NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019:

A. DISCLOSURE OF ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing Sponge Iron, Ferro Alloys and power and the products manufactured by the company are sold in the domestic market as well as international market. Because of the Captive power generation, company has advantage of low power cost per unit of manufacturing. Company is generating 40 MW Power from waste Heat recovery Boiler & Fluidized Bed Combustion boiler with economic price. Power generated is used for captive consumption and surplus power is sold resulting profit.

(a) APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Recent accounting pronouncements

Ind AS 116 "Leases"

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases"w.e.f. 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

Ind AS 12 Income taxes" (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive in-come or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connec-tion with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the re-mainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 23 – "Borrowing Costs"

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistentlyapplied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees ('INR'). Where changes are made in presentation, the comparativefiguresofthepreviousyear are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these

1.3 PROPERTY, PLANT AND EQUIPMENT:

i) Property, Plant and Equipment are stated at original cost (net of tax/dutycreditavailed)less accumulated depreciation and impairment loss-es. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

ii) Subsequent costs are included in the asset's carrying amount or recog-nized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and ad-justed if appropriate, at the end of each reporting period.

v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.

vi) An asset's carrying amount is written down immediately on discontinua-tion to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :

Buildings - 3 to 60 years

Plant and Equipments - 15 to 25 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 5 to 10 years

viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.4 INTANGIBLE ASSETS:

i) Intangible assets acquired by payment e.g. Computer Software are dis-closed at cost less amortization on a straight-line basis over its esti-mated useful life.

ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

iii) Intangible assets are amortised on straight-line method as follows :

Computer Software - 5 years

iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impair-ment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 REVENUE RECOGNITION

The Company derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets /liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, re-turns, trade discounts, cash discounts, Goods & Service Tax.

iii) Services: Revenue from Services are recognized as and when the ser-vices are rendered.

iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

v) Export Benefits are accounted on accrual basis.

vi) Dividend income is recognized when right to receive is established.

1.6 EMPLOYEE BENEFITS:

i) Short-term employee benefits are recognized as an expense at the undis-counted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

iii) The present value of the defined benefit obligation is determined by dis-counting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms ap-proximating to the terms of the related obligation.

iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Or-ganization established under The Employees' Provident Fund and Miscel-laneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

1.7 VALUATION OF INVENTORIES

i) The cost of inventories have been computed to include all cost of pur-chases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Mate-rials, Stores and spare parts etc., consumed consist of purchase price in-cluding duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other ex-penditure directly attributable to the procurement.

Notes forming part of the Financial Statements

ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date.Goods and materi-als in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.

iv) Goods-in-process is valued at lower of cost or net realisable value.

v) Stock of Finished goods is valued at lower of cost or net realisable value.

vi) Stock-in-trade is valued at lower of cost or net realisable value.

1.8 CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit before tax is ad-justed for the effects of transactions of a non-cash nature and any deferrals or ac-cruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank,

cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

i) The Company classifies its financial assets as those to be measured sub-sequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.

ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year.The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers.The amounts are presented as current assets where receivable is due within12 months from the reportingdate.

iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to de-termine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.

iv) A financial asset is derecognized only when the Company has trans-ferred the rights to receive cashflows from the financial asset,or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

1.10 FINANCIAL LIABILITIES:

i) Borrowings are removed from balance sheet when the obligation speci-fied in the contract is discharged, cancelled or expired.

ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

iii) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unse-cured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.

iv) 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.

1.11 FAIR VALUE MEASUREMENT:

i) 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.

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

iii) 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 partici-pant that would use the asset in its highest and best use.

Notes forming part of the Financial Statements

iv) The Company uses valuation techniques that are appropriate in the cir-cumstances 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.

1.12 FOREIGN CURRENCY TRANSACTIONS:

i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated usingthe exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

i) Borrowing costs are interest and other costs (including exchange differ-ences relating to foreign currency borrowings to the extent that they are regarded as an adjustmentto interest costs) incurred in connection with the borrowing of funds.

ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

iii) All other borrowing costs are expensed in the period in which they are in-curred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemp-tions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and lia-bilities and their carrying amounts for financial reporting purposes at the reporting date.Deferred tax liabilities are recognized for all taxable tempo-rary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any un used tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differ-ences,and the carry forward un used tax credits and un used tax losses can be utilized.

iv) 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 assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred taxasset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is setled,based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

i) Provisions are made when (a) the Company has a present legal or con-structive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable esti-mate is possible;(c)unless the probability of outflow of resources is remote.

iii) Contingent assets are not accounted

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and 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.

iv) An liability is current when (a) it is expected to be settled in normal operat-ing cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

i) A related party is a person or entity that is related to the reporting entity preparing its financial statements

(a) A person or a close member of that person's family is related to report-ing entity ifthat person;

(i) has control or joint control of the reporting entity;

(ii)has significant influence over the reporting entity;or

(iii)is amember of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies;

(i)the entity and the reporting entity are members of the same group (whichmeans that each parent,subsidiary and fellow subsidiary is re-lated to the others);

(ii)One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii)Both entities are joint ventures of the same third party;

(iv)One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v)The entity is a post-employment benefit plan for the benefit of em-ployees of either the reporting entity or an entity related to the report-ing entity;

(vi)The entity is controlled or jointly controlled by a person identified in(a);

(vii)A person identified in(a)

(i)Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);

(viii)The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

ii)A related party transaction is a transfer of resources, services or obliga-tions between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and re-sponsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

iii)Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.18 EARNINGS PER SHARE:

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

ii) For the purpose of calculating diluted earnings per share, the net profit or loss 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.

Notes forming part of the Financial Statements

Note 2: Fixed Assets

TANGIBLE ASSETS :

(Amount in ₹in lakhs)

Particulars	Freehold Land	Buildings	Plant And Machineries	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Cost of Assets								
As at 1st April 2017	730.56	4431.32	24763.72	61.96	1020.80	44.00	101.56	31153.92
Addition	0.00	0.00	236.97	0.00	30.74	1.45	1.63	270.78
Disposal/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at 31st March 2018	**730.56**	**4431.32**	**25000.69**	**61.96**	**1051.54**	**45.45**	**103.19**	**31424.79**
Addition	0.00	0.00	565.61	0.00	0.00	0.00	0.00	565.61
Disposal/Adjustments	0.00		0.00	0.00	-109.12	0.00	0.00	-109.12
As at 31st March 2019	**730.56**	**4431.32**	**25566.30**	**61.96**	**942.41**	**45.45**	**103.19**	**31881.20**
Depreciation								
As at 1st April 2017	0.00	1599.93	15220.05	58.86	865.59	39.32	95.93	17879.68
Charge for the year		137.15	588.55	0.00	46.67	1.41	1.23	775.01
Disposal/Adjustments								
As at 31st March 2018	**0.00**	**1737.08**	**15808.60**	**58.86**	**912.26**	**40.73**	**97.16**	**18654.68**
Charge for the year		137.14	593.53	0.00	46.69	1.42	0.84	779.62
Disposal/Adjustments					-103.67			-103.67
As at 31st March 2019	**0.00**	**1874.22**	**16402.13**	**58.86**	**855.28**	**42.15**	**98.00**	**19330.64**
Net Block								
As at 31st March 2018	**730.56**	**2694.24**	**9192.09**	**3.10**	**139.28**	**4.72**	**6.03**	**12770.02**
As at 31st March 2019	**730.56**	**2557.10**	**9164.17**	**3.10**	**87.13**	**3.30**	**5.19**	**12550.56**

INTANGIBLE ASSETS :

PARTICULARS	SOFTWARE	TOTAL
Cost of Assets		
As at 1st April 2017	115.30	115.30
Addition	0.00	0.00
Disposal/Adjustments	0.00	0.00
Other adjustment	0.00	0.00
As at 31st March 2018	**115.30**	**115.30**
Addition	0.00	0.00
Disposal/Adjustments	0.00	0.00
Other adjustment	0.00	0.00
As at 31st March 2019	**115.30**	**115.30**
Depreciation		
As at 1st April 2017	109.53	109.53
Charge for the year	0.00	0.00
Disposal/Adjustments	0.00	0.00
As at 31st March 2018	109.53	109.53
Charge for the year	0.00	0.00
Disposal/Adjustments	0.00	0.00
As at 31st March 2019	**109.53**	**109.53**
Net Block		
As at 31st March 2018	**5.77**	**5.77**
As at 31st March 2019	**5.77**	**5.77**

CAPITAL WORK IN PROGRESS	31.03.2019	31.03.2018
Building and Plant & Machinery	1076.84	2470.25
Total	**1076.84**	**2470.25**

Notes forming part of the Financial Statements (Amount in ₹in lakhs)

NOTE NO : 2 **Fixed assets :**	As at March 31, 2019	As at March 31, 2018
(i) Property, Plant and Equipment	12550.56	12770.03
(ii) Capital work-in-progress	1076.84	2470.25
(iii) Other Intangible assets	5.77	5.77
	13633.17	**15246.05**

NOTE NO : 3 **Trade Receivables :**	As at March 31, 2019	As at March 31, 2018
Non-current Trade Receivable		
Unsecured,considered good	288.00	268.01
	288.00	**268.01**

NOTE NO : 4 **Loans :**	As at March 31, 2019	As at March 31, 2018
- Loans to Staff	5.83	12.63
	5.83	**12.63**

NOTE NO : 5 **Other non-current assets :**	As at March 31, 2019	As at March 31, 2018
(a) Advance for Capital goods	0.00	674.49
(b) Security Deposit		
Unsecured considered good	236.73	161.84
(c) Other Loan and advances		
Unsecured, considered good	215.02	112.14
(d) Advance Income Tax, TDS & TCS	2.72	1.54
	454.47	**950.00**

NOTE NO : 6 **Inventories :(As taken, valued & certified by a director)**	As at March 31, 2019	As at March 31, 2018
(a) Raw Materials (Includes Material At Port Rs 699.01 Lacs PY Rs 1065.40 Lacs)	1964.31	3292.87
(b) Work in progress	267.40	507.69
(c) Finished goods (Incl. at Port Rs 59.21 Lacs P.Y Rs.411.91 Lacs)	479.53	2957.45
(d) Stores and spares	347.54	827.84
(e) By Product	111.94	17.48
	3170.72	**7603.33**

NOTE NO : 7 **Trade receivables :**	As at March 31, 2019	As at March 31, 2018
Un Secured, considered good	9118.50	3469.64
TOTAL	**9118.49**	**3469.64**

Trade Receivables includes Rs 8229.76 lacs in CY and Rs. 2560.86 in PY from Associated concerns (i.e. Shah Alloys Ltd) in which director of a Company is interested.

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 8 **Cash and cash equivalents**		**As at** **March 31, 2019**	**As at** **March 31, 2018**
(a)	Balances with Scheduled Banks		
	In current Account	23.33	240.40
(b)	Cash on hand	2.25	1.46
		25.58	**241.86**

(Amount in ₹in lakhs)

NOTE NO : 9 **Other current assets :**	**As at** **March 31, 2019**	**As at** **March 31, 2018**
Balance with government authorities	284.62	110.54
Advance to Suppliers	1304.06	292.30
Prepaid Expenses	0.00	5.01
	1588.68	407.85

(Amount in ₹in lakhs)

NOTE NO : 10 **Share Capital :**	**As at** **March 31, 2019**	**As at** **March 31, 2018**
Authorised :		
14,00,00,000 Equity Shares of Rs 10/- each (Previous year : 14,00,00,000 Equity Shares of Rs 10/- each)	14000.00	14000.00
	14000.00	**14000.00**
Issued & Subscribed and Paid up :		
8,49,66,700 Equity Shares of Rs.10/- each fully paid up (Previous year : 8,49,66,700 Equity Shares of Rs.10/- each fully paid up)"	8496.67	8496.67
	8496.67	**8496.67**

The Authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of Rs 10/- each as follows:

a) Reconciliation of number of shares:

Equity Shares	**As at March 31, 2019**		**As at March 31, 2018**	
	Number of shares	**Rs. in lakhs**	**Number of shares**	**Rs. in lakhs**
Shares outstanding at the beginning of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	**8,49,66,700**	**8,496.67**	**8,49,66,700**	**8,496.67**

b) Terms/rights, preferences and restrictions attached to securities:

Equity shares:

The company has one class of equity share having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Shareholders holding more than 5% in the Company:

(Amount in ₹in lakhs)

c) Details of Shareholders holding more than 5% in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
Equity shares	**Number of shares**	**% of Holding**	**Number of shares**	**% of Holding**
Shah Alloys Limited	3,02,56,989	35.61	3,02,56,989	35.61
SAL Care Pvt Limited	1,27,02,900	14.95	1,27,02,900	14.95
Total		**50.56**		**50.56**

(Amount in ₹in lakhs)

Note : 11	Amount	31.03.2019	Amount	31.03.2018
Other Equity :				
Securities Premium Account				
Opening Balance	2878.20		2878.20	
Add : Addition during the year	0.00		0.00	
	2878.20	2878.20	2878.20	2878.20
Capital Reserve				
Opening Balance	800.00		800.00	
Add : Addition during the year	0.00		0.00	
	800.00	800.00	800.00	800.00
Capital Redemption Reserve				
(For Redemption of Preference Share Capital)				
General Reserve				
Opening Balance	5.11		5.11	
Add : Addition during the year	0.00	5.11	0.00	5.11
Retained Earnings				
Balance Brought Forward From Previous Year	-10152.31		-14407.33	
Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-6.24		-15.96	
add Deferred tax adjustment due to indas	0.00		0.00	
	-		-	
	-10146.07		-14391.38	
Add: Profit/(Loss) for the year	-2159.73		4239.06	
	-12305.80		-10152.31	
		-12305.80		-10152.31
		-8622.49		**-6469.00**

(Amount in ₹in lakhs)

NOTE NO : 12 Borrowings :	As at March 31, 2019	As at March 31, 2018
Term Loan (Refer note below)		
Invent Assets Securitization & Reconstruction Pvt. Ltd.	16007.38	16729.44
	16007.38	**16729.44**

Secured Borrowings:

(a) Nature of security and terms of repayment for secured borrowings:

a) The above loan is secured by way of Land Bearing Surevy no 243 & 245 situated at Bharpur , Taluka Gandhidham District - Kutch. Further Secured by way of all movable assets both present and future belonging to the company.

b) Further secured by way of personal guarantees of (i) Shri Rajendrabhai V. Shah (ii) Smt. R.R. Shah (iii) Shri Jayesh V. Shah (iv) and Corporate Guarantee of M/s Shah Alloys Limited.

Notes forming part of the Financial Statements

c) Further secured by way of Pledge of 10756989 equity shares of Shah Alloys ltd pleged to Consortium members
Repayment Schedule

(Amount in ₹in lakhs)

Name of ARC	payable in 2020-21	payable in 2021-22	payable in 2022-23
Invent Assets Securitization & Reconstruction Pvt. Ltd.	1444.12	2166.18	12397.08
TOTAL	**1444.12**	**2166.18**	**12397.08**

(Amount in ₹in lakhs)

NOTE NO : 13 Trade Payable	As at March 31, 2019	As at March 31, 2018
Trade Payables	140.49	502.27
(Refer Note No 18a)	**140.49**	**502.27**

(Amount in ₹in lakhs)

NOTE NO : 14 Other Financial Liabilites	As at March 31, 2019	As at March 31, 2018
	Non-Current Portion	Non-Current Portion
Trade Deposit from Customers	44.05	44.05
	44.05	**44.05**

(Amount in ₹in lakhs)

NOTE NO : 15 Long term provisions :	As at March 31, 2019	As at March 31, 2018
(a) Provision for Gratutiy	58.30	56.66
(b) Provision for Leave Encashment	28.20	28.20
	86.50	**84.86**

(Amount in ₹in lakhs)

NOTE NO : 16 Other non-current liabilities :	As at March 31, 2019	As at March 31, 2018
Deferred sales tax Liability	45.26	67.89
	45.26	**67.89**

Deferred sales tax liability :

Deferred sales tax liability is interest free and payable in six equal annual installments of Rs. 22.63 lacs each payable from 1st May, 2016

(Amount in ₹in lakhs)

NOTE NO : 17 Borrowings	As at March 31, 2019	As at March 31, 2018
Inter Corporate Deposit	240.22	13.91
	240.22	**13.91**

Borrowings includes Rs 226.31 lacs in CY and Rs. Nil in PY from Associated concerns (i.e. SAL Hospital & Medical Institure) in which director of a Company is interested.

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 18 Trade Payable	As at March 31, 2019	As at March 31, 2018
Total outstanding dues other than micro enterprises and small enterprises	4894.56	2691.72
	4894.56	**2691.72**

(Amount in ₹in lakhs)

NOTE NO : 18a	As at March 31, 2019	As at March 31, 2018
Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(Amount in ₹in lakhs)

NOTE NO : 19 Other financial liabilities :	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term debt;	744.69	744.69
(b) overdrawn Bank Balances	114.43	0.00
	859.12	**744.69**

(Amount in ₹in lakhs)

NOTE NO : 20 Other Current Liabilites :	As at March 31, 2019	As at March 31, 2018
Advance from customers	57.00	146.64
Duties and taxes	3210.20	2904.72
Deferred sales tax Liability	67.89	45.26
	3335.09	**3096.62**

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 21 **Provisions**	**As at** **March 31, 2019**	**As at** **March 31, 2018**
Provision for employee benefits	76.39	66.98
Provision for Gratutiy	13.44	10.57
Proivision for expenses	796.50	545.49
	886.33	**623.05**

(Amount in ₹in lakhs)

NOTE NO : 22 **I. Revenue from operations**	**As at** **March 31, 2019**	**As at** **March 31, 2018**
A. **Sale of Products**		
Direct Export Turnover	6273.23	5997.35
Domestic Turnover	50880.67	38453.98
	-	-
Gross Turnover	57153.90	44451.33
B. **Other Revenue from operations**	281.15	156.51
Total Revenue from operations	**57435.05**	**44607.84**

(Amount in ₹in lakhs)

Other operating revenue as under	**As at** **March 31, 2019**	**As at** **March 31, 2018**
Duty Drawback & Export Incentives	281.15	156.51
Total	**281.15**	**156.51**

(Amount in ₹in lakhs)

NOTE NO : 23 **Other Income :**	**As at** **March 31, 2019**	**As at** **March 31, 2018**
Other Interest (TDS Rs 0.36 Lacs)(P Y Rs 0.39 Lacs)	7.50	4.92
Rent Income (TDS Rs 0.19 Lacs)(P Y Rs 0.19 Lacs)	9.60	9.60
Profit on Sale of Assets	0.94	0.00
Foreign exchange fluctuation Gain (Net)	114.92	196.38
Sundry balances written back(Net)	0.77	60.48
	133.73	**271.38**

Note : 24 **Cost of Materials Consumed:**	**Amount** **₹in lakhs**	**31.03.2019**	**Amount** **₹in lakhs**	**31.03.2018**
Raw Material Consumed:				
Opening Stock of Raw Material	3200.25		3877.30	
Add : Purchases	37728.54		33218.63	
	-		-	
		40928.79		37095.93
Less : Closing Stock of Raw Material	1904.46		3200.25	
		39024.33		**33895.67**

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 25	**As at March 31, 2019**	**As at March 31, 2018**
Purchase of Stock-in-Trade	0.00	1210.23
Total	**0.00**	**1210.23**

Note : 26 Changes in Inventories of Finished goods, S tock-in-Trade and Work-in-progress	**Amount ₹in lakhs**	**31.03.2019**	**Amount ₹in lakhs**	**31.03.2018**
Opening Stock				
Finished Goods	2974.93		1102.95	
Stock-in-Progress	507.69		89.41	
		3482.62		1192.36
Less : Closing Stock				
Finished Goods	591.47		2974.93	
Stock-in-Progress	267.40		507.69	
		858.87		3482.62
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		**2623.75**		**-2290.26**

(Amount in ₹in lakhs)

NOTE NO : 27 Employee benefits expenses	**As at March 31, 2019**	**As at March 31, 2018**
Salary & Bonus	1472.62	1282.08
Contribution to Provident Fund etc.	52.86	43.33
Staff welfare expenses	67.63	73.89
	1593.11	**399.29**

(Amount in ₹in lakhs)

NOTE NO : 28 Finance Costs	**As at March 31, 2019**	**As at March 31, 2018**
Interest to Others	150.19	115.70
	150.19	**115.70**

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

Note : 29 Other Expenses	Amount ₹in lakhs	31.03.2019	Amount ₹in lakhs	31.03.2018
Stores & Spares Consumed :				
Opening Stock	827.84		927.96	
Add : Purchases	1314.95		1652.35	
	2142.79		2580.30	
Less: Closing Stock	347.54	1795.25	827.84	1752.46
Power & fuel (Including cost of power generation)		8059.54		5266.39
Repairs & Maintenance :				
Machinery	48.04		51.31	
Building	2.28		10.61	
Others	18.77	69.08	39.49	101.40
Labour charges		591.60		780.02
Freight outward		615.99		1156.47
Audit Fees*		8.00		8.00
Bad Debts / Doubtful Advances		674.49		0.00
Sales Commision		58.47		17.88
General/ Miscellaneous Expenses		465.76		495.36
Insurance Expenses		12.65		12.60
Legal & Professional Charges		513.28		105.66
Vat Expense $		331.16		0.00
Service tax		0.00		9.94
Rent,Rate and Taxes		66.05		171.81
Excise duty adjustment for stock*		0.00		-122.15
		13261.30		**9755.82**

(Amount in ₹in lakhs)

	As at March 31, 2019	As at March 31, 2018
As auditors - Statutory audit	8.00	8.00
For other Services	0.00	0.00
	8.00	**8.00**

(Amount in ₹in lakhs)

NOTE NO : 30 Earnings Per Share :	Year Ended March 31, 2019	Year Ended March 31, 2018
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year	849.67	849.67
Number of Equity Shares alloted during the year		
Number of Equity Shares at the end of the year	849.67	849.67
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders) In Rs	-2159.73	4239.08
Basic and Diluted Earnings Per Share Rs	-2.54	4.99

Notes forming part of the Financial Statements

(Amount in ₹in lakhs)

NOTE NO : 30A **Contingent liabilities and commitments (to the extent not provided for):**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
(A) Contingent liabilities:		
Disputed Excise Demand (Matter Under appeal)	1682.24	1,682.24
Disputed Custom duty demand (Matter Under appeal)	50.00	50.00
Disputed Custom duty service tax demand (Matter Under appeal)	48.12	25.55
Disputed Value added Tax demand (Matter Under appeal)	704.55	839.46
Claims not acknowledge as debt against the company (including interest and penalty)		
Others	3403.15	3,403.15

Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

It is not practical for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse impact on its financial results.

(B) Commitment:

Estimated amount of contracts, remaining to be executed on capital account and not provided for Rs.Nil net of advance (Previous Year: Rs. 492.78 lac).

Commercial Tax Department has challenged by way of Tax Appeal before Supreme Court, the order of Gujarat High Court wherein Judgment of Joint Commissioner of Commercial Tax (Legal) was quashed and decided that non cooking coal used in the manufacturing process for Sponge Iron as raw material and eligible for ITC under Section 11 (3)(b). The result of the appeal will decide whether company has to claim amount of ITC or refund ITC already taken. However, amount of contingent liability cannot be ascertained.

31. The Company's current liabilities exceeded its current assets as at the previous year balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, considering the profit earned by the company for the year ended on 31st March 2019 and considering the view of the management, the financial results of the Company have been prepared on a "going concern basis".

32. SEGMENT REPORTING:

The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard – 108 'Operating Segments'.Reporting. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, therefore, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard – 108 'Operating Segments'.

33. Financial and derivative instruments

- Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Notes forming part of the Financial Statements

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are dis-closed in Note given hereunder :

(i) Categories of Financial Instruments

(Amount in ₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	9406.49	3737.65
(ii) Cash and Cash Eqivalents	25.58	241.86
(iii) Loans	5.83	12.63
(iv) Other Financial Assets	0	0
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	16247.60	16743.35
(ii) Trade Payables	5035.05	3193.99
(iii) Other Financial Liabilities	903.17	788.74

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

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 two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an expo-sure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Notes forming part of the Financial Statements

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information includ-ed in the tables have been drawn up based on the undiscounted cash flows of fi-nancial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount ₹ in lakhs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2019				
Borrowings	240.22	16007.38	0.00	16247.60
Trade Payables	4894.56	140.49	0.00	5035.05
Other Financial Liabilities	859.12	44.05	0.00	903.17
Total	**5993.90**	**16191.92**	**000**	**22185.82**
As at 31st March, 2018				
Borrowings	13.91	4332.36	12397.08	16743.35
Trade Payables	2691.72	502.27	0.00	3193.99
Other Financial Liabilities	744.69	44.05	0.00	788.74
Total	**3450.32**	**4878.68**	**12397.08**	**20726.08**

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is ex-posed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 3 and 7, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisa-tion.

(Amount ₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March,2019				
Loans to Employees	5.83	0	0	5.83
Trade Receivables	9118.49	288.00	0	9406.49
Other Financial Assets				
Total	**9124.32**	**288.00**	**0**	**9412.32**
As at 31st March,2018				
Loans to Employees	12.63	0	0	12.63
Trade Receivables	3469.64	268.01	0	3737.65
Other Financial Assets				
Total	**3782.27**	**268.01**	**0**	**3750.28**

34. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

Partculars	2018-19 (Amount Rs in Lakhs)	2017-18 (Amount Rs in Lakhs)
Employers contribution to provident fund	52.86	43.33

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provi-dent Fund Organization established under The Employees Provident Fund and

Notes forming part of the Financial Statements

Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, re-spectively, are charged to the profit and loss account of the year when the contri-butions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the as-sumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than ex-pected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of as-sets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, ac-cumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctu-ations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corpo-rate/government bonds and hence the valuation of liability is exposed to fluctua-tions in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iv) Defined Benefit Cost

Particulars	**For the year ended 31st March 2019 (Amount Rs in Lakhs)**	**For the year ended 31st March 2018 (Amount Rs in Lakhs)**
Current Service Cost	13.79	17.75
Interest Expense on Defined Benefit Obligation (DBO)	4.71	4.76
Defined Benefit Cost included in Profit and Loss	-	-
Remeasurements - Due to Financial Assumptions	-0.26	-2.19
Remeasurements - Due to Experience Assumptions	-	-
Remeasurements - Due to Experience Adjustments	-9.33	-22.33
Defined Benefit Cost included in Other Comprehensive Income	-9.59	-24.52
Total Defined Benefit Cost in Profit and Loss and OCI	8.91	-1.20

(v) Movement in Defined benefit liability:

Notes forming part of the Financial Statements

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	67.22	71.71
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	13.79	17.75
Total Remeasurements included in OCI		
Less: Benefits paid	4.39	3.28
Less: Contributions to plan assets		
Closing benefit obligation	71.74	67.23
Current Liabilities of Closing benefit obligation	13.44	10.57
Non-Current Liabilities of Closing benefit obligation	58.30	56.66

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount ₹ in Lakhs)

	2018-19	2017-18
(A) Discount rate Sensitivity		
Increase by 0.5%	69.27	64.94
(% change)	-3.43%	-3.40%
Decrease by 0.5%	74.38	69.67
(% change)	3.68%	3.64%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	74.32	69.64
(% change)	3.60	3.58
Decrease by 0.5%	69.33	64.98
(% change)	-3.36%	-3.35%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	71.81	67.21
(% change)	0.10%	-0.02%
W.R. x 90%	71.62	67.20
(% change)	-0.17%	-0.04%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Mortality Table : Indian Assured Lives Mortality (2006-08) Table		
Discount Rate (per annum)	7.65%	7.60%
Rate of escalation in salary (per annum)	6.00%	6.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

(viii) The above details are certified by the actuary.

35 During the Year under review, the company has written off an amount of Rs.912.32 Lakhs paid as advances for capital projects shown under the heading of "Long term loans and advances" up to the Financial year 2017-18.

36 RELATED PARTY DISCLOSURES:

List of Related Parties and Relationships:

i. Concern where significant interest exists.

Name of the Concern	Nature of Relationship
Shah Alloys Limited	Promoter Group Company
SAL Care Private Limited	Promoter Group Company
SAL Corporation Pvt Ltd	Promoter Group Company

ii. Key Management Personnel:

Notes forming part of the Financial Statements

Name of the Key Management Per-sonnel	**Nature of Relationship**
Shri Rajendra V Shah	Chairman
Shri Sujal A Shah	Executive Director
Shri B M Singhal	Whole Time Director Cum CFO
Shri Anil Pandya	Whole Time Director
Shri Jayant J Garai	CEO (Up to 21/10/2018)
Shri Nirajkumar Jain	Company Secretary (Up to 03/01/2019)
Shri Manish Daulani	Company Secretary (w.e.f. 04/01/2019)

(Related Parties have been identified by the Management)

(a) Disclosure of Related Party Transactions (Amount Rs In lakhs)

Sr No.	Related Party	Nature of Transaction	2018-19	2017-18
1.	Shah Alloys Limited	Purchases	480.71	5176.32
		Sales (Incl Power)	28898.11	21086.43
		Rent Income	9.60	9.60
	SAL Corporation Pvt Ltd	Loan repaid	0	108.94
		Interest	0	0.49
	Balance as at the year end		0	0
3.	SAL Care Pvt Ltd	Loan taken	340.00	356.25
		Loan repaid	120.00	1286.16
		Interest	7.01	56.54
	Balance as at the year end		226.31	0.00
	Key Management Personnel			
4.	Mr. Sujal Shah	Salary	4.32	4.32
5.	Mr. B.M Singhal	Salary	4.92	4.92
6.	Mr. Anil Pandya	Salary	4.80	4.80
7.	Mr. Jayant Garai	Salary	24.50	28.00
8.	Mr. Nirajkumar Jain	Salary	3.72	4.20
9.	Mr. Manish Daulani	Salary	0.61	0

37. Certain Balance of Debtors, Creditors, are non- moving / sticky since last 3 years. However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.

38. The balance confirmation from the suppliers, customers as well as to vari-ous loans or advances given have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, trade payables as well as loans and advances have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties

39. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

40. During the year under ended on 31st March 2019, the company has carried out a techno economic assessment for the valuations of its Capital Projects, to identify the impairment loss and provision thereof if any. Based on the said techno economic assessment of the capital projects, the company has pro-vided Rs 2001.00 Lakhs as impairment of Capital work in progress and the same is shown as Exceptional item in the Standalone statement of Profit and loss account The same is in accordance with Indian Accounting Standard – 36 ' IMPAIRMENT OF ASSETS', which states that impairment loss is recognized when the carrying amount of an assets exceeds its recoverable amount.

41. Inventories are as taken, valued and certified by the management.

Notes forming part of the Financial Statements

42. Deferred Tax Liabilities

The breakup of Deferred Tax as at 31.03.2019 is as under.

(Amount in Rs.in lakhs)

Particulars	Amount (As on 31/03/2019)	Amount (As on 31/03/2019)
Deferred Tax Liabilities.		
- Timing Difference of Depreciation (Deferred tax liability)	2598.49	2597.32
Deferred Tax Assets.		
- Gratuity & other Payment		
- Unabsorbed Loses	163.91	562.81
	60.25	963.86
Net Deferred Tax Liabilities	**1871.77**	**1573.21**

43. The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.

43A Donation to Political Parties

Donation includes Rs 2,50,000/- (P.Y Nil) contributed to Kalol Taluka Congress Samiti

44 IND AS 115- Illustrative disclosures

(Amount in ₹in lakhs)

Particulars Earnings Per Share :	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from contracts with customers	57,435.05	44,607.84
Total revenue	**57,435.05**	**44,607.84**

Revenueis recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

Revenuefrom sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Revenue from		
- Outside India	6,273.23	5,997.35
- In India	51,161.82	38,610.49

Single customer contributed 10% or more to the company's revenue for 2018-19 Amounting to 28898.11 Lakh and in 2017-18 amounting to 21086.43 Lakh.

(b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Contract Assets	9,406.49	3,737.65
Total contract assets	**9,406.49**	**3,737.65**
Contract liability	57.00	146.64
Total contract liabilities	**57.00**	**146.64**

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

Notes forming part of the Financial Statements

45 STATEMENT OF CHANGES IN EQUITY

Reconciliation of Other Equity as at 1st April 2017

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(14,407.33)	(10,724.02)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(15.96)	(15.96)
Profit for the year	-	-	-	4,239.06	4,239.06
Balance at the end of the reporting period	5.11	2,878.20	800.00	(10,152.31)	(6,469.00)

Reconciliation of Other Equity as at 1st April 2018

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Reserve Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(10,152.31)	(6,469.00)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(6.24)	(6.24)
Profit for the year	-	-	-	(2,159.73)	(2,159.73)
Balance at the end of the reporting period	5.11	2,878.20	800.00	(12,305.80)	(8,622.49)

(Amount in ₹in lakhs)

46 TAX RECONCLIATION **Income taxes recognised in Statement of Profit and Loss**	**For the Year Ended March 31, 2019**	**For the Year Ended March 31, 2018**
Current tax		
In respect of the current year	-	-
(Excess)/Short provision for tax of earlier years	-	-
	-	-
Deferred tax(credit) /Charged	295.21	2,156.95
Total income tax expense recognised in respect of continuing operations	**295.21**	**2,156.95**

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in ₹in lakhs)

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit before taxes	-	-
Enacted tax rate in India	34.944%	34.940%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Effect of:		
Deferred tax(credit) /Charged	295.21	2,156.95
Income taxes recognised in the Statement of Profit and Loss	**295.21**	**2,156.95**

The tax rate used for the 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Notes forming part of the Financial Statements

Income tax recognised in other comprehensive income (Amount in ₹in lakhs)

Particulars	**For the Year Ended March 31, 2019**	**For the Year Ended March 31, 2018**
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(3.35)	(8.57)
Total income tax recognised in other comprehensive income	**(3.35)**	**(8.57)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(3.35)	(8.57)
Income tax recognised in other comprehensive income	**(3.35)**	**(8.57)**

Note: Deferred tax liability has been calculated using effective tax rate of 34.944%

Components of deferred tax assets and liabilities (Amount in ₹in lakhs)

Particulars	**For the Year Ended March 31, 2019**	**For the Year Ended March 31, 2018**
(a) Deferred tax liabilities		
Difference between book and tax depreciation	2,598.49	2,597.32
	2,598.49	**2,597.32**
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	163.91	60.25
Unabsorbed loss	562.81	963.86
	726.72	**1,024.11**
Deferred Tax Liabilities (Net)	**1,871.77**	**1,573.21**

47. The financial statements were authorized for issue by the directors on 30th May 2019.

Signatures to Notes - 1 to 47.

Notes referred to herein above form an integral part of the Financial Statements.

As per our report of even date attached.
For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)

Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th May,2019

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)

Sd/-
[Anil Pandya]
Whole Time Director
(DIN : 02453919)

Sd/-
[Manish Daulani]
Company Secretary