NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

1. CORPORATE INFORMATION

Godawari Power & Ispat Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. It's shares are listed on two stock exchanges in India. The company is mainly engaged in Generation of Electricity, Mining of Iron Ore and Manufacturing of Iron Ore Pellets, Sponge Iron, Steel Billets, Wire Rods, H.B. Wire and Ferro Alloys.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015 and guidelines issued by the Securities and Exchange Board of India (SEBI).

ii) The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) and

- Defined benefit plans - plan assets

iii) Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

2.2 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 classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- 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.

All other liabilities are classified as non-current.

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

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

b) Fair Value Measurement

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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia 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 financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is 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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

c) **Property, Plant and Equipment (PPE)**

i) An item of PPE is recognized as an asset if 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.

ii) The cost of an item of property, plant and equipment is measured at :

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

iii) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

iv) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.

v) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

vi) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

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

viii) The company has continued the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP, as permitted under Ind AS 101, 'First time adoption of Indian Accounting Standards'. Accordingly, the exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset have been adjusted to the cost of the asset and are depreciated over the remaining life of the asset.

d) **Capital Work in Progress**

i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

e) **Intangible Assets**

i) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

ii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

iii) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Leased assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Mining Assets

i) Exploration and Evaluation Assets

Upon obtaining the legal rights to explore a specific area but before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the expenditure incurred on finding specific mineral resources are capitalised as Exploration and Evaluation Assets. These expenditure include expenses on acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching; sampling; activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource and such other related expenses. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, the Exploration and Evaluation Assets are reclassified as part of the right to mine.

At the initial recognition the Exploration and Evaluation Assets are measured at cost. After recognition, the company continues to use the cost model.

Exploration and Evaluation Assets are assessed for impairment when facts and circumstances suggest that the carrying amount of such assets may exceed its recoverable amount.

After the reclassification of the Exploration and Evaluation Assets as part of the Right to Mine, the cost is then amortised over the remaining useful life of the mining rights.

ii) Stripping Activity

During the development phase of the mine (before production begins), stripping costs are capitalised as part of the cost of right to mine.

During the production phase, two benefits accrue from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the costs of that stripping overburden removal activity is accounted for in accordance with the principles of Ind AS 2, Inventories.

To the extent the benefit is improved access to ore, these costs are recognised as Stripping Activity Asset, if the following criteria are met:-

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

The Stripping Cost capitalised during the development phase or during the production phase is amortised using the units or production method.

h) Revenue recognition

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has considered that recovery of excise duty flows to the company on its own account. Therefore it is a liability of the manufacturer and 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 & 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 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 returns and allowances, trade discounts and volume rebates.

ii) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Dividends

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

iv) Rendering of services

Revenue from the services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

i) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets

i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:

- spares classified as plant and equipment are depreciated over 3 to 15 years based on the technical evaluation of useful life done by the management.
- assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

ii) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

v) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.

vi) Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.

vii) Expenditure incurred on Right to Mine are amortised over useful life of the mines or lease period whichever is shorter.

viii) Other Intangible assets are amortized over technically useful life of the assets.

j) Inventories :

i) Inventories are valued at lower of cost and net realizable value, after providing for obsolences, if any.

ii) Cost of Raw Materials, Stores & Spares, Work in Progress, Finished Goods and Stock-in-Trade are computed on Moving Average basis.

iii) Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

iv) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

k) Borrowing Cost

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 the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Income Taxes

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

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

m) Foreign Currency Transactions

i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.

ii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

n) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. 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, mortality rates and future pension increases. 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 company has recognized the gratuity payable to the employees as per the Payment of Gratuity Act,1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

p) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Treasury shares held in the Trust are deducted from the equity.

r) Financial Intruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

<u>Financial assets carried at amortised cost</u>

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

<u>Financial assets at fair value through other comprehensive income (FVTOCI)</u>

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other Equity Investments

All other equity investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative financial instruments and Hedge Accounting

The Company uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

A. Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

B. Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

iv) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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

t) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

u) Statement of Cash Flows

i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are classified within borrowings in current liabilities.

ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

v) Segment Reporting Policies

Identification of segments :

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

2.3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Measurement of defined benefit obligations

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. 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, mortality rates and future pension increases. 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.

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
Gross Block								
Carrying Value								
At 1 April 2016	3,703.83	146.64	1,370.09	20,243.24	108,221.81	225.67	510.79	134,422.08
Additions	51.19	-	57.41	2,575.66	10,477.76	11.35	38.94	13,212.30
Disposals	18.70	-	11.85	1,014.54	708.84	-	58.30	1,812.24
Other adjustments								
- Exchange differences	-	-	-	-	(659.66)	-	-	(659.66)
- Borrowing costs	-	-	-	810.46	1,271.61	-	-	2,082.07
At 31 March, 2017	3,736.33	146.64	1,415.64	22,614.82	118,602.67	237.02	491.43	147,244.54
Additions	259.13	-	-	54.57	2,556.75	6.76	120.60	2,997.81
Disposals	-	-	-	-	53.02	-	41.21	94.24
Other adjustments								
- Borrowing costs	-	-	-	-	68.64	-	-	68.64
At 31 March, 2018	**3,995.45**	**146.64**	**1,415.64**	**22,669.38**	**121,175.04**	**243.79**	**570.81**	**150,216.75**
Depreciation								
At 1 April 2016	-	1.00	-	1,123.52	5,595.11	43.51	88.46	6,851.60
Charge for the year	-	1.56	-	1,128.55	5,831.94	36.37	85.24	7,083.67
(Disposals)/Adjustment	-	-	-	27.05	79.47	-	23.73	130.25
At 31 March, 2017	-	2.56	-	2,225.03	11,347.58	79.88	149.98	13,805.03
Charge for the year	-	1.56	-	1,068.39	6,845.25	35.00	78.21	8,028.40
(Disposals)/Adjustment					4.81		18.44	23.25
At 31 March, 2018	**-**	**4.12**	**-**	**3,293.42**	**18,188.02**	**114.87**	**209.75**	**21,810.18**
Net Block								
At 31 March, 2017	3,736.33	144.07	1,415.64	20,389.79	107,255.09	157.14	341.45	133,439.51
At 31 March, 2018	**3,995.45**	**142.51**	**1,415.64**	**19,375.96**	**102,987.02**	**128.91**	**361.07**	**128,406.57**

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March,2018 was ₹ 68.64 lacs (31st March, 2017:₹ 2082.07 Lacs). The company capitalized the borrowing cost in the capital work-in-progress (CWIP) ₹ 557.54 lacs (31st March,2017: ₹ 371.03 Lacs). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital Work In Progress.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

4. OTHER INTANGIBLE ASSETS

(₹ in lacs)

	Computer software	Right to Mine	Total
Gross Block			
Carrying Value			
At 1 April 2016	112.05	8,985.13	9,097.18
Purchase/additions	815.28	1,320.21	2,135.49
At 31 March, 2017	927.33	10,305.34	11,232.67
Purchase/additions	-	3,229.20	3,229.20
At 31 March, 2018	**927.33**	**13,534.55**	**14,461.88**
Amortization			
At 1 April 2016	29.34	393.01	422.35
Charge for the year	29.79	704.58	734.37
At 31 March, 2017	59.13	1,097.59	1,156.72
Charge for the year	110.87	809.80	920.67
At 31 March, 2018	**170.00**	**1,907.39**	**2,077.39**
Net Block			
At 31 March, 2017	868.20	9,207.75	10,075.95
At 31 March, 2018	**757.33**	**11,627.16**	**12,384.49**

5. INVESTMENTS

(₹ in lacs)

Particulars	Face value per unit in ₹	No. of Shares/ Units	As at 31.03.2018	As at 31.03.2017
Trade investments				
Valued at cost				
Investment in subsidiaries				
Unquoted equity instruments, fully Paid up				
*Godawari Green Energy Ltd.	10	17,847,000	**17,802.00**	17,802.00
**Godawari Energy Ltd.	10	11,800,000	**1,180.00**	1,180.00
Godawari Clinkers & Cement Ltd.	10	50,000	**-**	5.00
***Ardent Steel Ltd.	10	8,065,000	**4,764.00**	4,764.00
Godawari Integrated Steels (I) Ltd.	10	50,000	**-**	5.00
Krishna Global Minerals Ltd.	10	50,000	**-**	5.00
Investment in joint ventures				
Valued at cost				
Investment in equity instruments, fully Paid up (unquoted)				
Raipur Infrastructure Company Ltd	10	130,700	**210.70**	210.70
Chhattisgarh Capitive Coal Mining Ltd	10	342,824	**473.54**	473.54
Godawari Natural Resources Ltd.	10	16,940	**-**	1.69
Investment in associates				
Valued at cost				
Investment in equity instruments, fully Paid up (unquoted)				
Hira Ferro Alloys Ltd.	10	9,491,000	**2,234.26**	2,234.26
Jagdamba Power & Alloys Ltd	10	2,605,000	**260.50**	260.50
Chhattisgarh Ispat Bhoomi Ltd	10	2,810,000	**489.40**	489.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lacs)

Particulars	Face value per unit in ₹	No. of Shares/ Units	As at 31.03.2018	As at 31.03.2017
Trade investments (valued at cost)				
Carried at Fair Value through OCI				
Investment in equity instruments, fully Paid up (unquoted)				
Hira Steels Limited	10	2,240,100	**623.29**	527.36
Hira Energy Ltd	10	14,000	**1.40**	1.40
Shourya Diamonds Ltd	10	10,000	**0.61**	0.61
Investment in mutual fund, fully Paid up (unquoted)				
Carried at Fair Value through OCI				
Baroda Pioneer Mutual Fund	10	19,900	**4.00**	3.80
Axis Long Term Equity Fund - Growth		34,349	**13.85**	11.86
Canara Robeco Potential Mutual Fund	10	350,000	**35.12**	-
			28,092.67	27,976.12
Aggregate amount of quoted investments and market value thereof			**52.98**	15.66
Aggregate amount of Unquoted investments			**28,039.69**	27,960.46
Investment carried at cost			**27,414.40**	27,431.10
Investment carried at fair value through OCI			**678.27**	545.02

Investments given as security

* Out of 17847000 equity shares, 11957970 (7520970) equity shares pledged for the credit facilities sanctioned to Godawari Green Energy Limited.

** 11800000 (0) equity shares are pledged for the credit facilities availed by the company.

* Out of 8065000 equity shares, 4113150 (0) equity shares are pledged for the credit facilities sanctioned to Ardent Steel Limited.

6. DEFFERED TAX ASSETS

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Deferred Tax Assets/(Liability)		
Temporary differences on account of PPE & Other intangible assets	**(16,541.74)**	(16,801.81)
Temporary differences on account of fair valuation of Investments	**(43.82)**	(12.25)
Temporary differences on account of Employee Benefits	**259.41**	189.57
Unused MAT Credit	**9,994.43**	6,746.35
Others	**12,092.68**	10,067.70
Net deferred tax Assets/(Liabilities)	**5,760.96**	189.57
RECONCILIATION OF DEFERRED TAX Assets/(Liabilities) (NET)		
Deferred Tax (Assets)/Liabilities		
Deferred tax liability / (assets) at the beginning of the year	**189.57**	125.53
Deferred tax liability / (assets) during the year on account of timing difference	**1,864.56**	64.04
Recognition of unrecognized tax loss	**(4,187.87)**	-
MAT Credit utilized/(arised)	**(3,248.07)**	-
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	**5,760.96**	189.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

7. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in lacs)

	Non-Current		Current	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Advances other than capital advances				
Advance to Vendors			**12,645.35**	11,197.61
Prepaid expenses			**37.45**	1,073.28
Balance with statutory/govt. authorities			**1,671.75**	3,896.79
Security deposit with govt. & others	**510.37**	489.99	**-**	-
Total	**510.37**	489.99	**14,354.55**	16,167.67

8. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Raw Materials and components	**22,963.59**	10,516.43
Work-in-progress	**1,362.57**	324.40
Finished goods & by-products	**6,837.13**	9,970.27
Stock-in-trade	**2.29**	2.29
Stores & spares	**7,195.81**	6,209.94
	38,361.38	27,023.33

9. TRADE RECEIVABLES

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good unless stated otherwise		
Trade receivables	**11,119.39**	7,709.83
Less: Provision for doubtful receivables	**334.86**	340.58
	10,784.53	7,369.25

10. BANK, CASH AND CASH EQUIVALENTS

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Cash and cash equivalents		
Balances with banks:		
On current accounts	**708.97**	2,093.93
Cash on hand	**21.87**	8.43
	730.84	2,102.36
Other bank balances		
Unpaid dividend account	**11.78**	14.09
Deposits with original maturity for more than 3 months but less than 12 months	**3,239.81**	1,665.50
	3,251.60	1,679.59
	3,982.43	3,781.95

Out of total Deposits, deposits of ₹3239.80 lacs (previous year ₹1665.50 lacs) are pledged with various banks for availing LC, Bank Guarantee, OD facilities, margin money and pledged with other Govt. Departments.

11. LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Loans and advances to subsidiary companies	**6,858.28**	6,261.27
	6,858.28	6,261.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

12. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Authorized		
49800000 (31st March, 2017: 49800000) equity shares of ₹10/- each	**4,980.00**	4,980.00
	4,980.00	4,980.00
Issued, subscribed and fully paid-up		
35236247 (31st March, 2017: 35236247) equity shares of ₹ 10/- each fully paid-up	**3,411.12**	3,411.12

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2018		As at 31.03.2017	
	No.	(₹ in lacs)	No.	(₹ in lacs)
At the beginning of the period	**35,236,247**	**3,411.12**	32,756,247	3,163.12
Issued during the period	**-**	**-**	2,480,000	248.00
Outstanding at the end of the period	**35,236,247**	**3,411.12**	35,236,247	3,411.12

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribtion of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by Associate company

Out of equity shares issued by the company, shares held by its associate company are as below: (₹ in lacs)

Particulars	As at 31.03.2018	As at 31.03.2017
Equity shares of ₹10/- each fully paid		
1200000 (1200000) nos. of shares held by Hira Ferro Alloys Ltd	**120.00**	120.00
	120.00	120.00

d. Details of shareholders holding more than 5% shares in the company:

	As at 31.03.2018		As at 31.03.2017	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of ₹ 10/- each fully paid				
Hira Infra-tek Limited	**1790652**	**5.08**	1790652	5.08
Dinesh Agrawal	**1846347**	**5.24**	1846347	5.24
B.L. Agrawal	**1731398**	**4.91**	1731398	4.91
B.L. Agrawal (HUF)	**2738932**	**7.77**	2738932	7.77
Vinay Agrawal	**1875466**	**5.32**	1875466	5.32
Kumar Agrawal	**2460678**	**6.98**	2460678	6.98
	12443473	**35.31**	12443473	35.31

e. Apart from authorised equity share capital, the company is also having authorised preference share capital consisting 3200000 preference shares of ₹10/-each as on 31.03.2018 and 31.03.2017.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

13. BORROWINGS

(₹ in lacs)

Particulars	Non-current portion		Current maturities	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Debentures				
209 (31 March,2017: 209) A Series 12% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured)	**1,946.87**	2,040.23	**112.50**	43.11
200 (31 March,2017: 200) B Series 12.75% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured)	**1,869.00**	1,946.42	**108.00**	53.58
150 (31 March,2017: 150) C Series 12.90% Redeemebale Non -Convertible Debentures of ₹1,000,000/- each (secured)	**1,362.71**	1,482.77	**79.29**	15.73
Term Loans				
Secured loan from bank	**123,318.65**	121,480.76	**8,085.88**	1,658.02
Foreign currency loan from banks (secured)	**-**	8,088.76	**-**	85.83
Other loans and advances				
Other loans from bank and financial institution (secured)	**3.95**	22.34	**23.99**	35.03
From body corporates (unsecured)	**-**	1,000.00	**-**	-
	128,501.19	136,061.27	**8,409.66**	1,891.31
The above amount includes				
Secured borrowings	**128,501.19**	135,061.27	**8,409.66**	1,891.31
Unsecured borrowings	**-**	1,000.00	**-**	-
Amount disclosed under the head "other financial liabilities" (refer note 18)			**(8,409.66)**	(1,891.31)
Net amount	**128,501.19**	136,061.27	**-**	-

Security and terms & conditions for above loans:

a. 12% redeemable non-convertible debentures 'A' Series are secured by First Pari passu charge on the fixed assets of the Company both present & future and 2nd pari passu charge on the current assets of the Company both present & future.

b. 12.75% redeemable non-convertible debentures 'B' Series are secured by Pari passu first charge on the tangible fixed assets of the Company.

c. 12.90% redeemable non-convertible debentures 'C' Series are secured by Pari passu first charge on the fixed assets of the Company & pari passu second charge on the current assets of the Company.

d. The rupee term loans agreegating to ₹1314.05 Cr (Previous year ₹1231.39 Cr) (including current maturities of ₹ 80.87 Cr (Previous year ₹16.58 Cr) classified under 'other financial liabilities' in note 18) are secured by a first pari passu charge over immovable and movable assets of the company, both present and future, subject to prior charge in favour of working capital bankers of the Company over the current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables for securing working capital facilities availed from the banks. The rupee term loans are also secured by personal guarantee of promoter directors of the Company & their relatives and by 2nd pari passu charge on pledge of 77,80,245 equity shares of the Company held by the promoters.

e. The foreign currency term loan (ECB) aggregating to ₹ Nil (Previous year ₹ 81.75 Cr) (including current maturities of ₹ Nil (Previous year ₹ 0.86 Cr) classified under 'other financial liabilities' in note 18) are secured by a first pari passu charge over immovable and movable fixed assets of the company, both present and future. This Loan is also secured by personal guarantee of the Managing Director of the Company.

f. Other loans from banks and financial institution are secured by hypothecation and mortgage of specific assets from various banks.

Repayment terms for above loans:

a. The outstanding amount of Non Convertible Debentures are repayable in 168 monthly instalments which shall be ended on 31st March 2032.

b. Rupee term loan outstanding aggregating to ₹ 1230.92 crores are repayable in 168 monthly instalments which shall be ended on 31st March 2032.

c. Rupee term loan outstanding agreegating to ₹ 83.13 crores are repayable in 88 monthly instalments which shall be ended on 31st March 2026.

14. PROVISIONS

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits	**706.56**	579.18	**43.01**	34.32
	706.56	579.18	**43.01**	34.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

15. OTHER NON-CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Retention money payable	**202.81**	183.34
	202.81	183.34

16. BORROWINGS

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Cash Credit facility from banks (secured)	**12,975.90**	17,130.56
The above amount includes	**12,975.90**	17,130.56
Secured borrowings	**12,975.90**	17,130.56

Terms & Conditions of Secured Loans

1. The cash credit facilities from Banks are secured by first pari passu charge over entire current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables of the Company and second charge over the other movable assets and immovable assets of the Company.
2. The above credit facilities are also secured by personal guarantee of promoter directors of the Company.
3. The working capital facilities (including cash credit) are also secured in line with rupee term loans by pledge of 77,80,245 equity shares of the company held by the promoters.

17 TRADE PAYABLE

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Trade payables (refer note 42 for details of dues for micro and small enterprises)	**14,201.25**	10,137.94
	14,201.25	10,137.94

18 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Current maturities of long-term borrowings (secured) (refer note-13)	**8,409.66**	1,891.31
Interest accrued but not due on borrowings	**294.75**	514.91
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	**11.78**	14.09
	8,716.19	2,420.31

19. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017
Other Payable	**2,668.67**	2,562.85
GST payable	**1,046.11**	-
Advances from Customer	**743.53**	1,178.26
Creditors for capital goods	**-**	111.98
	4,458.31	3,853.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

20. REVENUE FROM OPERATIONS

(₹ in lacs)

	2017-18	2016-17
Revenue from operations		
Sale of products		
Manufacturing Goods and By-Products	**209,477.88**	171,074.88
Electricity	**193.15**	230.59
Traded Goods	**778.36**	683.18
Others	**6,772.03**	857.63
Sale of services	**1,239.98**	719.55
Revenue from operations (gross)	**218,461.40**	173,565.82

21. OTHER INCOME

(₹ in lacs)

	2017-18	2016-17
Interest Income on		
Bank Deposits	**160.27**	192.45
Others	**653.34**	865.77
Profit on sale of non-current Investments	**-**	90.00
Profit on sale of fixed assets	**3.47**	162.29
Other non-operating income (net of expenses directly attributable to such income)	**3.69**	63.22
	820.77	1,373.72

22. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in lacs)

	2017-18	2016-17
Inventory at the beginning of the year	**10,516.43**	19,148.08
Add: purchases	**139,659.14**	97,557.39
	150,175.57	116,705.47
Less : Inventory at the end of the year	**22,963.59**	10,516.43
Cost of raw material and components consumed	**127,211.98**	106,189.04

23. (INCREASE)/DECREASE IN INVENTORIES

(₹ in lacs)

	2017-18	2016-17	(Increase)/ Decrease
Inventories at the end of the year			**2017-18**
Finished goods and by-products	**6,837.13**	9,970.27	3,133.14
Work-in-progress	**1,362.57**	324.40	(1,038.16)
Traded goods	**2.29**	2.29	-
	8,201.99	10,296.96	2,094.98
Inventories at the beginning of the year			**2016-17**
Finished goods and by-products	**9,970.27**	10,864.07	893.80
Work-in-progress	**324.40**	318.93	(5.48)
Traded goods	**2.29**	2.29	-
	10,296.96	11,185.29	888.32
Net (increase)/decrease in inventories	**(2,094.98)**	(888.32)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

24. EMPLOYEE BENEFITS EXPENSES

(₹ in lacs)

	2017-18	2016-17
Salaries, wages and bonus	**6,969.48**	5,907.44
Contribution to provident and other fund	**590.06**	401.26
Gratuity Expense	**111.84**	95.39
Workmen and staff welfare expenses	**336.20**	272.46
	8,007.58	6,676.55

25. FINANCE COSTS

(₹ in lacs)

	2017-18	2016-17
Interest		
- on debentures	**688.81**	768.07
- on term loans	**14,897.54**	8,027.33
- on working capital	**1,466.65**	5,933.94
- on others	**148.41**	385.03
Exchange difference to the extent considered as an adjustment to borrowing costs	**-**	51.80
Bank charges	**1,279.65**	2,504.16
	18,481.07	17,670.34

26. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in lacs)

	2017-18	2016-17
Depreciation on tangible assets	**8,028.40**	7,083.67
Amortization of intangible assets	**920.67**	734.37
	8,949.07	7,818.04

27. OTHER EXPENSES

(₹ in lacs)

	2017-18	2016-17
Consumption of stores and spares	**8,091.73**	6,898.37
(Increase)/decrease of excise duty on inventory	**(445.07)**	(205.36)
Grid Parallel operation charges	**72.63**	240.98
Power & Fuel	**10,852.85**	8,530.50
Water Charges	**375.07**	294.51
Other manufacturing expenses	**5,590.60**	4,359.41
CDM Expenses	**2.87**	4.35
Rent	**62.86**	91.68
Rates and taxes		
- Entry tax	**29.42**	82.27
- Excise duty	**12.21**	-
- Electricity duty cess	**945.83**	292.24
- Others	**32.77**	3.81
Insurance	**99.79**	64.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lacs)

	2017-18	2016-17
Repairs and maintenance		
- Plant and machinery	**455.97**	518.71
- Buildings	**185.08**	145.97
- Others	**104.69**	97.18
Rebate, shortage claims & other deductions	**1,529.00**	428.89
Commission - Other than Sole selling agents	**598.35**	267.14
Provision/Allowances for credit loss on debtors	**(5.71)**	(24.46)
Traveling and conveyance	**309.16**	243.92
Communication expenses	**85.00**	62.99
Printing and stationery	**36.46**	24.68
Legal and professional fees	**397.73**	410.75
Directors' sitting fees	**22.92**	9.31
Directors' remuneration	**440.61**	106.84
Payment to Auditor (Refer details below)	**30.16**	18.56
Freight and forwarding charges	**311.46**	7.56
Security service charges	**250.03**	257.75
Loss on sale of investments	**10.02**	-
Loss/(gain) on Foreign exchange	**(27.56)**	(183.86)
Corporate Social Responsibility	**291.07**	221.65
Miscellaneous expenses	**582.75**	645.29
	31,330.74	23,916.02

Payment to Auditor	2017-18	2016-17
As auditor :		
Audit fee	**27.50**	17.31
Tax Audit fee	**2.50**	1.25
In other capacity		
Taxation matters	**0.16**	-
	30.16	18.56

28. EARNINGS PER SHARE (EPS)

(₹ in lacs)

	2017-18	2016-17
Net profit/(loss) as per statement of profit and loss	**18,194.77**	(7,743.82)
Net profit/(loss) attributable to Equity Shareholders	**18,194.77**	(7,743.82)
Nominal Value of Equity Shares (₹)	**10**	10
Weighted average number of equity shares in calculating Basic EPS	**35,236,247**	32,830,987
Weighted average number of equity shares in calculating Diluted EPS	**35,236,247**	32,830,987
Basic & Diluted EPS		
- Basic earning per share	**51.64**	(23.64)
- Diluted earning per share	**51.64**	(23.64)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

29. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS ARE NOT PROVIDED FOR IN RESPECT OF :-

i) Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to ₹ 2754 lacs (Previous Year ₹ 1304 lacs.)

ii) Disputed liability of ₹ 681.59 lacs (Previous Year ₹ 302.21 lacs) on account of Service Tax against which the company has preferred an appeal.

iii) Disputed liability of ₹ 280.53 lacs (Previous Year ₹ 63.00 lacs) on account of CENVAT against which the company has preferred an appeal.

iv) Disputed liability of ₹ 413.90 lacs (Previous Year ₹ 22.87 lacs) on account of Sales Tax against which the company has preferred an appeal.

v) Disputed liability of ₹ 39.35 lacs (Previous Year ₹ 390.76) on account of Income Tax against which the company has preferred an appeal.

vi) Disputed liability of ₹10 lacs (Previous Year ₹ 43.64 lacs) on account of Custom Duty against which the company has preferred an appeal.

vii) Disputed energy development cess demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh ₹ 4224.19 lacs (Previous Year ₹ 3740.60 lacs). The Hon'ble High Court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June,2008. The State Govt. has filed a Special Leave Petition before Hon'ble Supereme Court, which is pending for final disposal.

viii) Disputed demand of ₹ 758 lacs (Previous Year ₹ 758 lacs) from Chhattisgarh State Power Distribution Company Limited relating to cross subsidy on power sold under open access during the financial year 2009-10. The company has contested the demand and obtained stay from CSERC and expect a favourable decision in favour of company.

ix) Disputed demand of ₹ 522.24 lacs from Mining Department of Chhattisgarh against which the company has preferred an appeal.

x) Estimated amount of contracts remaining to be executed on capital accounts ₹ 2902 lacs (Previous Year ₹ 2095 lacs).

30. During the financial year 2015-16, a search operation was conducted in the premises of the company u/s 132 of the Income Tax Act, 1961. The settlement proceedings are pending before the competent authority. The company does not foresee any further liability on this account.

31. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of ₹ 590.06 lacs (P.Y. ₹ 401.26 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 24).

(₹ in lacs)

Benefit (Contribution to):	2017-18	2016-17
Contribution to Provident and other fund	590.06	401.26
Total	590.06	401.26

b. Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of Rs.20 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

(₹ in lacs)

	Particulars	Gratuity		Leave Encashment	
		2017-18	2016-17	2017-18	2016-17
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
I	Change in Present value of defined benefit obiligation during the year:				
	Present value of defined benefit obiligation at the beginning of the year	510.01	406.24	103.49	58.89
	Interest Cost	38.96	32.50	6.60	4.71
	Current Service Cost	72.88	62.90	40.84	76.43
	Past Service Cost	-	-	-	-
	Benefit paid directly by employer	(14.68)	(20.29)	(36.65)	(31.80)
	Acturial Changes arising from changes in financial assumption	(16.42)	26.98	(2.79)	5.37
	Acturial Changes arising from changes in expirence assumption	55.89	1.68	(8.56)	(10.11)
	Present value of defined benefit obiligation at the end of the year	646.64	510.01	102.93	103.49
II	Change in fair value of plan assets during the year:				
	Fair value of plan assets at the beginning of the year	-	-	-	-
	Contribution paid by the employer	14.68	20.29	36.65	31.80
	Benefit paid from the fund	(14.68)	(20.29)	(36.65)	(31.80)
	Fair value of plan assets at the end of the year	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lacs)

Particulars		Gratuity		Leave Encashment	
		2017-18	2016-17	2017-18	2016-17
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
III	**Net asset / (liability) recognised in the balance sheet:**				
	Present Value of defined benefit obligation at the end of the year	**646.64**	510.01	**102.93**	103.49
	Fair value of plan assets at the end of the year	**-**	-	**-**	-
	Amount recognised in the balance sheet				
	Net asset / (liability) - Current	**36.41**	27.64	**6.60**	6.68
	Net asset / (liability) - Non Current	**610.23**	482.37	**96.33**	96.81
IV	**Expenses recognized in the statement of profit and loss for the year:**				
	Current Service Cost	**72.88**	62.90	**40.84**	76.43
	Interest Cost on benefit obligation (Net)	**38.96**	32.50	**6.60**	4.71
	Total expenses included in employee benefits expenses	**111.84**	95.40	**47.44**	81.14
V	**Recognized in other comprehensive income for the year:**				
	Actuarial Changes arising from changes in financial assumption	**(16.42)**	26.98	**(2.79)**	5.37
	Actuarial Changes arising from changes in experience assumption	**55.89**	1.68	**(8.56)**	(10.11)
	Recognized in other comprehensive income for the year:	**39.47**	28.66	**(11.35)**	(4.74)
VI	**Maturity profile of defined benefit obligation:**				
	Within the next 12 months (next annual reporting period)	**40.03**	30.81	**7.03**	7.04
	Between 2 and 5 years	**170.68**	133.56	**28.01**	27.66
	Between 6 and 10 years	**250.72**	183.76	**38.32**	36.64
VII	**Quantitative Sensitivity analysis for significant assumption is as below:**				
1	1% point increase in discount rate	**584.07**	459.09	**92.86**	93.19
	1% point decrease in discount rate	**720.53**	570.45	**114.88**	115.77
	1% point increase rate of salary Increase	**721.98**	570.52	**115.51**	116.37
	1% point decrease rate of salary Increase	**581.33**	457.85	**92.19**	92.53
	1% point increase rate of employee turnover rate	**657.64**	518.09	**104.80**	105.15
	1% point decrease rate of employee turnover rate	**634.04**	500.66	**100.80**	101.60

2 Sensitivity Analysis Method:

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

Particulars		Gratuity		Leave Encashment	
		2017-18	2016-17	2017-18	2016-17
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
VIII	**Actuarial assumptions:**				
1	Discount rate	**7.75%**	7.50%	**7.75%**	7.50%
2	Salary escalation	**6.00%**	6.00%	**6.00%**	6.00%
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	**1% to 8%**	1% to 8%	**1% to 8%**	1% to 8%

Expected contribution to the defined plan for the next reporting period:

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2018. The present value of the defined benefit obligation and the related current service cost and past service cost,were measured using the projected Uniit Credit Method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

32. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Investment made are given under the respective heads. Further the company has not given any guarantee.

Loan given by the Company in respect of loans as at 31st March, 2018 (₹ in lacs)

Name of Company	As at 31.03.2018	As at 31.03.2017
Godawari Energy Ltd.	6858.28	6261.27
	6858.28	6261.27

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

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

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

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

Credit Risk

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

Trade receivables

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

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognise as income in the statement of profit and loss. The company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Bank, Cash and cash equivalents

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

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

(₹ in lacs)

	31-Mar-18	31-Mar-17
Trade receivables	10,784.53	7,369.25
Loans and advances	6,858.28	6,261.27
Bank, Cash and cash equivalents	3,982.43	3,781.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lacs)

	31-Mar-18	31-Mar-17
Impairment losses		
Trade receivables (measured under life time excepted credit loss model)		
Opening balance	**340.58**	365.04
Provided during the year	**-**	-
Reversal of provision	**5.71**	24.46
Unwinding of discount	**-**	-
Closing balance	**334.87**	340.58

	31-Mar-18	31-Mar-17
Ageing analysis		
Upto 3 months	**9,792.46**	5,486.38
3-6 months	**365.22**	457.51
More than 6 months	**626.85**	1,425.37
	10,784.53	7,369.25

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

Liquidity risk

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

Financing arrangements

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

(₹ in lacs)

	31-Mar-18	31-Mar-17
Cash Credit facilities	**4,527.40**	-

Maturities of financial liabilities

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

(₹ in lacs)

As at 31 March 2018	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	**21,385.56**	**37,890.75**	**90610.44**	**149,886.75**
Trade payables	**14,201.25**	**-**	**-**	**14,201.25**
Other financial liabilities	**306.53**	**-**	**-**	**306.53**
	35,893.34	**37,890.75**	**90,610.44**	**164,394.53**

As at 31 March 2017	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	19,021.88	47,624.77	88,436.49	155,083.14
Trade payables	10,137.94	-	-	10,137.94
Other financial liabilities	529.00	-	-	529.00
	29,688.83	47,624.77	88,436.49	165,750.09

Interest rate risk

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

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

a) Interest rate risk exposure

(₹ in lacs)

	31-Mar-18	31-Mar-17
Variable rate borrowings	**149,858.81**	154,025.77
Fixed rate borrowings	**27.94**	1,057.37

b) Sensitivity analysis

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

(₹ in lacs)

	Impact on profit after tax	
	31-Mar-18	31-Mar-17
Interest rates - increase by 70 basis points	**(931.79)**	(1,070.85)
Interest rates - decrease by 70 basis points	**931.79**	1,070.85

FOREX EXPOSURE RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies to foreign currency risk.

PARTICULARS	Currency	Currency in Lacs	
		2017-18	2016-17
Borrowings	USD	**-**	126.08
Trade Payables	USD	**85.70**	0.06

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

(₹ in lacs)

	Impact on profit after tax	
	2017-18	2016-17
Foreign exchange rates - increase by 1%	**55.77**	83.55
Foreign exchange rates - decrease by 1%	**(55.77)**	(83.55)

PRICE RISK:

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares and FVTOCI quoted and unquoted equity shares including preference instrument. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹12.86 lacs (2016-17: ₹ 10.90 lacs); an equal change in the opposite direction would have decreased profit and loss.

34. CAPITAL MANAGEMENT

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

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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

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

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

(₹ in lacs)

	31 March 2018	31 March 2017
Total liabilities	136,910.85	137,952.58
Less : Bank, Cash and cash equivalent	3,970.65	3,767.86
Net debt	**132,940.20**	134,184.72
Total equity	86,734.17	68,466.32
Net debt to equity ratio	**1.53**	1.96

During the year the company has complied with major covenants of the terms of sanction of the loan facilities throughout the year.

35. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniquie:

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

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly of indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(₹ in lacs)

	Carrying amount			
	As at 31.03.2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	27414.40			
Trade receivables	10784.53	-	-	-
Loans	6858.28			
Bank, Cash and bank balances	3982.43	-	-	-
	49039.64	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	678.27	52.98	625.29	-
Total	678.27	52.98	625.29	-
Financial liabilities at amortised cost:				
Long term borrowings	128501.19	-	-	-
Short term borrowings	12975.90	-	-	-
Trade payables	14201.25	-	-	-
Other financial liabilities	8716.19	-	-	-
Total	164394.53	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lacs)

	Carrying amount			
	As at 31.03.2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	27431.10			
Trade receivables	7369.25	-	-	-
Loans	6261.27			
Bank, Cash and bank balances	3781.95	-	-	-
	44843.57	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	545.02	15.66	529.37	-
Total	545.02	15.66	529.37	-
Financial liabilities at amortised cost:				
Long term borrowings	136061.27	-	-	-
Short term borrowings	17130.56	-	-	-
Trade payables	10137.94	-	-	-
Other financial liabilities	2420.31	-	-	-
Total	165750.09	-	-	-

During the reporting period ending 31st March, 2018 and 31st March, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

36. The company is entitled to Renewable Energy Certificates (REC) against captive generation & consumption of Bio-Mass Power. The floor price for trading of REC's was earlier determined by Central Electricity Regulatory Commission (CERC) @ ₹ 1500 per REC, However, CERC has revised the floor price of REC @ ₹ 1000/- per REC w.e.f.1st April, 2017, which has been subesequently challenged in a petition in the Appellate Tribunal. The Hon'able Supreme Court in response to the petition filed by Green Energy Association had granted stay on CERC order for revision in price till final verdict of the Appellate Tribunal. The Appellate Tribunal recently vide its order dated 12th April,2018 has upheld the earlier order of CERC with respect to revision of price from ₹1500/- to ₹ 1000/-. However, an appeal is being preferred before Hon'ble Supereme Court against the order of the Appellate Tribunal. In view of recent Appellate Tribunal order and as a matter of abandon caution, the company has accounted for the difference in the value of REC to the net realizable value during the year and charged ₹ 19.08 crores as an exceptional expense related to RECs generated upto 31.03.2017 and ₹ 4.28 crores related to current financial year to the revenue account.

37. The exceptional items of ₹ 5.52 crores (net) includes income of ₹ 13.56 crores pertains to compensation received from equipment supplier under the performance contract and expense of ₹19.08 crores on account of RECs as stated in note-36 above.

38. INFORMATION ON RELATED PARTY DISCLOSURES ARE GIVEN BELOW :

i) Related Parties

a) Subsidiaries

Godawari Green Energy Limited
Godawari Clinkers & Cement Limited (Wholly owned) (Closed)
Krishna Global Minerals Limited (Wholly owned) (Closed)
Godawari Integrated Steels (India) Limited (Wholly owned) (Closed)
Godawari Energy Limited
Ardent Steel Limited

b) Associates

-- Jagdamba Power & Alloys Limited
-- Chhattisgarh Ispat Bhumi Limited
-- Hira Ferro Alloys Limited

c) Other Related Parties

-- Hira Cement Limited
-- Raipur Complex

d) Joint Ventures

-- Raipur Infrastructure Company Limited
-- Chhattisgarh Captive Coal Mining Limited

e) Key Management Personnel

-- Shri B.L. Agrawal (Managing Director)
-- Shri Abhishek Agrawal (Whole Time Director)
-- Shri Dinesh Agrawal (Whole Time Director)
-- Shri Vinod Pillai (Whole Time Director)
-- Shri Sanjay Bothra (CFO)
-- Shri Y.C. Rao (Company Secretary)
-- Shri Vivek Agrawal (Chief Operational Officer)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

ii) Transaction with Related Parties in the ordinary course of business

(₹ in lacs)

			2017-18	2016-17
a)	**Subsidiaries**	Sale of Materials	**99.91**	221.28
		Interest Received	**569.93**	732.93
		Interest Paid	**114.76**	104.55
		Investments in Equity Shares	**-**	339.00
		Income From Services / Misc other receipts	**75.28**	9.91
		Sale of fixed assets	**-**	157.30
		Purchase of fixed assets	**27.73**	-
		Advance received	**-**	1,000.00
		Repayment of Advance received	**1,000.00**	-
		Advance given	**535.07**	401.47
		Repayment received of advance given	**451.00**	477.90
		Outstandings		
		Receivables	**6,858.28**	6,261.27
		Payables	**0.00**	1,000.00
b)	**Associates**	Sale of Materials	**435.14**	399.36
		Purchase of Materials	**2,127.04**	2,126.39
		Interest received	**5.91**	6.03
		Other charges paid	**380.91**	318.55
		Other charges received	**71.32**	82.60
		Purchase of fixed assets	**106.13**	30.01
		Outstandings		
		Receivables	**652.22**	442.61
		Payables	**208.23**	136.82
c)	**Other Related Parties**	Purchase of Materials	**230.84**	76.88
		Sale of Materials	**24.14**	9.48
		Other charges paid	**166.62**	394.39
		Other charges received	**0.25**	0.03
		Rent Paid	**6.61**	23.42
		Outstandings		
		Receivables	**14.69**	0.00
		Payables	**0.13**	50.89
d)	**Joint Ventures**	Service Charges Paid	**609.09**	330.42
		Outstandings		
		Payables	**289.44**	259.35
e)	**Key Management Personnel**	Remuneration/salary Paid	**606.37**	165.73

iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year

		2017-18	2016-17
a)	**Purchase of Materials:**		
	Hira Ferro Alloys Limited	**2,127.04**	1,003.34
	Hira Cement Limited	**230.84**	76.88
b)	**Service Charges Paid:**		
	Raipur Infrastructure Company Limited	**609.09**	330.42
	Chhattisgarh Ispat Bhumi Limited	**377.98**	315.79
	Hira Cement Limited.	**166.62**	394.39

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

		2017-18	2016-17
c)	**Sale of Materials:**		
	Hira Ferro Alloys Limited.	**416.97**	397.81
	Ardent Steel Limited.	**97.49**	221.28
d)	**Repayment of advance received:**		
	Godawari Green Energy Limited	**1,000.00**	-
e)	**Purchase of Fixed Assets:**		
	Ardent Steel Limited	**27.73**	-
	Hira Ferro Alloys Limited	**106.13**	30.01
f)	**Sale of Fixed Assets:**		
	Ardent Steel Limited	**-**	157.30
g)	**Interest received:**		
	Godawari Energy Limited	**569.93**	702.12
h)	**Interest paid:**		
	Godawari Green Energy Limited	**114.76**	104.00
i)	**Investment Made:**		
	Ardent Steel Limited.	**339.00**	339.00
j)	**Advance Received:**		
	Godawari Green Energy Limited	**-**	1,000.00
k)	**Loan/Advance Given:**		
	Ardent Steel Limited.	**450.00**	348.93
	Godawari Energy Limited	**85.07**	52.54
l)	**Repayment receipt of Loan/Advance given:**		
	Ardent Steel Limited	**450.00**	469.90
	Godawari Energy Limited	**1.00**	8.00
m)	**Rent Paid:**		
	Raipur Complex	**6.61**	4.98
n)	**Remuneration**		
	Shri B. L. Agrawal	**180.00**	60.00
	Shri Dinesh Agrawal	**98.61**	18.00
	Shri Abhisekh Agrawal	**144.00**	18.00
	Shri Sanjay Bothra	**51.61**	34.38
	Shri Y. C. Rao	**46.39**	24.51
	Shri Vivek Agrawal	**67.76**	73.55

39. SEGMENT-WISE REVENUE RESULTS :

Basis of preparation :

i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel and Electricity have been identified as the business segments.

ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

Information about business Segments-Primary (₹ in Lacs)

Particulars	External Sales		Inter Segment Sales		Eliminations		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A) REVENUE								
Steel Segment	**213404.13**	172477.61	**0.00**	0.00	**0.00**	0.00	**213404.13**	172477.61
Electricity Segment	**5057.27**	1088.21	**21966.31**	20268.73	**(21966.31)**	(20268.73)	**5057.27**	1088.21
Total Segment Revenue	**218461.40**	173565.82	**21966.31**	20268.73	**(21966.31)**	(20268.73)	**218461.40**	173565.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lacs)

B)	RESULTS	2017-18	2016-17
	Segment Operational Profit		
	Steel Segment	28,506.89	1,415.74
	Electricity Segment	10310.12	11129.55
	Total Segment Results	38817.00	12545.29
	Un-allocated expenditure net off unallocated income	(4269.61)	(2675.80)
	Operating Profit	34,547.39	9869.49
	Interest Expenses	(18481.07)	(17670.34)
	Tax Expense	(2128.44)	(57.03)
	Net Profit/(Loss)	18,194.77	(7743.82)

C)	OTHER INFORMATION	2017-18	2016-17
	Segment Assets		
	Steel Segment	218163.90	196181.52
	Electricity Segment	38058.29	40314.56
	Total Segment Assets	256222.19	236496.08
	Un-allocable Assets	2133.36	2370.26
	Total Assets	258355.55	238866.33
	Segment Liabilities and Provisions		
	Steel Segment	144371.28	145379.44
	Electricity Segment	16174.47	16692.01
	Total Segment Liabilities & Provisions	160545.75	162071.45
	Un-allocable Liabilities and Provisions	11075.63	8328.57
	Total Liabilities and Provisions	171621.38	170400.02
	Capital Expenditure		
	Steel Segment	9186.48	6156.63
	Electricity Segment	26.85	0.00
	Un-allocable Capital Expenditure	49.14	10.51
	Total Capital Expenditure	9262.47	6167.14
	Depreciation & Amortisation		
	Steel Segment	8457.90	7371.80
	Electricity Segment	491.17	446.24
	Total Segment Depreciation & Amortisation	8949.07	7818.04

40. UNHEDGED FOREIGN CURRENCY EXPOSURE

Foreign currency exposure that are not hedged by any derivative instruments or Forward Contracts as at 31st March,2018 amount to ₹ 2598.07 lacs (Previous Year ₹ 8174.60 lacs)

41. During the year the company has incurred ₹ 291.07 lacs on account of Corporate Social Responsibility Activities. According to provisions of section 135 of the Companies Act, 2013, the company is not required to spent any amount based on the average net profits/loss of the previous three years. The break-up of amount spent during the year are as follows:

Particulars	In Cash	Yet to be paid in cash	Total
Constructions/acquisition of any assets	0.00	0.00	0.00
On purpose other than above	291.07	0.00	291.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

42. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2018:

(₹ in lacs)

		2017-18	2016-17
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March, 2018		
	Principal Amount	**32.41**	47.27
	Interest	**0.00**	0.00
ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2018	**0.00**	0.00
iii)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	**0.00**	0.00
iv)	The amount of interest accrued and remaining unpaid for the year ending 31st March, 2018	**0.00**	0.00
v)	The amount of further interest remaining due and payable for the earlier years	**0.00**	0.00

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

43. The Board of Directors of the company has approved the scheme of amalgamation of its associate company "Jagdamba Power & Alloys Ltd" from appointed date 01.04.2017 in the meeting held on 20.02.2018 subject to obtaining of necessary regulatory approvals. Pending such approvals no adjustment has been made in the books of account during the year.

44. DISCLOSURE PURSUANT TO REGULATION 34 (3) AND 53(F) AND PARA A OF SCHEDULE-V OF SEBI (LODR) REGULATION, 2015:

Loans and Advances in the nature of loans given

(₹ in lacs)

Name of the Company	Amount outstanding as at 31.03.2018	Maximum amount outstanding during the year	Investment by the loanee in the shares of the company
Godawari Energy Limited	6858.28	6858.28	0.00
Ardent Steel Limited	0.00	350.00	0.00

45. PREVIOUS YEAR FIGURES HAVE BEEN REGROUPPED OR REARRANGED WHEREVER NECESSARY.

As per our report of even date
For **JDS & Co.**
(ICAI Firm Reg. No.018400C)
Chartered Accountants

per Sanjay Dewangan
Partner
Membership No. 409524

Place : Raipur
Date : 02.05.2018

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO