SHREE HANS PAPERS LIMITED** on the Financial Statement for the year ended **March 31, 2018**.

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on 31st March, 2018.

We have audited the internal financial controls over financial reporting of **SHREE HANS PAPERS LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

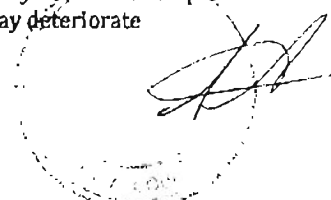
(1) Pertaining to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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

HITESH P SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

Notes to Financial Statements of SHREE HANS PAPER LIMITED for the year ended 31st March, 2018

1. CORPORATE INFORMATION:

Shree Hans Paper Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Registered office of the Company is located at A-1, Skylark Appartment, Satellite Road, Satellite, Ahmedabad, Gujarat. At the present the company does not business.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 21st May 2018.

2. BASIS OF PREPARATION:

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

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the Company has prepared in accordance with Ind AS.

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

The financial statements are presented in Indian Rupees

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

b. FAIR VALUE MEASUREMENT:

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

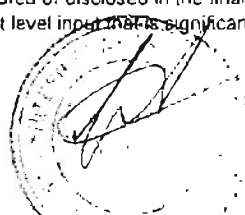
The principal or the most advantageous market must be accessible by the Company.

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

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

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

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



Notes to Financial Statements of SHREE HANS PAPER LIMITED

for the year ended 31st March, 2018

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

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

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

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

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

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

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

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

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

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

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

c. PROPERTY, PLANT AND EQUIPMENT (PPE):

On the date of transition the Company has elected to continue with the previous GAAP's carrying amount as deemed cost to measure all the items of property, plant and equipment.

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

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

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

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

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

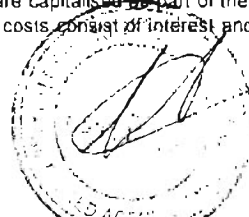
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset)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

d. IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

e. BORROWING COSTS:

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



Notes to Financial Statements of SHREE PANS PAPER LIMITED for the year ended 31st March, 2018

f. FINANCIAL INSTRUMENTS:

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)
- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

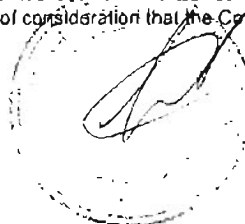
Derecognition

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

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

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

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

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Notes to Financial Statements of SHREE HANS PAPER LIMITED for the year ended 31st March, 2018

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

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

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

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

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

Financial assets measured at amortised cost

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through Statement of Profit and Loss

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

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

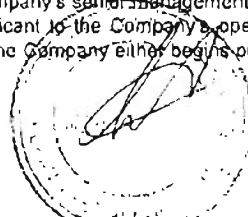
Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes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

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant



Notes to Financial Statements of SHREE HANS PAPER LIMITED for the year ended 31st March, 2018

to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

g. PROVISIONS:

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

h. EARNINGS PER SHARE

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

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

i. CASH AND CASH EQUIVALENT:

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

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

j. CASH DIVIDEND

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

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

Estimates and assumptions

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

(a) Defined benefit plans (gratuity benefits)

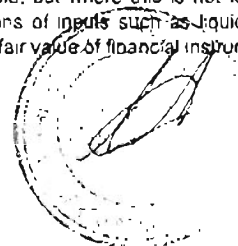
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate,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

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

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

(b) Fair value measurement for financial instruments

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



Shree Hans Papers Limited

Balance Sheet as at 31st March 2018

(Amount In Rupees)

Particulars	Notes	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,892,654	2,892,654	2,892,654
Financial assets	4	6,888,274	6,888,274	6,888,274
Investments				
Total non-current assets		9,780,928	9,780,928	9,780,928
Current assets				
Financial assets				
Cash and cash equivalents	5	137,551	137,551	137,551
Other Financial Assets	4	-	143,256	160,308
Total current assets		137,551	280,807	297,857
Total Assets		9,918,479	10,061,735	10,078,785
EQUITY AND LIABILITIES				
Equity				
Equity share capital	6	3,500,000	3,500,000	3,500,000
Other equity				
Retained earnings	7	-35,378,015	-35,213,015	-35,195,940
Total other equity		-35,378,015	-35,213,015	-35,195,940
Total equity		-31,878,015	-31,713,015	-31,695,940
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	8	41,769,000	41,769,000	41,769,000
Total non-current liabilities		41,769,000	41,769,000	41,769,000
Current liabilities				
Financial liabilities				
Trade payables	9	5,900	5,750	5,725
Other financial liabilities	10	21,594	-	-
Total current liabilities		27,494	5,750	5,725
Total Equity and Liabilities		9,918,479	10,061,735	10,078,785
Summary of significant accounting policies	2.1			
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For HITESH PRAKASH SHAH & CO

Chartered Accountants

ICAI Firm Registration No. 127614W

HITESH P. SHAH

Proprietor

Membership No. 124095

Place : Ahmedabad

Date : 21st May 2018

For Shree Hans Papers Limited

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Palodia

Date : 21st May 2018

Shree Hans Papers Limited

Statement of Profit and Loss for the Year Ended on 31st March 2018

(Amount In Rupees)

Particulars	Notes	Year Ended 31-03-2018	Year Ended 31-03-2017
Revenue from operations		-	-
Other income		-	-
Total income		-	-
Expenses			
Cost of raw materials and components consumed		-	-
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Excise duty on sales		-	-
Employee benefits expenses		-	-
Finance costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	11	165,000	17,075
Total expenses		165,000	17,075
Profit/(Loss) before exceptional items and tax		-165,000	-17,075
Exceptional items		-	-
Profit/(Loss) before tax		-165,000	-17,075
Tax expense		-	-
Profit/(Loss) for the year		-165,000	-17,075
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(Loss) for the year, net of tax		-165,000	-17,075
Earnings per equity share (nominal value per share Rs 10/- (March 31, 2017: Rs 10/-))	16	-0.47	-0.05
Basic & Diluted	2.1		
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For HITESH PRAKASH SHAH & CO

Chartered Accountants

ICAI Firm Registration No: 127614W

HITESH P. SHAH
Proprietor
Membership No. 124095

Place : Ahmedabad
Date : 21st May 2018

For Shree Hans Papers Limited

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Palodia
Date : 21st May 2018

Shree Hans Papers Limited

Cash Flow Statement for the Year Ended on 31st March 2018

(Amount In Rupees)

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(165,000)	(17,075)
Adjustments to reconcile profit before tax to net cash flows:	-	-
Operating Profit before working capital changes	(165,000)	(17,075)
Working capital adjustments:		
Decrease/(Increase) in other Financial Asset	143,256	17,050
(Decrease)/Increase in trade payables	150	-
(Decrease)/Increase in Other Financial Liabilities	21,594	-
Cash generated from operations	-	(25)
Direct taxes paid (net)	-	-
Net Cash (used in) generated from operating activities	-	(25)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash (used in) generated from investing activities	-	-
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash (used in) generated from financing activities	-	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	-	-
Effect of Exchange difference on Cash and Cash equivalents held in foreign currency	-	-
Cash and Cash Equivalents at the beginning of the year	137,551	137,551
Cash and Cash Equivalents at the end of the year	137,551	137,551

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

As per our report of even date

For HITESH PRAKASH SHAH & CO

Chartered Accountants

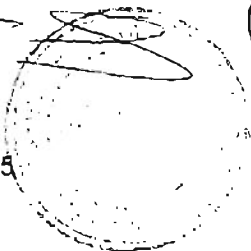
ICAI Firm Registration No: 127814W

Hitesh

HITESH P. SHAH

Proprietor

Membership No. 124095



For Shree Hans Papers Limited

Shrailesh Bhandari

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Ahmedabad

Date : 21st May 2018

Place : Palodia

Date : 21st May 2018

Shree Hans Papers Limited

Statement of Change in Equity for the year ended 31st March 2018

A. Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid	Numbers	(Amount In Rupees)
As at 1 st April, 2016	350,000	3,500,000
Issue of Equity Share Capital	-	-
As at 31 st March, 2017	350,000	3,500,000
Issue of Equity Share Capital	-	-
As at 31st March, 2018	350,000	3,500,000

B. Other Equity

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 1 st April, 2016	-35,195,940	-35,195,940
Profit/ (Loss) for the year	-17,075	-17,075
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-
Total Comprehensive Income/(Loss)	-17,075	-17,075
As at 31st March, 2017	-35,213,015	-35,213,015
Profit/ (Loss) for the year	-165,000	-165,000
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-
Total Comprehensive Income/(Loss)	-165,000	-165,000
As at 31st March, 2018	-35,378,015	-35,378,015

As per our report of even date

For HITESH PRAKASH SHAH & CO

Chartered Accountants

ICAI Firm Registration No: 127614W

HITESH P. SHAH

Proprietor

Membership No. 124095

Place : Ahmedabad

Date : 21st May 2018

For Shree Hans Papers Limited

SHAILESH BHANDARI

Director

Place : Palodia

Date : 21st May 2018

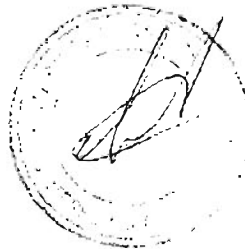
AVINASH BHANDARI

Director

Shree Hans Papers Limited**Notes to Financial Statements for the Year ended 31st March, 2018****Note No.-3 Property, Plant and Equipment, Intangible Assets and Capital work-in-progress****(a) Property, Plant and Equipment**

(Amount In Rupees)

Particulars	Free Hold Land	Total
Cost		
As at 1st April, 2016	2,892,654	2,892,654
Additions	-	-
Deductions / Capitalisation	-	-
As at 31st March, 2017	2,892,654	2,892,654
Additions	-	-
Deductions / Capitalisation	-	-
As at 31st March, 2018	2,892,654	2,892,654
Depreciation/Amortization and Impairment		
As at 1st April, 2016	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31st March, 2017	-	-
Depreciation/Amortization for the year	-	-
Deductions	-	-
As at 31st March, 2018	-	-
Net Block		
As at 31st March, 2018	2,892,654	2,892,654
As at 31 st March, 2017	2,892,654	2,892,654
As at 1 st April, 2016	2,892,654	2,892,654



Shree Hans Papers Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

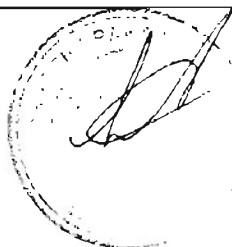
Note No.	Particulars	(Amount in Rupees)		
		As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
4	Financial Assets			
	Investments			
	Non-Trade Investments			
	Investment in Unquoted Equity Shares of Subsidiary of Holding Company (at Cost)			
	40,950 (on 31st March 2017 - 40,950, on 01 April 2016 - 40,950) Equity Shares of face value of Rs. 100/- Each of Shree Ram Electrocast Limited *	41,769,000	41,769,000	41,769,000
	Less: Provision for impairment in value of Investment	-34,880,726	-34,880,726	-34,880,726
		6,888,274	6,888,274	6,888,274
	Current	-	-	-
	Non-Current	6,888,274	6,888,274	6,888,274
		6,888,274	6,888,274	6,888,274
	Aggregate book value of Unquoted Investments	41,769,000	41,769,000	41,769,000
		41,769,000	41,769,000	41,769,000
	Other Financial Assets (Unsecured, Considered Good)			
	Due to Subsidiary of Holding Company	-	143,256	160,306
		-	143,256	160,306
	Current	-	143,256	160,306
	Non-Current	-	-	-
		-	143,256	160,306

* Investment were tested for impairment on 1st April 2018, where indicators of impairment existed. Based on an assessment of external market conditions and evaluation of working of the company, indicators of impairment were identified. As at 1st April 2016, the Company recognised impairment charge of Rs. 3,45,80,726 /-.

Note No.	Particulars	(Amount in Rupees)		
		As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
5	Cash and Cash Equivalents			
	Balances with Banks	137,551	14,775	14,775
	- In Current accounts	-	122,776	122,776
	Cash in Hand	137,551	137,551	137,551

8

Equity Share Capital Authorised Share Capital		EQUITY SHARES		
		Numbers	(Amount in Rupees)	
As at 1 st April, 2018		2,000,000	20,000,000	
Increase/(decrease) during the year		-	-	
As at 31 st March, 2017		2,000,000	20,000,000	
Increase/(decrease) during the year		-	-	
As at 31 st March, 2018		2,000,000	20,000,000	
Rights, preference and restriction attached to Equity Shares				
-The company has only one class of equity shares having a face value of Rs. 10/- per share.				
-Each holder of equity shares is entitled to one vote per share				
-The company declares and pay dividends in Indian rupees.				
-The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting.				
-During the year ended 31 March 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs Nil (31 March 2017, Rs Nil).				
-In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Issued Share Capital				
Equity shares of Rs. 10 each issued, subscribed and fully paid				
		Numbers	(Amount in Rupees)	
As at 1 st April, 2016		350,000	3,500,000	
Increase/(decrease) during the year		-	-	
As at 31 st March, 2017		350,000	3,500,000	
Increase/(decrease) during the year		-	-	
As at 31 st March, 2018		350,000	3,500,000	
Details of Shareholders holding more than 5% Equity Shares in the Company				
Name of the Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% held	No. of Shares	% held
Holding Company-Electrotherm (India) Limited	350,000	100.00%	350,000	100.00%
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.				



Shree Hans Papers Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

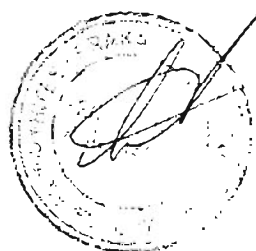
			(Amount In Rupees)
Note No.	Particulars		As at 31st March
7	Other Equity Retain Earning		
	As at 1 st April, 2016		-3,51,85,940
	Increase/(decrease) during the year		-17,075
	As at 31 st March, 2017		-3,52,13,015
	Increase/(decrease) during the year		-1,65,000
	As at 31 st March, 2018		-3,53,78,015

					(Amount In Rupees)
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	
8	Borrowings (Unsecured)				
	Long term Borrowing from Body Corporate				
	- Holding Company	4,17,69,000	4,17,69,000	4,17,69,000	
	Total Borrowings	4,17,69,000	4,17,69,000	4,17,69,000	
	Current	-	-	-	
	Non-Current	4,17,69,000	4,17,69,000	4,17,69,000	
		4,17,69,000	4,17,69,000	4,17,69,000	

					(Amount In Rupees)
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	
9	Trade Payables				
	Dues to Micro, Small and Medium Enterprises		-	-	
	Dues to Others	5,900	5,750	5,725	
		5,900	5,750	5,725	
	There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2008, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.				

					(Amount In Rupees)
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	
10	Other Current Financial Liabilities				
	Due to Subsidiary of the Holding Company	21,594	-	-	
		21,594	-	-	

				(Amount In Rupees)
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017	
11	Other Expense			
	Legal & Consultancy Charges	1,59,100	9,000	
	Auditors' Remuneration (Refer note-a)	5,900	8,075	
		1,65,000	17,075	
a)	Payments to Auditor			
	As Auditor:			
	- Audit Fee	5,900	5,775	
		5,900	6,775	
	In other capacity:			
	- Other Services	-	2,300	
		-	2,300	
		5,900	8,075	



12 Employee Benefits Expense

Provision for the Employee Benefits Expenses have not been provided for as there are no employees in the company.

13 COMMITMENTS AND CONTINGENCIES**a) Contingent Liabilities :-**

The company does not have any Contingent Liability.

b) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs Nil (31st March, 2017 Rs Nil, 1st April, 2016 Rs Nil)

14 Segment Information

Operating Segments:

The Company has not commence any business activity and therefore the requirements of Ind AS 108 "Operating Segments" is not required to be reported.

15 Related Party Transaction

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

A Relationships**a Key Management Personnel**

- Mr. Mukesh Bhandari
- Mr. Shallesh Bhandari
- Mr. Avinash Bhandari

b Holding Company

- Electrotherm (India) Limited

c Subsidiary of the Holding Company

- Hans Ispat Limited
- Shree Ram Electrocast Limited

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

Particular	2017-18	2016-17
Repayment / Settlement of Liabilities		
Hans Ispat Limited	184,850	17,050
Closing Balance as on 31st March		
Other Financial Assets / (Other Financial Liabilities)		
Hans Ispat Limited	-21,594	143,256
Investment		
Shree Ram Electrocast Limited (Provision for impairment in value of Investment of Rs 3,48,80,726/- as on 31st March 2017 Rs.3,48,80,726/-)	6,888,274	6,888,274
Borrowings		
Electrotherm (India) Limited	41,789,000	41,789,000

16 EARNING PER SHARE

Particulars	2017-18	2016-17
Profit/(Loss) for the year	(165,000)	(17,075)
Weighted average No. of shares for EPS computation for Basic and Diluted EPS (Nos)	360,000	350,000
Earnings per Share (Basic and Diluted)	-0.47	-0.05
Nominal Value of Shares	10.00	10.00

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

17.1 Category-wise Classification of Financial Instruments:

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

Particulars	Refer Note	As at 31-03-2017		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment *	4	-	8,888,274	6,888,274
Cash and cash equivalents	5	-	137,551	137,551
Loans	4	-	143,258	143,258
Total		-	7,169,081	7,169,081
Financial liabilities				
Borrowings	8	-	41,769,000	41,769,000
Trade payables	9	-	5,750	5,750
Total		-	41,774,750	41,774,750

Particulars	Refer Note	As at 01-04-2016		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investment *	4	-	8,888,274	6,888,274
Cash and cash equivalents	5	-	137,551	137,551
Loans	4	-	160,306	160,306
Total		-	7,186,131	7,186,131
Financial liabilities				
Borrowings	8	-	41,769,000	41,769,000
Trade payables	9	-	5,725	5,725
Total		-	41,774,725	41,774,725

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

17.2 Category-wise Classification of Financial Instruments:

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

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

(b) Financial Instrument measured at Amortised Cost

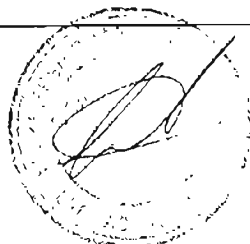
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually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

18 Financial Instruments risk management objectives and policies

The Company's principal financial liabilities includes borrowings, trade payable and Other financial liabilities. The Company's principal financial assets include Investments, Cash and other financial Asset.

The Company's activities are not exposed to any foreign exchange risk.

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



Shree Hans Papers Limited**Notes to Financial Statements for the Year Ended 31st March, 2018****(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Since the Company is not operational, it is not exposed to significant market risk.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities mainly balance with banks. Credit risk arising balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

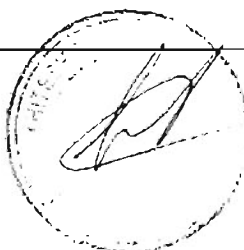
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	(Amount in Rupees)			
	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
As at 31st March, 2018				
Interest free borrowings	-	-	41,769,000	41,769,000
Trade payables	5,900	-	-	5,900
Other financial liabilities	21,694	-	-	21,694
As at 31st March, 2017				
Interest free borrowings	-	-	41,769,000	41,769,000
Trade payables	5,750	-	-	5,750
As at 01st April 2016				
Interest free borrowings	-	-	41,769,000	41,769,000
Trade payables	5,725	-	-	5,725

19 Capital Management

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

As at 31st March, 2018, the Company meets its capital requirement through equity and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements.



Shree Hans Papers Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

20 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS ("Ind AS")

These financial statements, for the year ended 31st March 2018, are the first financial statement the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at 1st April, 2018 and the financial statements as at and for the year ended 31st March, 2017.

Exemptions applied

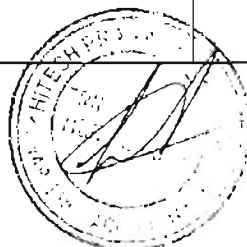
Ind AS 101 'First-time Adoption of Indian Accounting Standards' allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Property, plant and equipment and intangible assets as recognised in its Indian GAAP financials as deemed cost at the transition date.

b) The Company has elected to measure investments in subsidiaries of the holding company as per the statement of financial position prepared in accordance with previous GAAP as a deemed cost at the date of transition as per exemption available under Ind AS 101.

(i) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Particular	Foot Note	Year Ended 31-03-2017 (Reported as per Previous GAAP)	Adjustment due to Ind AS	Year Ended 31-03-2017 (As per Ind AS)
Revenue from operations		-	-	-
Other income		-	-	-
Total income		-	-	-
Expenses				
Cost of raw materials and components consumed		-	-	-
Purchase of stock-in-trade		-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-	-
Excise duty on sales		-	-	-
Employee benefits expense		-	-	-
Finance costs		-	-	-
Depreciation and amortisation expense		-	-	-
Other expenses		17,075	-	17,075
Total expenses		17,075	-	17,075
Profit/(Loss) Before tax and Extraordinary Item		-17,075	-	-17,075
Add Earlier Years Pro-Operative Expenses Written Off	b	283,884	263,894	-
Profit/Loss Before Tax		-280,969	263,894	-17,075
Tax expense				
Current tax		-	-	-
Deferred tax		-	-	-
Total tax expense		-	-	-
Profit/(Loss) for the year		-280,969	263,894	-17,075
Other comprehensive income				
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement loss on defined benefit plans		-	-	-
Income tax effect		-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-	-
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income/(Loss) for the year, net of tax		-280,969	263,894	-17,075



Shree Hans Papers Limited

Notes to Financial Statements for the Year Ended 31st March, 2018

(iii) Reconciliation of Equity

Particulars	Foot Note	As at 31.03.2017	As at 01.04.2018
Net Worth under IGAAP		3,219,031	3,500,000
Impairment of Investment	a	-34,880,726	-34,880,726
Deffer Expenses	b	-51,320	-315,214
Net Worth under Ind AS		-31,713,015	-31,695,940

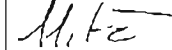
Explanation Notes to the transition from previous GAAP to Ind AS: -

- Investment were tested for impairment on 1st April 2016, where indicators of impairment existed. Based on an assessment of external market conditions and evaluation of working of the company, indicators of impairment were identified. As at 1st April 2016, the Company recognised impairment charge of Rs. 3,48,80,726 /-.
- Under Ind AS the company had to expense out deffer expense balance which was amortized under previous GAAP.

21 Events occurred after the Balance Sheet Date

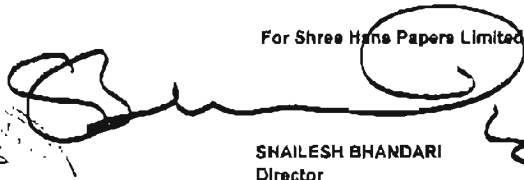
The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 21 May 2018, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

As per our report of even date
For HITESH PRAKASH SHAH & CO
Chartered Accountants
ICAI Firm Registration No: 127814W


HITESH P. SHAH
Proprietor
Membership No. 124095

Place : Ahmedabad
Date : 21st May 2018

For Shree Hans Papers Limited


SHAILESH BHANDARI
Director

Place : Palodia
Date : 21st May 2018


AVINASH BHANDARI
Director

SHREE RAM ELECTRO CAST
LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR
2017-2018



INDEPENDENT AUDITORS REPORT

TO
THE MEMBERS OF
SHREE RAM ELECTRO CAST LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of SHREE RAM ELECTRO CAST LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

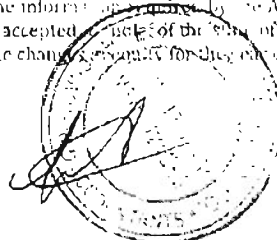
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statement.

Basis of Qualified Opinion

We draw attention to Note No. 31(d) of the accompanying Financial Statement, in respect of non-provision of interest on NPA accounts of bank of Rs. 28,88,86,141/- (aggregating to Rs. 62,17,12,242/- as on date). The extent of impact of the said non-provision of interest are not determined and accounted for by the company. On account of the said non-provision, Finance cost, Net loss for the current year has been under stated by Rs. 28,88,86,141/- and total retained earnings (loss) and Bankers Liability are under stated by Rs. Rs. 62,17,12,242/-.

Opinion

In our opinion and to the best of our information and according to the explanations given to us read with the Basis of Qualified opinion and the notes to accounts, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018 its Loss (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.



Matter of Emphasis

1. We draw attention on Note No. 3, relating to the Auction issued by State Bank of India under SARFAESI Act, 2002 and subsequent action of the sale through auction of the assets of the Company by Bids, affecting the going concern of the Company and the accounting of impairment of the assets.
2. We draw attention on Note No 29(i) relating to third party confirmation.
3. We draw attention on Note No 29(ii) relating to physical verification of stock.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, except otherwise stated, we make a 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 cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2018 (taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls refers to our separate report in Annexure B

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

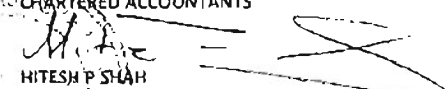
(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements; however attention is drawn the relevant note of the Financial Statements.

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

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

(iv) The reporting on disclosures relating to the Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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

HITESH P SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

[ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SHREE RAM ELECTRO CAST LIMITED, FOR THE YEAR ENDED ON 31ST MARCH, 2018]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The company has a regular programme of physical verification of its fixed assets, by which the fixed assets are verified at regular intervals and during the year under consideration, the fixed assets were not verified during the year. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
(c) The title of immovable properties (except advances), as disclosed in Note No 3 of the Financial Statement under the head of Fixed Assets, is held in the name of the company.
- ii. As informed to us, the physical verification of inventory has been conducted at reasonable intervals by the Management however during the year under consideration, it is not need physically verified by the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act") and accordingly the para (iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it during the year.
- v. As informed to us, during the year the company has not accepted any deposit from public (other than the exempted deposit) within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and accordingly Clause 3(v) of the Order is not applicable.
- vi. As informed to us, the Central Government has prescribed the maintenance of cost records, but as the company is not under operation and has not maintained cost records for the year under consideration, as required under section 148(1) of the Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Pension Fund, Income tax (except as stated in following para (b)), service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases.

Further no undisputed amounts payable in respect of above mentioned dues as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) On the basis of information furnished to us, following are the dues in respect of Income Tax, Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Custom Duty, Value Added Tax, Cess etc except follows:-

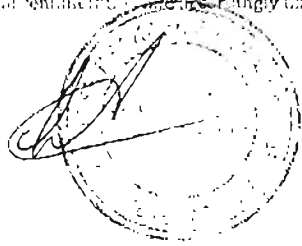
Name of the Statutory Dues	Forum where dispute is pending	Amount (Rs.)
Income Tax Act, 1961	Income Tax Appellate Tribunal	50,73,356/-

It is learnt that the Hon'ble Income Tax Appellate Tribunal has passed the order and "Order Giving Effect of that Income Tax Appellate Tribunal) has not been received by the company and therefore the exact amount is subject to the said order and its accounting in the books of account.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in following repayment of loans or borrowings from financial institutions and banks or Government or dues to debenture holders as at the balance sheet date and the same details are as under:-

Particulars	Nature of Facility	Amount of Default as on 31.03.2018 (Amount in Rs.)			Period of Default
		Principal	Interest	Total	
State Bank of India	Corporate Loan, Working Capital Term Loan (WCCL), Cash Credit Account	82,25,49,416	1,01,92,31,658	1,01,92,31,658	Corporate Loan from Jan, 2012 to March, 2018, WCCL from April, 2012 to March, 2018 and Cash Credit from Dec, 2011 to March, 2018

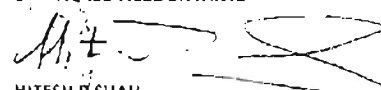
- ix. During the year, company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) and term loan. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/provided for managerial remuneration and accordingly Clause 3(xi) of the Order is not applicable.



- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it and therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 454A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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



HITESH P. SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

ANNEXURE B Referred to in paragraph 2(i) of the Independent Auditor's Report of the even date to the members of **SHREE RAM ELECTRO CAST LIMITED** on the Financial Statement for the year ended **March 31, 2018**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the year ended on 31st March, 2018

We have audited the internal financial controls over financial reporting of **SHREE RAM ELECTRO CAST LIMITED** ("the Company") as of **31st March 2018** in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertaining to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Financial Statements.

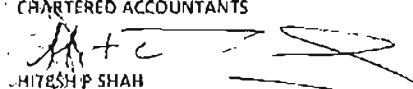
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: AHMEDABAD
DATE: 21st MAY, 2018

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

HITESH P. SHAH
PROPRIETOR
MEMBERSHIP NO. 124095

SHREE RAM ELECTRO CAST LIMITED

Balance Sheet as at 31st March 2018

(Amount In Rupees)

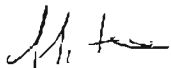
Particulars	Notes	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	218,408,133	221,531,541	225,105,691
Capital work-in-progress	3	14,483,250	14,483,250	14,483,250
Financial assets	4			
Investments		100,000	100,000	100,000
Other financial assets		2,723,998	2,723,998	2,723,998
Other Non-current assets	8	5,607,400	5,607,400	5,607,400
Total non-current assets		241,322,781	244,445,189	248,020,339
Current assets				
Inventories	5	30,901,741	30,901,741	30,901,741
Financial assets				
Trade receivables	6	-	80,209,218	83,815,787
Cash and cash equivalents	7	1,034,204	31,309,915	20,380,463
Other financial assets	4	103,000	109,011	111,355
Other current assets	8	11,084,100	1,457,224	4,004,954
Current Tax Assets	9	3,068,282	3,068,282	3,068,282
Total current assets		46,191,327	147,055,391	142,282,582
Total Assets		287,514,108	391,501,580	390,302,921
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	81,895,000	81,895,000	81,895,000
Other equity	11	(207,416,370)	(198,081,314)	(182,940,769)
Total other equity		(207,416,370)	(198,081,314)	(182,940,769)
Total equity		(125,521,370)	(116,186,314)	(101,045,769)
LIABILITIES				
Non-current liabilities				
Provisions	16	491,278	413,538	289,687
Total non-current liabilities		491,278	413,538	289,687
Current liabilities				
Financial liabilities				
Borrowings	12	252,105,185	346,816,898	330,044,640
Trade payables	13	438,784	454,563	1,089,436
Other financial liabilities	14	159,899,984	159,899,984	159,899,984
Other current liabilities	15	16,503	26,327	24,943
Provisions	16	83,744	76,584	-
Total current liabilities		412,544,200	507,274,356	491,059,003
Total Equity and Liabilities		287,514,108	391,501,580	390,302,921
Summary of significant accounting policies	2.1			
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For Hitesh Prakash Shah & Co.

Chartered Accountants

ICAI Firm Registration No: 127614W


Hitesh P. SHAH

Proprietor

Membership No. 124095

Place : Ahmedabad

Date : 21st May 2018

For Shree Ram Electro Cast Limited


SHAILESH BHANDARI
Director


AVINASH BHANDARI
Director

Place : Palodla

Date : 21st May 2018

SHREE RAM ELECTRO CAST LIMITED

Statement of Profit and Loss for the Year Ended on 31st March 2018

(Amount in Rupees)

Particulars	Notes	Year Ended 31-03-2018	Year Ended 31-03-2017
Discontinuing Operations			
Other income	17	415,503	1,612,975
Total income		415,503	1,612,975
Expenses			
Cost of raw materials and components consumed	18	-	-
Changes in inventories of finished goods, work-in-process and stock-in-trade	19	-	-
Employee benefits expenses	20	2,810,149	2,585,177
Finance costs	21	4,292	31,376
Depreciation and amortisation expenses	3	3,123,408	3,574,150
Other expenses	22	3,812,710	10,562,817
Total expenses		9,750,559	16,753,520
Profit/(Loss) before tax		(9,335,056)	(15,140,545)
Tax expense		-	-
Profit/(Loss) for the year		(9,335,056)	(15,140,545)
Other comprehensive Income/(Loss)			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement loss on defined benefit plans		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income/(Loss) for the year, net of tax		-	-
Total comprehensive income/(Loss) for the year, net of tax		(9,335,056)	(15,140,545)
Earnings per equity share (nominal value per share Rs 100/- (March 31, 2017: Rs 100/-)) Basic & Diluted	23	(11.40)	(18.49)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For Hitesh Prakash Shah & Co.

Chartered Accountants

ICAI Firm Registration No: 127614W

Hitesh

Hitesh P. SHAH

Proprietor

Membership No. 124095

Place : Ahmedabad

Date : 21st May 2018

For Shree Ram Electro Cast Limited

SHAILESH BHANDARI
Director

AVINASH BHANDARI
Director

Place : Palodía

Date : 21st May 2018

SHREE RAM ELECTRO CAST LIMITED

Cash Flow Statement for the Year Ended on 31st March 2018

(Amount In Rupees)

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	(9,335,056)	(15,140,545)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, Plant, Equipment & Amortisation of Assets	3,123,408	3,574,150
(Profit)/Loss on Redemption of units of Mutual Funds	(261,314)	(1,492,403)
Finance Cost	4,292	31,376
Interest Income	(90,381)	(107,022)
Operating Profit before working capital changes	(6,559,051)	(13,134,444)
Working capital adjustments:		
Decrease/(Increase) in trade receivables	-	3,606,569
Decrease/(Increase) in Other current assets	(9,626,876)	2,547,730
Decrease/(Increase) in other current financial assets	6,011	2,345
(Decrease)/Increase in trade payables	(15,779)	(634,873)
(Decrease)/Increase in current liabilities	(9,824)	1,384
Increase in provisions	84,900	200,435
Cash generated from operations	(16,120,619)	(7,410,854)
Direct taxes paid (net)	-	-
Net Cash (used in) generated from operating activities	(16,120,619)	(7,410,854)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Current Investment	(40,000,000)	(55,000,000)
Sales of Current Investment	40,261,314	56,492,402
Interest income	90,381	107,022
Net Cash (used in) generated from investing activities	351,695	1,599,424
C: CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Receipt of short term borrowings	(14,502,495)	16,772,258
Interest paid	(4,292)	(31,376)
Net Cash (used in) generated from financing activities	(14,506,787)	16,740,882
Net (Decrease)/ Increase in Cash and Cash Equivalents	(30,275,711)	10,929,452
Cash and Cash Equivalents at the beginning of the year	31,309,915	20,380,463
	1,034,204	31,309,915

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

As per our even date report attached

For Hitesh Prakash Shah & Co.

Chartered Accountants

ICAI Registration No: 127614W

Hitesh P. Shah

Proprietor

Membership No. 124095

For Shree Ram Electro Cast Limited

SHAILESH BHANDARI

Director

AVINASH BHANDARI

Director

Place : Ahmedabad

Date : 21st May 2018

Place : Palodia

Date : 21st May 2018

SHREE RAM ELECTRO CAST LIMITED

Statement of Change in Equity for the year ended 31st March 2018

A. Equity Share Capital

Equity shares of Rs.100 each Authorised, issued, subscribed and fully paid	Authorised		Issued, Subscribe & Fully Paid	
	Numbers	(Amount In Rupees)	Numbers	(Amount In Rupees)
As at 1st April, 2016	1,150,000	115,000,000	818,950	81,895,000
Issue of Equity Share Capital	-	-	-	-
As at 31st March, 2017	1,150,000	115,000,000	818,950	81,895,000
Issue of Equity Share Capital	-	-	-	-
As at 31st March, 2018	1,150,000	115,000,000	818,950	81,895,000

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

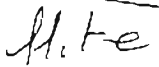
Name of the Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% held	No. of Shares	% held
Electrotherm (India) Limited	778,000	95.00	778,000	95.00

B. Other Equity

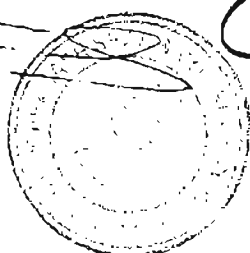
Particulars	Securities Premium	Retained Earning		
		Undistributable	Distributable	Total Other Equity
As at 1st April, 2016	37,674,000	160,463,907	(381,078,676)	(182,940,769)
Profit / (Loss) for the year	-	-	(15,140,545)	(15,140,545)
Transfer from Undistributable Earning	-	(1,451,190)	1,451,190	-
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-	-	-
Total Comprehensive Income	-	(1,451,190)	(13,689,355)	(15,140,545)
As at 31st March, 2017	37,674,000	159,012,717	(394,768,031)	(198,081,314)
Profit / (Loss) for the year	-	-	(9,335,056)	(9,335,056)
Other Comprehensive Income (Re-measurement loss on defined benefit plans)	-	-	-	-
Transfer from Undistributable Earning	-	(1,313,677)	1,313,677	-
Total Comprehensive Income	-	(1,313,677)	(8,021,379)	(9,335,056)
As at 31st March, 2018	37,674,000	157,699,040	(402,789,410)	(207,416,370)

As per our report of even date

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


Hitesh P. SHAH
Proprietor
Membership No. 124095

Place : Ahmedabad
Date : 21st May 2018



For Shree Ram Electro Cast Limited


SHAILESH BHANDARI
Director

Place : Palodia
Date : 21st May 2018


AVINASH BHANDARI
Director

Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31, 2018

1. CORPORATE INFORMATION:

Shree Ram Electro Cast Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of Pig Iron and at presently the operation of the Company are discontinued.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 21st May 2018.

2. BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS.

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

The financial statements are presented in Rupees and all values are rounded to the nearest Rupee, except where otherwise indicated.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

b. FOREIGN CURRENCIES:

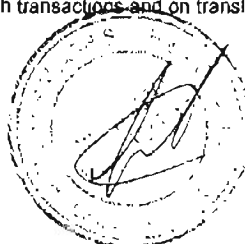
The Company's financial statements are presented in Rupees, which is also the company's functional currency.

Transactions and balances

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

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

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



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018

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

c. FAIR VALUE MEASUREMENT:

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

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

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

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

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

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

d. PROPERTY, PLANT AND EQUIPMENT (PPE):

On the date of transition the Company has elected to continue with the previous GAAP's carrying amount as deemed cost to measure all the items of property, plant and equipment.



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018

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

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

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

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

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

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

e. IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

f. BORROWING COSTS:

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

g. FINANCIAL INSTRUMENTS:

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)
- Equity Instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018

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

Debt Instrument at FVTPL

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

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

Equity Investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

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

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

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



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018.

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

Financial assets measured at amortised cost:

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

Loans and borrowings

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

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

This category generally applies to borrowings.

Financial guarantee contracts

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

Derecognition

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



Reclassification of financial assets

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

Offsetting of financial instruments

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

h. INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a FIFO (First In First Out).

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

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

i. REVENUE:

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

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

However, sales tax/ value added tax (VAT) and goods and service tax are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

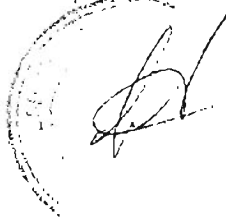
ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating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

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

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

j. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund and superannuation fund are defined contribution plans. The Company recognises contribution payable to these funds as an expense when an employee renders the related service.



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018

In respect of provision for employees benefits are provided on the basis of estimation made by the management.

k. TAXES:

Current income tax:

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

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

Deferred Tax:

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

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

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

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

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

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

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

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

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

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

l. PROVISIONS:

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

m. EARNINGS PER SHARE

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

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



Notes to Financial Statement of SHREE RAM ELECTRO CAST LIMITED
For the year ended on March 31,2018

n. **CASH AND CASH EQUIVALENT:**

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

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

o **CASH DIVIDEND**

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

2.2 **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

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

Estimates and assumptions

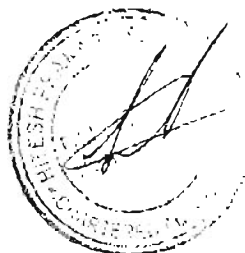
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions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

(a) **Defined benefit plans (gratuity benefits)**

Provision for gratuity is provided on the basis of estimation made by the management.

(b) **Fair value measurement for financial Instruments**

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



SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year ended 31st March, 2018

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

(a) Property, Plant and Equipment

(Amount in Rupees)									
Particulars	Freehold Land	Buildings	Plant & Machinery	Computer & Peripherals	Furniture & Fixture	Vehicles	Office equipment	Total	
Cost/Deemed Cost									
As at 1st April, 2016	172,898,820	95,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691	
Additions	-	-	-	-	-	-	-	-	-
Deductions / Capitalisation	-	-	-	-	-	-	-	-	-
As at 31st March, 2017	172,898,820	95,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691	
Additions	-	-	-	-	-	-	-	-	-
Deductions / Capitalisation	-	-	-	-	-	-	-	-	-
As at 31st March, 2018	172,898,820	95,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691	
Depreciation/Amortization and Impairment									
As at 1st April, 2016	-	3,330,270	-	-	10,974	-	-	3,574,150	
Depreciation/Amortization for the year	-	-	-	-	-	228,906	-	-	-
Deductions	-	3,330,270	-	-	14,974	228,906	-	3,574,150	
As at 31st March, 2017	-	3,019,306	-	-	10,085	94,014	-	3,123,408	
Depreciation/Amortization for the year	-	-	-	-	-	-	-	-	-
Deductions	-	6,349,579	-	-	25,059	322,920	-	6,697,558	
As at 31st March, 2018	-	-	-	-	-	-	-	-	-
Net Book									
As at 31st March, 2018	172,898,820	29,279,440	15,732,798	65,414	124,933	189,108	117,620	218,408,133	
As at 31st March, 2017	172,898,820	37,298,749	15,732,798	65,414	135,018	283,172	117,620	221,531,541	
As at 1st April, 2016	172,898,820	95,629,019	15,732,798	65,414	149,992	512,028	117,620	225,105,691	

Property, plant and equipment were tested for impairment where indicators of impairment existed. Based on an assessment of external market conditions relating to input costs and final product realisation non operation of the company and evaluation of physical working conditions for items of property, plant and equipment, indicators of impairment were identified. As on 1st April 2016, the Company recognised impairment charge of Rs. 298,923,166.

(b) Capital work-in-progress

Particulars	(Amount in Rupees)
As at 31st March, 2018	14,483,250
As at 31st March, 2017	14,483,250
As at 1st April, 2016	14,483,250

Shree Ram Electrocast Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2018

(Amount in Rupees)

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
4	Financial Assets			
	Investments			
	Other unquoted investments in Government Securities (At Amortised cost)			
	National Saving Certificates (Pledge with Commercial Tax Department)	100,000	100,000	100,000
		100,000	100,000	100,000
	Current			
	Non-Current	100,000	100,000	100,000
		100,000	100,000	100,000
	Aggregate book value of Unquoted Investments	100,000	100,000	100,000
		100,000	100,000	100,000
	Other Financial Assets			
	Interest Accrued	100,000	109,011	111,000
	Employee Advance	3,000	-	355
	Security deposits	2,723,998	2,723,998	2,723,998
		2,826,998	2,833,009	2,835,353
	Current	103,000	109,011	111,355
	Non-Current	2,723,998	2,723,998	2,723,998
		2,826,998	2,833,009	2,835,353

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
5	Inventories			
	(a) Raw materials	6,000,336	6,000,336	6,000,336
	(b) By Products & Scraps	12,368,655	12,368,655	12,368,655
	(c) Stores and spares	12,532,750	12,532,750	12,532,750
		30,901,741	30,901,741	30,901,741

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
6	Trade Receivables			
	Other	-	80,209,218	83,815,787
	Unsecured Consider., Good	-	80,209,218	83,815,787

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
7	Cash and Cash Equivalents			
	Balances with Banks			
	- In Current accounts	902,740	31,166,362	20,379,551
	Cash in hand	131,464	143,553	912
		1,034,204	31,309,915	20,380,463

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
8	Other Assets			
	Advance for capital goods	5,607,400	5,607,400	5,607,400
	Prepaid expenses	22,627	24,742	384,350
	Advance receivable in cash or kind			
	Advance with suppliers	195,000	195,000	228,818
	Balances with sales tax, custom, central excise authorities	866,473	886,522	3,040,786
	Others	10,000,000	350,960	351,000
		16,691,500	1,064,624	9,617,354
	Current	11,084,100	1,457,224	4,004,954
	Non-Current	5,607,400	5,607,400	5,607,400

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
9	Current Tax Assets			
	Income Tax	3,068,282	3,068,282	3,068,282
		3,068,282	3,068,282	3,068,282

Shree Ram Electrocast Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2018

10 Equity Share Capital

a Authorised Share Capital

Particulars	EQUITY SHARES	
	Numbers	(Amount in Rupees)
As at 1 st April, 2016	1,150,000	115,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2017	1,150,000	115,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	1,150,000	115,000,000

Particulars	PREFERENCE SHARE	
	Numbers	(Amount in Rupees)
As at 1 st April, 2016	100,000	10,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2017	100,000	10,000,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	100,000	10,000,000

b Rights, preference and restriction attached to shares :-

EQUITY SHARES

(i) The company has issued only one class of equity shares having a face value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian rupees. The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders.

(ii) The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases calls or other sums payable have not been paid.

(iii) In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

PREFERENCE SHARE

The company has not issued preference shares.

c Issued Share Capital

Equity shares of Rs. 100 each issued, subscribed and fully paid

	Numbers	(Amount in Rupees)
As at 1 st April, 2016	818,950	81,895,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2017	818,950	81,895,000
Increase/(decrease) during the year	-	-
As at 31 st March, 2018	818,950	81,895,000

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

Name of the Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% held	No. of Shares	% held
Holding Company-Electrotherm (Ind-a) Limited	778,000	95.00%	778,000	95.00%

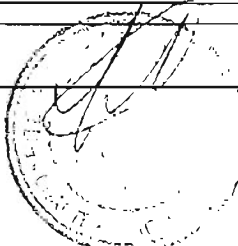
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

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

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	(Amount in Rupees)	No. of Shares	(Amount in Rupees)
Holding Company - Electrotherm (India) Limited	778,000	77,800,000	778,000	77,800,000
Subsidiary of the Holding Company - Shree Hans Papers Limited	40,950	4,095,000	40,950	4,095,000

(Amount in Rupees)

Note No.	Particulars	As at 31st March
11	Other Equity	
	Securities Premium	
	As at 1 st April, 2016	37,674,000
	Increase/(decrease) during the year	-
	As at 31 st March, 2017	37,674,000
	Increase/(decrease) during the year	-
	As at 31 st March, 2018	37,674,000
	Securities Premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013	
	Retained Earning	
	As at 1 st April, 2016	(220,614,769)
	Increase/(decrease) during the year	(15,140,545)
	As at 31 st March, 2017	(235,755,314)
	Increase/(decrease) during the year	(9,335,056)
	As at 31 st March, 2018	(245,090,370)
	Total Other Equity	
	As at 1 st April, 2016	(182,940,769)
	As at 31 st March, 2017	(198,081,314)
	As at 31 st March, 2018	(207,416,370)



Shree Ram Electrocast Private Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2018

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
12	Borrowings			
	Long term Borrowing from Bank			
	Corporate loan - State bank of India	19,999,984	19,999,984	19,999,984
	Working Capital Term Loan- State bank of India	139,900,000	139,900,000	139,900,000
	Less: Current maturity grouped as other current financial liability (Refer Note 14)	159,899,984	159,899,984	159,899,984
	Short term Borrowings from Bank			
	Working capital Loan from State Bank of India	237,639,432	237,639,432	237,639,432
	Unsecured- Payable on demand	14,465,753	109,177,466	92,405,208
	Deposit/ Loan from Holding Company-Electrotherm India Ltd	252,105,185	346,816,898	330,044,640
	Total Borrowings	252,105,185	346,816,898	330,044,640
	Current	252,105,185	346,816,898	330,044,640
	Non-Current	252,105,185	346,816,898	330,044,640

Note: A

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

(a) First charge on the entire current assets of the Company, both present and future.

(b) Equitable Mortgage over factory land & factory building at Siriguppa, Dist : Bellary and Hypothecation of entire plant & machinery and other fixed assets of the Company.

(c) Personal Guarantees of Mr. Mukesh Bhandari and Mr. Shailesh Bhandari, Directors of the Company.

Note: B

Company has defaulted in repayment of borrowings from bank. Details of default are as follows -

Name of the Bank	Principal	Interest	Total	Default from
State Bank of India	397,539,416	-	397,539,416	Dec-11

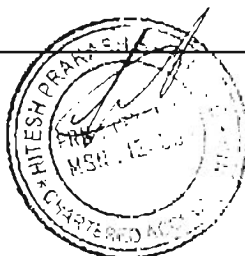
(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
13	Trade Payables			
	Others	438,784	454,563	1,089,436
		438,784	454,563	1,089,436

The company has not received information from vendors regarding their status under Micro, Macro, Small and Medium Enterprise Development Act, 2006, hence disclosure regarding amount unpaid as at the end of the year together with interest paid/payable under this Act and as Required by Schedule II of the Companies Act, 2013 has not been Given.

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
14	Other Current Financial Liabilities			
	Current maturity of Long term borrowings (Refer note-12)	159,899,984	159,899,984	159,899,984
		159,899,984	159,899,984	159,899,984

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
15	Other Current Liabilities			
	Statutory dues payable			
	- Provident Fund & Other Contribution	14,903	17,481	13,626
	- Tax Deducted and Collected at Source	-	7,846	10,517
	- Professional Tax	1,600	1,000	800
		16,503	26,327	24,943

(Amount in Rupees)				
Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
16	Provisions			
	- Provision for Compensated Absences	99,464	102,756	67,706
	- Provision for Gratuity	391,814	310,782	221,981
	- Provision for Bonus	83,744	76,584	-
		575,022	490,122	289,687
	Current	83,744	76,584	-
	Non-Current	491,278	413,538	289,687
		575,022	490,122	289,687



SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

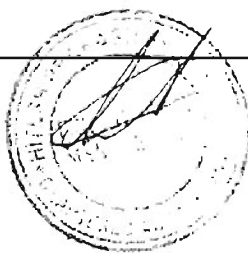
(Amount In Rupees)			
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
17	Other Income		
	Interest income on Long Term Deposit	90,381	1,07,022
	Other non-operating Income		
	Gain on sale of mutual fund	2,61,314	14,92,403
	Insurance Claim	9,408	-
	Miscellaneous Income	54,400	13,550
		4,15,503	16,12,975

(Amount In Rupees)			
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
18	Cost of raw material consumed and components consumed		
	Inventory at the beginning of the year	60,00,336	60,00,336
	Less Inventory at the end of the year	60,00,336	60,00,336
	Cost of raw materials and components consumed	-	-

(Amount In Rupees)			
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
19	Changes in inventories of finished goods, work-in-process and stock-in-trade		
	Inventories at the end of the year		
	-By Product and Scrap	1,23,68,655	1,23,68,655
		1,23,68,655	1,23,68,655
	Inventories at the beginning of the year		
	-By Product and Scrap	1,23,68,655	1,23,68,655
		1,23,68,655	1,23,68,655
		-	-

(Amount In Rupees)			
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
20	Employee Benefits		
	Salaries, wages and allowances and bonus	26,91,109	24,71,994
	Contribution to provident and other funds	1,12,189	1,08,393
	Staff welfare expenses	6,851	4,790
		28,10,149	25,85,177

(Amount In Rupees)			
Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
21	Finance Cost		
	Other borrowing cost and charges	4,292	31,376
		4,292	31,376

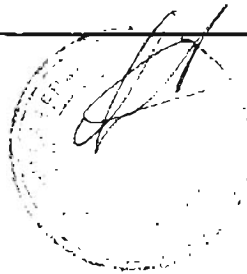


SHREE RAM ELECTRO CAST LIMITED

Notes to Financial Statements for the Year Ended 31st March, 2018

(Amount in Rupees)

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
22	Other Expense		
	Freight & Transport Charges	1,190	16,650
	Power & Fuel	999,319	1,145,135
	Labour Charges	267,596	357,781
	Travelling & Conveyance	104,003	71,906
	Insurance	425,128	378,321
	Sales Tax Expenses	-	2,154,264
	Service Tax Expenses	4,746	305,241
	Rates & Taxes	287,779	309,939
	Auditors' Remuneration (Refer note-a)	20,000	50,000
	Guest House Expense	135,046	162,101
	Licence & Registration	28,791	40,434
	Printing & Stationary Expense	1,900	580
	Telephone Expense	39,407	66,115
	Net Sundry Balance Written off / Round off	86,516	3,435,569
	Net General Expense	75,993	140,631
	Security Charges	1,332,286	1,615,604
	Miscellaneous Expense	1,509	273,546
	Professional & Legal Expense	1,501	39,000
		3,812,710	10,562,817
a)	Auditors Remuneration		
	- Audit Fee	10,000	10,000
	- Other Services	10,000	40,000
		20,000	50,000



SHREE RAM ELECTRO CAST LIMITED**Notes to Financial Statements for the Year Ended 31st March, 2018****23 Earning per shares**

Particulars		Year ended 31-03-2018	Year ended 31-03-2017
Profit/(Loss) as per statement of profit and loss account(After prior period adjustment)	Rupees	(9,335,056)	(15,140,545)
Weighted average number of Equity shares (Basic)	Nos	818,950	818,950
Earning per shares (Basic & Diluted)	Rupees	(11.40)	(18.49)
Nominal Value of shares	Rupees	100	100

24 Contingent liability :-

(As Certified by the Management)

Particular	Year ended 31-03-2018	Year ended 31-03-2017
(A) Disputed statutory claim/ levies for which the company has preferred appeal in respect of Income tax (excluding interest leviable, if any and amount of the appeal filed by the revenue)	5,073,356	5,073,356
(B) Claim against the company not acknowledge as debts which pertain to litigation filed against the company and pending before various courts, authorities, arbitration, tribunal, Consumer Dispute Redressal Forum etc.	1,138,261	1,138,261

*It is learnt that the Hon'ble ITAT has passed the order and "Order giving effect of the ITAT order" has not been received by the company and therefore the exact amount is subject to the said order and its accounting in the books of accounts.

25 Related Party Transaction

- A Holding Company
Electrotherm (India) Limited

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

Nature of Transaction	Enterprises described in (A) above
Repayment / Adjustment of Loan	535,209,219 (365,000,000)
Receipt of Loan	440,497,506 (381,772,258)
Outstanding Loan Payable	14,465,753 (109,177,466)

Note: Figures in brackets represent previous year amount.

- 26 The company has discontinued its operation since April 2011 because of the non-availability of Iron Ores due to limited banned by the Hon'able Supreme Court's order in the state of the Karnataka and further the State Bank of India has issued notice dated 7th May, 2013 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the company secured by hypothecation and mortgage and vide order dated 22nd November 2017 of District Magistrate, Bellary the bank has taken physical possession of movable and immovable property and therefore the concept of the going concern of the Company may be adversely affected.

27 Segment Information:

The Company is engaged in the business of steel products and all (Pig Iron) other activities of the company revolve around the main business and they are not substantially different in risk and return as well as in view of the non operation of the factory reporting in pursuance to IND AS 108 "Operating Segments" has not been provided.

- 28 The Company has acquired land at Halekote-25 Village, Siruguppa Hobli or Firkha, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactchohli Hobli, Siruguppa Taluka, Bellary District and its Legal Document for transfer of the property in the name of the Company is in process.

SHREE RAM ELECTRO CAST LIMITED**Notes to Financial Statements for the Year Ended 31st March, 2018**

- 29 (a) The account of the other financial assets, other current assets, borrowings, trade payable, other financial liabilities, advances for capital goods, Income Tax Receivables and some of the Bank Balance are subject to confirmations from the respective parties for its recovery/payments and further these balances are subject to clearances of the cheques/negotiable instruments. Some of such accounts are very old. The classification/grouping of items of the accounts are made by the management on the basis of the available data with the company and which has been relied upon by the auditors.
- (b) The amount of stock and capital work in progress has been taken by the management on the basis of information available with the company and is subject to physical verification/confirmed by the Company.
- (c) The company is in process to fill the post of Company Secretary.
- (d) Account of VAT is subject to its assessment/submission of return for its claims, if any.
- (e) On account of non recoverability of service tax receivable, the company has written off of Rs. Nil/- (Previous Year Rs 281,920/-).
- (f) During the year, after taking necessary confirmations, Rs. 8,02,09,218/- due from M/s. Liberty Commodities Asia PTE LTD of Trade Receivable, has been transferred to the holding company M/s. Electrotherm (India) Limited under the head borrowings.
- (g) The Provision for Bonus, Gratuity and Compensated Absences has been provided on basis of the estimation made by the management.
- 30 The Company has not provided for the Deferred Tax Liability because of constant losses incurred by the company and that there is no chances of any tax liability occurring in near future and no deferred Tax Assets has been made as there is no certainty of its realization in near future in pursuance to heavy accumulated losses.
- 31 (a) State Bank of India ("SBI") has issued notice dated 7th May, 2013 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the Company secured by hypothecation and mortgage. SBI vide letter dated 13th September, 2013 has given pre intimation notice to the Company for possession of the assets under section 13(4)(a) of SARFAESI Act, 2002 and taken symbolic possession of the assets of the Company. Thereafter, District Magistrate, Bellary vide order dated 22nd November, 2017 authorised Tahasildar, Siruguppa to handover the physical possession of immovable and movable properties to SBI and Tahasildar, Siruguppa has vide letter dated 19th December, 2017 intimated about the taking of physical possession on 30th December, 2017. SBI has issued newspaper publications calling for tenders for sale of movable and immovable assets through E - Auction on 14th March, 2015, 23rd May, 2015, 11th September, 2015, 23rd August 2016 and 1st February 2018. However, as per the available information, there was no bidder in the E-Auction at the reserve price and thereafter no action has been taken by the Bank and therefore its relevant accounting treatment will be given on its finalisation / settlement and further these are treated as short term borrowings.
- (b) State Bank of India has filed Original Application against the Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The DRT vide order dated 20.01.2016 allowed the original application and has issued the recovery certificate against the Company and the Guarantors. The Company and Guarantors have filed review application before DRT and the said review application was disposed off on 06.11.2017 with some observations / remarks. The recovery proceedings are now pending before the Recovery Officer, DRT, Bangalore.
- (c) State Bank of India has issued a show cause notice in October, 2016 to the Company & guarantors / directors for declaring them as willful defaulter. The Company has filed its reply to the said show cause notice. Thereafter, there is no communication in respect of the same.
- (d) Provision of the following interest on debts of State Bank Of India has not been made by the company and to that extent loss & bank loans have been understated

Particulars	Interest for the Period		
	Upto 31 March 2017	Current Year	Upto 31 March 2018
State Bank of India	332,826,101	288,886,141	621,712,242

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

32.1 Category-wise Classification of Financial Instruments:

Particulars	Refer	As at 31-03-2018			As at 31-03-2017			As at 01-04-2016		
		Fair Value through profit or loss	Amortised cost	Carrying Value	Fair Value through profit or loss	Amortised cost	Carrying Value	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets										
Investments	4	-	100,000	100,000	-	100,000	100,000	-	100,000	100,000
Other financial assets	4	-	2,826,998	2,826,998	-	2,833,009	2,833,009	-	2,835,353	2,835,353
Cash and cash equivalents	7	-	1,034,204	1,034,204	-	31,309,915	31,309,915	-	20,380,463	20,380,463
Trade receivables	6	-	-	-	-	80,209,218	80,209,218	-	83,815,787	83,815,787
Total		-	3,961,202	3,961,202	-	114,452,142	114,452,142	-	107,131,603	107,131,603
Financial liabilities										
Borrowings	12	-	252,105,185	252,105,185	-	346,816,898	346,816,898	-	330,044,640	330,044,640
Trade payables	13	-	438,784	438,784	-	454,563	454,563	-	1,089,436	1,089,436
Other financial liabilities	14	-	159,899,984	159,899,984	-	159,899,984	159,899,984	-	159,899,984	159,899,984
Total		-	412,443,953	412,443,953	-	507,171,445	507,171,445	-	491,034,060	491,034,060

32.2 Category-wise Classification of Financial Instruments:

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

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

(b) Financial instrument measured at Amortised Cost

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

33 Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The Company's principal financial assets include investments, Other Financial Assets, trade and other receivables and cash & cash equivalents deposits that derive directly from its operations.

The Company's activities are not exposed to any foreign exchange risk.

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

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Since the Company is not operational, it is not exposed to significant market risk.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities mainly balance with banks. Credit risk arising balances with banks is limited and there is no collateral held against these because the counterparties are banks with high credit ratings assigned by the international credit rating agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

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

(Amount in Rupees)

Particulars	On Demand/ less than 1 year	1 to 3 years	More than 3 year	Total
Year ended 31st March, 2018				
Interest free borrowings	252,105,185	-	-	252,105,185
Trade payables	438,784	-	-	438,784
Other financial liabilities	159,899,984	-	-	159,899,984
Year ended 31st March, 2017				
Interest free borrowings	346,816,898	-	-	346,816,898
Trade payables	454,563	-	-	454,563
Other financial liabilities	159,899,984	-	-	159,899,984
Year ended 01st April 2016				
Interest free borrowings	330,044,640	-	-	330,044,640
Trade payables	1,089,436	-	-	1,089,436
Other financial liabilities	159,899,984	-	-	159,899,984

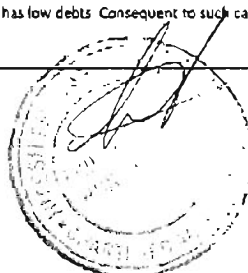
(d) Foreign Currency Risk

Foreign Exchange Currency risk included the risk of the company being exposed to movements in foreign exchange rates. As on 31st March 2018 the company is not having any foreign currency risk

34 Capital Management

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

As at 31st March, 2018, the Company meets its capital requirement through equity and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements.



Shree Ram Electrocast Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35 FIRST-TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS ("Ind AS")

These financial statements, for the year ended 31st March 2018, are the first financial statement, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 (the "Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

I Exemptions Used

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Property, plant and equipment and Intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

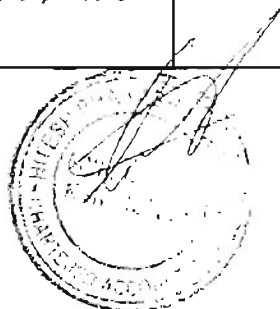
II Reconciliation with previous GAAP

a) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Description	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity (shareholders' funds) as per previous GAAP		137,757,060	213,370,269
<u>Ind AS Adjustments (Increase in equity/ (decrease in equity))</u>			
Impairment of plant and machinery	1	(298,923,166)	(298,923,166)
Reversal of Depreciation	1	56,599,446	-
Deffer Expenses	2	(11,619,654)	(15,492,872)
Total Ind AS adjustments		(253,943,374)	(314,416,038)
Total Equity/ (shareholders' funds) as per Ind AS		(116,186,314)	(101,045,769)

b) Reconciliation of total comprehensive income for the year ended

Description	Notes to first time adoption	March 31, 2017
Net Profit/(loss) as per previous GAAP		(75,613,209)
<u>Ind AS Adjustments (Increase/ (decrease) in profits)</u>		
Deffer Expenses	2	3,873,218
Reversal of depreciation due to fair value deemed cost of plant and machinery	1	56,599,446
Net Profit/ (Loss) after Tax as per IND AS		(15,140,545)



Shree Ram Electrocast Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes To First Time Adoption Of Ind As

1 Deemed cost exemption for plant and machinery

The Company opted to use previous GAAP deemed cost exemption for plant and machinery at the date of transition 1 April 2016 and tested the same for impairment. Accordingly, there was a impairment loss recognised in retained earnings as at 1 April 2016. This resulted in reversal of depreciation for the financial year ended 31 March 2017.

2 Deffer Expenses

Under Ind AS the company had to expense out deffer expense balance which was amortized under previous GAAP.

3 Material Adjustments to Statement of Cash flows

No material adjustments have been identified to the Statement of Cash flows on account of transition to Indian Accounting Standards.

36 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 21 May 2018, there were no subsequent events to be recognized or reported that are not already previously disclosed.

37 Previous Year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, by the company on the basis of data available with the company, to make the figure of the current year with the Previous Year comparable. In some case Previous Year amount has not been stated, if there is Nil amount for the current year

As per our report of even date

For Hitesh Prakash Shah & Co.

Chartered Accountants

ICAI Firm Registration No: 127614W



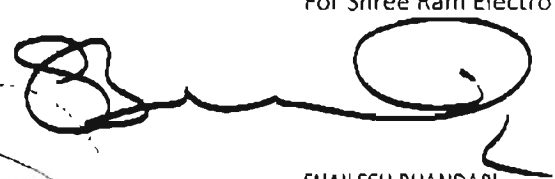
Hitesh P. SHAH

Proprietor

Membership No. 124095



For Shree Ram Electro Cast Limited



SHAILESH BHANDARI

Director



AVINASH BHANDARI

Director

Place : Ahmedabad

Date : 21st May 2018

Place : Palodia

Date : 21st May 2018