NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

Srikalahasthi Pipes Limited ('SPL' or 'the Company'), is a public limited company in India having it's registered office at Rachagunneri, Srikalahasthi Mandal, Chittoor district in the state of Andhra Pradesh, India engaged in the manufacture and supply of Ductile Iron Pipe as its core business and in the process produces and supplies Pig Iron and Cement. It also produces Low Ash Metallurgical Coke, Sinter and Power for captive consumption in its integrated complex. During the year, the Company has successfully implemented the Ferro Silicon Project as a part of further backward integration. The company predominantly caters to the needs of Water Infrastructure Development. The company's shares are listed on the National Stock Exchange Limited (NSE) and the BSE Limited.

2. STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

2.1 Statement of Compliance

The financial statement have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The Company has complied with Ind AS issued, notified and made effective till the date of authorisation of the financial statements.

Accounting Policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.2 Application of new and revised Standards

a) Ind AS 116, Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to its leasehold assets under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. Consequently, such assets have been recognised as "Right of Use" and have been amortised over the term of lease. Further, finance cost in respect of lease liability has been measured and considered in these financial statements. Previously charge on account of this was recognised as lease rent in terms of the agreement. This however does not have any material impact on the Profit/Loss and Earning Per Share for the year.

b) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes' have also been revised with effect from the said date. Revision in these standard also do not have any material impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs.

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. Accordingly, these financial statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

c) Level 3 : inputs for the asset or liability which are not based on observable market data.

The company has an established control framework with respect to the measurement of fair values. This includes a finance team headed by Chief Financial Officer who has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of cenvat availed), inward freight and other expenses related to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects or fixed assets during construction period and related developmental expenses are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The company's lease assets comprising of Land, Building and Plant and Machinery has been separately shown under PPE as Right of Use (ROU) Assets.

Capital Work-in-progress includes developmental expenses, equipments to be installed, construction and erection materials etc. Such costs are added to related PPE and are classified to the appropriate categories when completed and ready for intended use.

C. LEASES

The Company's lease asset classes primarily consist of leases for office space, transit houses, Plant and Equipments etc. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii)the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liability when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment, whether it will exercise an extension or a termination option.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount(i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

D. DEPRECIATION AND AMORTISATION

Depreciation on PPE except otherwise stated, is provided as per Schedule II of the Companies Act, 2013 on straight line method over the estimated useful lives. Certain Plant and Machinery have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the entire component.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows:

Category	Useful life (Years)
Buildings	
- Non-Factory Building	
• RCC Frame Structure	60
• Other than RCC Frame Structure	30
• Fences, wells, tube wells	5
• Others (including temporary structure, etc)	3
- Factory Building	30
Roads	
- Carpeted Roads-RCC	10
- Non-Carpeted Roads	3
Plant and machinery	
- Continuous Process Plant	25
- Sinter Plant, Blast Furnace, and Coke Oven	20
- Power Distribution Plant	35
- Power Generation unit	40
- Others	3-15
Computer equipment	
- Servers and networks	6
- Others	3
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10
Office equipment	5
Vehicles - Motor cycles, scooters and other mopeds	8

Major Furnace relining costs capitalised as Plant and Machinery are depreciated over a period of 6 years (average expected life)

Right-of-use assets (ROU) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

E. INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) has been allocated / amortized over the useful life using straight line method over a period of 3 years.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

F. DERECOGNITION OF TANGIBLE AND INTANGIBLE ASSETS

An item of PPE/Intangible Assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

G. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Tangible, Intangible assets and ROU Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years that reflects current market assessments of the time value of money and the risk specific to the asset.

H. FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realized or settled within operating cycle of the company or otherwise these are classified as noncurrent.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets 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 are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognized at fair value and changes therein are recognized in the statement of profit and loss.

(vi) Derivatives and Hedge Accounting

The company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments is assessed and measured at inception and on an ongoing basis to reduce the risk associated with the exposure being hedged.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/liability, at fair value through profit or loss. Transaction costs attributable to the same are also recognized in statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therin till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

(vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

In case of trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) De-recognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the assets's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of profit and loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

I. INVENTORIES

(i) Inventories are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and her supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to besold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in ct of finished goods and those under progress represents raw material cost plus costs of conversion, comprising labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

(iii) Cost in respect of work in progress represents cost incurred up to the stage of completion.

(iv) By-Products are valued at net realizable value.

J. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account except in respect of non-current liabilities existing as on April 1, 2015 (i.e. transition date) related to Property, Plant and Equipment, in which case these are adjusted to the cost of respective PPE. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

K. EQUITY SHARE CAPITAL

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

L. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation is not recognised where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount payable in this respect cannot be made.

Contingent Assets are not recognised but disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

M. EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc., is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

N. REVENUE

Revenue from Sale of Product

Revenue from Sales is recognised when control of the products has been transferred and/or the products are delivered to the customers. Delivery occurs when the product has been shipped or delivered to the specific location as the case may be and control has been transferred and either the customer has accepted the product in accordance with the contract or the company has objective evidence that all criteria for acceptance has been satisfied.

The Company provides warranties for defects, replacement etc. that existed at the time of sale based on historical trend and records.

Sale of Services

Revenue from Sales of Services has been recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

O. BORROWING COST

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the statement of profit and loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

P. RESEARCH AND DEVELOPMENT

Research and development cost (other than cost of Property, Plant and Equipment acquired) are charged as an expense in the year in which they are incurred.

Q. GOVERNMENT GRANTS

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to statement of profit and loss Account under “Other Income” or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non-current assets are recognized as Deferred Income and disclosed under non-Current Liabilities and transferred to statement of profit and loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to statement of profit and loss over the periods that bear the cost of meeting the obligations related to such grants.

R. TAXES ON INCOME

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized 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 are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences with respect to carryforward of unused tax credits and any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against which these can be utilized.

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 orthe asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefits can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

S. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

T. SEGMENT REPORTING

Operating segments are identified and reported taking into account the different risk and return, organisation structure and the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the financial statements in conformity with measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation/assumptions at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and related revenue impact within the next financial year are discussed below:

a. Depreciation/amortizationand impairment loss against property, plant and equipment /intangible assets.

Property, plant and equipment, ROU Assets and Intangible Assets are depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives and residual life of the assets regularly in order to determine the amount of depreciation / amortization and also amount of impairment expense to be recorded and/or to be reversed during any reporting period. Subsequent reassessment or review may result in change of estimates in future periods.

b. Arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other things, the location of the underlying asset and the availability of suitable alternatives. The lease terms and impact thereof are reassessed in each year to ensure that the lease term reflects the current economic circumstances.

c. Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience.

d. Defined Benefit Obligations (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds 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, which can be subject to change.

Management uses in-house and external legal professional to make judgment for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to taking into account changing facts and circumstances.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5 Property, Plant and Equipment
As at March 31, 2020:

(Rs. in Lakhs)

Particulars	Land Freehold	ROU Land Leasehold	Factory Buildings	Non Factory Buildings	ROU Non Factory Buildings	Plant & Machinery	ROU Plant & Machinery	Electrical Installations	Office Equipment	Furniture & Fixtures	Vehicles	TOTAL
Gross carrying amount												
As at March 31, 2019	34,489.24	-	6,757.53	1,422.99	-	55,556.23	-	644.37	298.12	44.73	351.46	99,564.67
Additions		109.26	626.49	246.54	145.44	7,430.94	2,159.86	44.94	5.70	127.45	65.16	10,961.78
Deletions	-	-	-	-	-	-	-	-	0.24	0.14	15.95	16.33
As at March 31, 2020	**34,489.24**	**109.26**	**7,384.02**	**1,669.53**	**145.44**	**62,987.17**	**2,159.86**	**689.31**	**303.58**	**172.04**	**400.67**	**1,10,510.12**
Accumulated Depreciation												
As at March 31, 2019	-	-	1,083.31	420.44	-	11,546.89	-	398.90	164.67	20.48	142.99	13,777.68
Depreciation charged during the year	-	3.69	289.04	96.25	83.87	3,348.09	172.79	19.81	31.24	3.77	40.08	4,088.63
Deduction/Adjustment	-	-	-	-	-	-	-	-	0.23	0.05	15.14	15.42
As at March 31, 2020	**-**	**3.69**	**1,372.35**	**516.69**	**83.87**	**14,894.98**	**172.79**	**418.71**	**195.68**	**24.20**	**167.93**	**17,850.89**
Net Carrying Amounts as at March 31, 2020	**34,489.24**	**105.57**	**6,011.67**	**1,152.84**	**61.57**	**48,092.19**	**1,987.07**	**270.60**	**107.90**	**147.84**	**232.74**	**92,659.23**

As at March 31, 2019:

Particulars	Land Freehold	ROU Land Leasehold	Factory Buildings	Non Factory Buildings	ROU Non Factory Buildings	Plant & Machinery	ROU Plant & Machinery	Electrical Installations	Office Equipment	Furniture & Fixtures	Vehicles	TOTAL
Gross carrying amount												
As at March 31, 2018	**34,034.87**	**-**	**6,575.86**	**1,104.93**	**-**	**51,179.65**	**-**	**635.60**	**258.04**	**43.63**	**340.00**	**94,172.58**
Additions	454.37	-	181.67	318.06	-	4,938.63	-	8.77	40.08	1.10	11.46	5,954.14
Deletions	-	-	-	-	-	562.05	-	-	-	-	-	562.05
As at March 31, 2019	**34,489.24**	**-**	**6,757.53**	**1,422.99**	**-**	**55,556.23**	**-**	**644.37**	**298.12**	**44.73**	**351.46**	**99,564.67**
Accumulated Depreciation												
As at March 31, 2018	-	-	800.05	307.46	-	8,868.79	-	371.76	130.25	15.59	104.23	10,598.13
Depreciation charged during the year	-	-	283.26	112.98	-	3,174.61	-	27.14	34.42	4.89	38.76	3,676.06
Deduction/Adjustment	-	-	-	-	-	496.52	-	-	-	-	-	496.52
As at March 31, 2019	**-**	**-**	**1,083.31**	**420.44**	**-**	**11,546.89**	**-**	**398.90**	**164.67**	**20.48**	**142.99**	**13,777.67**
Net Carrying Amounts as at March 31, 2019	**34,489.24**	**-**	**5,674.22**	**1,002.55**	**-**	**44,009.34**	**-**	**245.47**	**133.45**	**24.25**	**208.47**	**85,787.00**

5.1 The Gross Block includes certain Property, Plant and Equipment i.e. freehold land which have been valued by an Independent valuer appointed in this respect and considered as "deemed cost" resulting in appreciation of Rs. 32,176.37 lakhs as on 1st April, 2015 (i.e. transition date) in accordance with the provisions of Ind AS 101 "First-time adoption of Indian Accounting Standards".

5.2 Refer Note no. 44 dealing with adjustments carried out with respect to Exchange Fluctuation in the cost of Plant and Machinery.5.3 Refer Note no. 20 to financial statements in respect of charge created against borrowings

5.4 Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme amounting to Rs. 294.74 lakhs on purchase of property,plant and equipment has been added to Plant and Equipments with corresponding credit to Deferred Income (Refer Note no.26.1(b).5.5 "ROU Land Leasehold, "ROU Non- Fectory Buildings" and "ROU Plant and Equipment" relates to building premises and equipments respectively taken on lease and recognised as "Right of Use" in terms of Ind AS116 on implemention with effect from April 01, 2019.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6 Intangible Assets:

As at March 31, 2020

(Rs. in Lakhs)

Details	Computer Software
Gross Block	
As at March 31, 2019	192.66
Additions	14.74
Deduction/Adjustment	-
As at March 31, 2020	**207.40**
Accumulated Amortisation	
As at March 31, 2019	127.94
Charge during the year	28.07
Deduction/Adjustment	-
As at March 31, 2020	**156.01**
Net Carrying Amounts as at 31 Mar 2020	**51.39**

As at March 31, 2019

Details	Computer Software
Gross Block	
As at March 31, 2018	174.37
Additions	18.29
Deduction/Adjustment	-
As at March 31, 2019	**192.66**
Accumulated Amortisation	
As at March 31, 2018	99.38
Charge during the year	28.56
Deduction/Adjustment	-
As at March 31, 2019	**127.94**
Net Carrying Amounts as at March 31, 2019	**64.72**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

7. LOANS

Rs. in Lakhs

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Security Deposits			
Unsecured - considered good		788.49	763.66
Unsecured Credit Impaired		5.72	5.72
Less : Impairment Allowance for doubtful		(5.72)	(5.72)
Total		**788.49**	**763.66**

7.1 MOVEMENT OF IMPAIRMENT ALLOWANCES FOR DOUBTFUL DEPOSITS

Balance at the beginning of the year		5.72	-
Recognised during the year		-	5.72
Reversal during the year		-	-
Balance at the end of the year		5.72	5.72

8 OTHER FINANCIAL ASSETS

Margin Money with banks	13.1	0.97	24.67
Security Deposit/EMD to Customers	15.2	12.56	75.30
Total		**13.53**	**99.97**

9 OTHER NON-CURRENT ASSETS

Capital Advances		638.32	391.61
Prepaid Expenses		14.54	19.53
Leasehold Prepayments	9.1	-	64.30
Total		**652.86**	**475.44**

9.1 During the year, Leasehold prepayment has been treated as "ROU Land Leasehold" as stated in Note no. 5.5

10 INVENTORIES

(Valued at lower of Cost or Net Realisable Value)			
Raw Materials		19,401.31	25,216.53
Process Stock		1,483.67	929.27
Finished Goods		5,649.22	1,984.93
Finished Goods in transit		844.09	1,389.14
Stores & Spares		5,905.58	5,761.10
Less: Provision for Obsolete and Non-Moving Stores and Spares	10.2	-	(13.00)
Total		**33,283.87**	**35,267.97**

10.1 Refer Note no. 23.1 to financial statements in respect of charge created against borrowings

10.2 Movement of Provision for Obsolete and Non-Moving Stores and Spares

Balance at the beginning of the year		13.00	-
Recognised during the year		-	13.00
Reversal during the year		(13.00)	-
Balance at the end of the year		-	13.00

10.3 Stores and Spares stock includes stock of DI Pipe Mould amounting to Rs. 1,765.32 lakhs (March 31, 2019: Rs. 1,606.35 lakhs) being charged to consumption based on production.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

11 TRADE RECEIVABLES

Rs. in Lakhs

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
(Unsecured)			
- Considered good	11.2	54,172.63	30,548.02
Total		54,172.63	30,548.02

11.1 Refer Note no. 23.1 to financial statements in respect of charge created against borrowings

11.2 AGE OF TRADE RECEIVABLES:

Within the credit period (actuals)		34,321.03	21,069.33
0 - 90 days		14,559.04	7,909.10
91 - 180 days		318.97	1,095.55
More than 180 days past due		4,973.59	474.04
Total		**54,172.63**	**30,548.02**

The average credit period on sales of goods is 45 – 90 days. In case of delay, interest, wherever applicable, is charged.

12 CASH AND CASH EQUIVALENTS

Balances with Banks			
-in Current Account		800.50	13,221.80
-In Fixed Deposit with original maturity of less than 3 months	12.1 and 12.2	-	12,500.00
Cash on Hand		3.63	1.39
Total		**804.13**	**25,723.19**

12.1 Includes Nil (March 31, 2019: Rs. 2,500.00 lakhs) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 48).

12.2 Includes Nil (March 31, 2019: Rs. 10,000.00 lakhs) out of Term Loan proceeds pending utilisation thereof in terms of the intended use.

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Balances with Banks			
- In Unpaid Dividend		90.34	75.42
- In Fixed Deposit with original maturity of more than 3 months	13.2	33,500.00	20,000.00
- In Margin Money	13.1	1,905.70	482.56
Total		**35,496.04**	**20,557.98**

13.1 Margin Fixed Deposits with banks includes Fixed Deposit of Rs. 1,906.67 lakhs (March 31, 2019: Rs. 507.23 Lakhs) including Rs. 0.97 lakhs (March 31, 2019: Rs. 24.67 lakhs) disclosed under other non-current financial assets and lodged with banks against guarantee issued by them.

13.2 Includes Nil (March 31, 2019: Rs. 2,105.03 lakhs) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 48).

14 LOANS

Unsecured			
- Considered good			
Inter Corporate Loans	14.2	4,655.00	6,350.00
Loans and Advances to employees		30.80	27.47
Other Deposits	14.1	457.51	231.16
Total		**5,143.31**	**6,608.63**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

14.1 Disclosure of Loans and Advances as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) are as follows:

Particulars of Advances	Amount Outstanding at the year end March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Amount Outstanding at the year end March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Loans and advances in the nature of loans to Companies in which directors are interested				
Amit Trexim Private Limited	3.00	3.00	3.00	3.00
Global Exports Limited	-	15.00	15.00	15.00
All the above advances have been given for general corporate purposes.				

14.2 Disclosure of Inter Corporate Loans (other than above) as per Sec 186(4) of the Companies Act 2013 are as follows

Particulars of Loan given	Rate of Interest	Amount Outstanding at the year end March 31, 2020	Maximum Amount Outstanding during the year ended March 31, 2020	Amount Outstanding at the year end March 31, 2019	Maximum Amount Outstanding during the year ended March 31, 2019
Tetron Capital Limited	10%	-	2,000.00	2,000.00	3,000.00
Rashmi Properties and Investmets Limited	10%	-	3,000.00	3,000.00	3,000.00
Sanghai Commercial & Credits (P) Limited	10%	4,655.00	8,580.00	1,350.00	15,000.00
	Total	**4,650.00**	**13,580.00**	**6,350.00**	**21,000.00**

14.2.1 All the above Inter Corporate Loans have been given for general corporate purposes.

15 OTHER FINANCIAL ASSETS

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Security Deposit/EMD to Customers	15.2	1,118.92	337.38
Sales Tax Subsidy Receivable		1,202.49	1202.49
Sales Tax Deposits	15.1	396.81	396.81
Derivative Assets at Fair Value through Profit and Loss	37(d)	164.26	-
Interest Receivable	-	1,174.69	498.49
Total		**3,057.17**	**2,435.17**

15.1 Represents deposits made against disputed demand with Sales Tax Authorities (Refer Note no. 38(b)(i))

15.2 Represents deposits lying with customers in terms of agreement/order with/from customers

16 CURRENT TAX ASSETS (NET)

Particulars		As at March 31, 2020	As at March 31, 2019
Advance Tax (Net of Provision for Tax of Rs. 24,062.63 Lakhs		385.72	3,790.65
(March 31, 2019: Rs. 18,135.99 Lakhs) **Total**		**385.72**	**3,790.65**

17 OTHER CURRENT ASSETS

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Balance with Government Authorities		474.20	-
Advance for supply of goods and services			
- Related Parties	17.1	2,274.52	4,816.18
- Others		4,138.24	2,178.40
Prepaid Expenses		252.27	244.50
Leasehold land payment	17.2	-	3.12
MEIS Licences		24.33	37.10
Total		**7,163.56**	**7,279.30**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Lakhs

17.1 Represents Interest bearing advances

17.2 During the year, Leasehold prepayment has been treated as "ROU Land Leasehold" as stated in Note no. 5.5

18 EQUITY SHARE CAPITAL

Particulars	Refer Note no.	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	Amount	No. of Shares	Amount
Authorised:					
Equity Shares of Rs.10/- each		530.00	5,300.00	530.00	5,300.00
Issued, Subscribed and Fully Paid					
Equity Shares of Rs.10/- each		466.98	4,669.84	466.98	4,669.84
	Total	**466.98**	**4,669.84**	**466.98**	**4,669.84**

18.1 There is no movement in Equity Share Capital during the year ended March 31, 2020.

18.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

18.2 Shareholders holding more than 5% shares in the company

Particulars		As at March 31, 2020		As at March 31, 2019	
		No. of Shares in Lakhs	% holding	No. of Shares in Lakhs	% holding
M/s.Electrosteel Castings Ltd		193.01	41.33	193.01	41.33
M/s. DSP Equity & Bond Fund		10.67	2.28	33.29	7.13

19 OTHER EQUITY

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
(a) Securities Premium	19.1(a)		
As per last Balance Sheet		23,940.81	23,940.81
(b) General Reserve	19.1(b)		
As per last Balance Sheet		42,500.00	37,500.00
Transfer from/to Retained Earning		5,000.00	5,000.00
		47,500.00	**42,500.00**
(c) Retained Earnings	19.1(c)		
As per last Balance Sheet		55,128.38	51,768.05
Profit for the year		18,767.63	11,753.73
Other Comprehensive Income for the year		(13.94)	(15.61)
Transfer from/to Retained Earning		(5,000.00)	(5,000.00)
Dividends @ Rs. 6 per Equity share (including corporate dividend tax)		(3,377.79)	(3,377.79)
		65,504.28	**55,128.38**
Total		**1,36,945.09**	**1,21,569.19**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19.1 Nature of reserves

a) Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013

b) General Reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transferring from one component to another and is not an item of Other Comprehensive Income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

c) Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. This includes Rs. 2,48,85.21 lakhs (net of taxes) represented by change in carrying amount of an PPE being measured at Fair Value and considered as deemed cost as on the date of transition to Ind AS and Other Comprehensive Income of Rs.(106.79 lakhs) (March 31, 2019: Rs.(92.85 lakhs)) relating to re-measurement of defined benefit plans which cannot be reclassified to Statement of Profit and Loss. The amount reported above are not distributable in entirety.

19.2 Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of Rs. 7/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2020. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 3,268.69 lakhs.

Rs. in Lakhs

20 Borrowings

Particulars	Refer Note no.	As at March 31, 2020		As at March 31, 2019	
		Non Current	Current	Non Current	Current
Secured	20.2				
From Banks					
Rupee Term loans	20.1 (a) and (b)	11,810.72	3,500.00	15,577.13	1,750.00
External Commercial Borrowing	20.1 (c)	-	901.45	816.04	1,660.43
		11,810.72	4,401.45	16,393.17	3,410.43
Less: Amount shown under current Financial liabilities	25	-	4,401.45	-	3,410.43
Total		**11,810.72**	**-**	**16,393.17**	-

20.1 Terms of Repayment and rate of interest:

a Rupee Term Loan outstanding as on March 31, 2020 Rs.6,750 Lakhs (March 31, 2019: Rs.7,500 Lakhs) is repayable in 18 equal Quarterly instalment of Rs. 375.00 Lakhs each from June 2020 and carries an Interest at MCLR-1Y+0.85 (i.e. 9.00% p.a. presently) payable monthly.

b Rupee Term Loan outstanding as on March 31, 2020 Rs. 9,000 Lakhs (March 31, 2019: Rs.10,000 Lakhs) is repayable in 18 equal Quarterly instalment of Rs. 500.00 Lakhs each from July 2020 and carries an Interest at MCLR-1Y+0.96 (i.e. 9.11% p.a. presently) payable monthly.

c External Commercial Borrowings outstanding as on March 31, 2020 Rs. 901.45 Lakhs (Equivalent US$ 11.92 Lakhs) (March 31, 2019 Rs.2,476.47 lakhs (Equivalent US$ 35.92 lakhs)) is repayable in last installment of US$ 11,91,600 and carries an interest at LIBOR plus 4.3% p.a payable half yearly.

d The outstanding balances as disclosed above are based on Amortised cost in accordance with Ind AS 109 “Financial Instruments”.

20.2 Nature of security :

The above Loans are secured by way of first pari-passu charge on the Movable and Immovable Property, Plant and Equipment of the company, both present and future.

21 PROVISIONS

Rs. in Lakhs

Particulars	Refer Note no.	As at March 31, 2020		As at March 31, 2019	
		Non Current	Current	Non Current	Current
For Employee Benefits					
- Unavailed Leave, Gratuity, Bonus, etc.,	42	768.84	598.85	547.39	734.25
Total		768.84	598.85	547.39	734.25

22 DEFERRED TAX LIABILITIES (NET):

Particulars	As at March 31, 2019	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised in Securities Premium/ Other adjustments	As at March 31, 2020
Deferred tax liabilities / assets in relation to:					
Deferred tax Liabilities:					
Timing Difference w.r.t Property, Plant and Equipment	15,972.61	(2,330.30)	-	-	13,642.31
Lease Liability	-	25.59	-	-	25.59
Fair Valuation of Derivative Instrument through Profit and Loss and Others	2.78	38.56	-	-	41.34
Total Deferred tax Liabilities	**15,975.39**	**(2,266.15)**	**-**	**-**	**13,709.24**
Deferred tax Assets:					
MAT Credit entitlment	909.62	(909.62)	-	-	-
Share Issue Expenses	125.65	(67.99)	4.69	-	62.35
Defined benefit obligation/Employee Benefits and others	621.89	(246.43)	-	-	375.46
Total Deferred tax Assets	**1,657.16**	**(1,224.04)**	**4.69**	**-**	**437.81**
Deferred tax liabilities (net)	**14,318.23**	**(1,042.11)**	**(4.69)**	**-**	**13,271.43**

Particulars	As at March 31, 2018	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised in Securities Premium/ Other adjustments	As at March 31, 2019
Deferred tax liabilities / assets in relation to:					
Deferred tax Liabilities:					
Timing Difference w.r.t Property, Plant and Equipment	15,448.18	524.43	-	-	15,972.61
Lease Liability	-	-	-	-	-
Fair Valuation of Derivative Instrument through Profit and Loss and Others	163.80	(161.02)	-	-	2.78
Total Deferred tax Liabilities	**15,611.98**	**363.41**	**-**	**-**	**15,975.39**
Deferred tax Assets:					
MAT Credit entitlment	1,725.26	(664.80)	-	(150.84)	909.62
Share Issue Expenses	154.83	(37.58)	8.40	-	125.65
Defined benefit obligation / Employee Benefits and others	408.06	213.83	-	-	621.89
Total Deferred tax Assets	**2,288.15**	**(488.55)**	**8.40**	**(150.84)**	**1,657.16**
Deferred tax liabilities (net)	**13,323.83**	**851.96**	**(8.40)**	**150.84**	**14,318.23**

23 BORROWINGS

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Secured			
Working Capital facilities from Banks Rupee Loan	23.1	24,549.54	15,208.35
Unsecured			
Bills Discounted with Banks	23.2	12,571.89	3,511.76
Total		**37,121.43**	**18,720.11**

23.1 Nature of Security and rate of interest

Loan repayable on demand being Working Capital facilities from banks (both fund based and non-fund based) are secured by first pari passu charge by way of hypothecation of raw materials, semi finished goods, finished goods, consumables, stores and spares, book debts, both present and future.

23.2 The Company has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable to that extent even though earmarked against the same do not meet the de-recognition criteria. This bills are discounted at around 8.50% and are repayable within 180 days.

24 TRADE PAYABLES

Rs. in Lakhs

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Payable for Goods and Services			
Due to Micro and Small Enterprises	40	44.86	40.11
Due to Others	24.1	20,960.33	31,684.21
Total		**21,005.19**	**31,724.32**

24.1 Includes Import Acceptances of Rs. 8,269.32 lakhs (March 31, 2019: Rs. 21,585.02 lakhs) carrying interest @ applicable LIBOR plus 40 bps p.a. to 75 bps p.a. Such acceptances are repayable not later than 180 days. These are secured against hypothecation of assets for non-fund based facilities being part of working capital facilities as per Note no. 23.1 above.

25 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings- Secured	20	4,401.45	3,410.43
Interest accrued but not due on Loans	-	232.83	345.36
Unpaid dividends		90.34	75.42
Other payables			
- Creditors for capital goods	-	136.26	281.42
- Lease Liability	46	219.61	-
- Retention Money		244.32	136.19
- Derviative Instrument Liability at fair value through profit and loss (net)	37(d)	-	754.30
- Others i.e. Deduction from Salary and Comission to Directors	-	69.97	93.98
Total		**5,394.78**	**5,097.10**

26 OTHER CURRENT LIABILITIES

Particulars	Refer Note no.	As at March 31, 2020	As at March 31, 2019
Statutory Payables- PF, ESI, Service Tax,TDS,GST etc.		1,280.17	2,647.81
Advance from Customers		2,206.57	1,249.56
Deferred Income	26.1	25.64	136.30
Others i.e. ED on Power		264.07	264.07
Total		**3,776.45**	**4,297.74**

Notes to Financial Statements for the Year Ended March 31, 2020

26.1 Deferred Income Comprises of Government Grants/Assistance in form of:

Rs. in Lakhs

	Particulars	Opening (Including Non-Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Non-Current Portion)
a)	Financial Assistance under Industrial Development Fund (IIDF) towards Capital expenditure incurred for manufacturing DI Pipes to be used for transportation of Waste water and for installation of treatment plant for recycling the sewage water for industrial requirement of Tirupathi Muncipal Corporation as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015. The assistance capitalised as cost of PPE with corresponding credit to deferred income has been transferred to Statement of Profit and Loss proportionately based on useful lives of respective property, plant and equipment	448.72	-	25.64	423.08
b)	Duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant. Income from such grant is estimated on the basis of fulfilment of related export obligations.	110.66	-	110.66	-

27 REVENUE FROM OPERATIONS

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Manufactured Products			
- D I Spun Pipes		1,39,560.09	1,34,558.97
- Pig Iron		2,060.46	387.33
- Cement		831.36	1,227.56
- Ferro Silicon		434.76	-
- Coke		7,597.25	5,738.16
- Other Products		8,839.12	8,232.32
Sale of Traded Products			
- Coal /DI Spun Pipes		6,921.08	5,679.53
Other Operating Income			
- Export Incentive		46.04	56.57
Total		**1,66,290.16**	**1,55,880.44**

27.1 Disaggregate Revenue

The break up with respect to type of revenue stream of the Company are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
	Government		Non-Government	
Within India				
- D I Spun Pipes	13,104.67	13,367.30	1,25,458.02	1,20,068.32
- Pig Iron	-	-	2,060.46	387.33
- Cement	-	-	831.36	1,227.56
- Ferro Silicon	-	-	434.76	-
- Coke	-	-	7,597.25	5,738.16
- Other Products	-	-	8,839.12	8,232.32
Outside India				
- D I Spun Pipes	-	-	997.40	1,123.35

28 OTHER INCOME

Rs. in Lakhs

Particulars	Refer Note no.	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income On loans, deposits, overdue debts etc. measured at amortised cost		5,384.31	3,410.18
Rent received		5.39	5.24
Net Gain/(Loss) on redemption of Current Investment		79.96	338.37
Profit/(Loss) on sale of property, plant and equipment (net)		2.17	16.96
Net Gain/(Loss) on foreign exchange fluctuation		-	581.21
Net Gain/(Loss) on Derivative Instrument on fair valuation through profit and loss		710.36	-
Liabilities no longer required written back		-	8.97
Impairment Allowances for doubtful debts no longer required written back		-	93.75
Income from Government Grants	26.1	136.30	209.72
Miscellaneous Income		50.83	400.23
Total		**6,369.32**	**5,064.63**

29 COST OF MATERIALS CONSUMED

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Cooking Coal / Coke		45,016.52	44,435.40
Iron Ore / Iron Ore Fines		16,977.51	18,403.77
CRC / MS Scrap		5,740.18	5,444.08
Others		14,986.13	16,739.11
Total		**82,720.34**	**85,022.36**

30 PURCHASES OF STOCK-IN-TRADE

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Coal / DI Spun Pipes		6,493.91	5,453.80
Total		**6,493.91**	**5,453.80**

31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
Opening Stock				
Process Stock	929.27		802.75	
Finished Goods	3,374.07	**4,303.34**	855.70	**1,658.45**
Closing Stock				
Process Stock	1,483.67		929.27	
Finished Goods	6,493.31	7,976.98	3,374.07	4,303.34
Total		**(3,673.64)**		**(2,644.89)**

32 EMPLOYEE BENEFIT EXPENSE

Particulars		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries and Wages		7,774.12	6,900.76
Contribution to Provident and Other Fund		395.70	364.27
Staff Welfare Expenses		554.35	613.11
Total		**8,724.17**	**7,878.14**

Notes to Financial Statements for the Year Ended March 31, 2020

33 FINANCE COST

Rs. in Lakhs

Particulars		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Expenses on financial liabilities not measured at FVTPL		4,146.33	3,198.52
Other Borrowing Cost (i.e. LC chares, Supplier's Credit, Guarantee Comission, Swap etc.)		473.73	382.56
Net (Gain) / Loss on foreign currency transactions and translation		-	469.15
Total		**4,620.06**	**4,050.23**

34 DEPRECIATION AND AMORTISATION

Particulars	Refer Note no.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Depreciaiton on Tangible Assets	5	4,088.63	3,676.06
Amortisation of Intangible Assets	6	28.07	28.56
Total		**4,116.70**	**3,704.62**

35 OTHER EXPENSES

Particulars		For the Year Ended March 31, 2020		For the Year Ended March 31, 2019
Consumption of Stores, Spares & Consumables		13,971.78		13,778.49
Power & Fuel		6,750.99		6,632.33
Packing and Forwarding charges		12,141.66		10,230.54
Rent		20.53		127.57
Rates & Taxes		193.78		171.88
Insurance		302.52		182.24
Repairs & Maintenance :				
- Plant & Machinery		1,055.19		1,170.98
- Buildings		124.86		135.03
- Others		0.81		0.92
Handling & Transport charges		5,040.96		4,691.96
Directors' Sitting Fee and Commision		136.05		113.50
Professional and consultancy		992.12		601.70
Commission to Selling Agents		1,385.00		1,233.58
Impairment Allowances for doubtful debts & Advances		5.37		5.72
Net (gain)/Loss on Derivative Instrument on fair valuation through profit and loss		-		1,144.96
Net (gain)/Loss on Foreign Exchange Fluctuation		1,985.01		-
Auditors' Remuneration :				
- Audit fee		10.00		10.00
- Tax Audit		-		3.00
- Certification fee		7.85		7.25
- Out of Pocket Expenses		2.06		1.59
Bad debts	-	-	79.56	
Less:- Transferred from Impairment Allowances for doubtful debts	-	-	17.73	61.83
Charity and Donations		608.35		105.51
Contribution to CSR Activites		342.58		369.09
Miscellaneous Expenses		928.30		696.16
Total		**46,005.77**		**41,475.83**

36 TAX EXPENSE

Rs. in Lakhs

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Current tax		
In respect of the current year	**5,926.65**	3,314.37
In respect of prior years		84.92
	5,926.65	3,399.29
Deferred tax		
In respect of the current year	**(1,042.11)**	851.96
Total tax expense recognised in the current year	**4,884.54**	**4,251.25**

The Company has during the year exercised the option for paying income tax at concessional rates subject to the provisions/conditions as permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment)Ordinance, 2019. Accordingly, Deferred Tax Liabilities (net) recognised earlier as at March 31, 2019 has been re-measured and the estimate for tax expense comrising of both current and deferred tax for the year ended March 31, 2020 have been revised. Consequential impact in this respect has been given effect to in this year and thereby tax expense for the year is lower by Rs. 2,310.82 lakhs.

Reconciliation of Income Tax expense for the year with accounting profit is as follows:
Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit before tax	**23,652.17**	16,004.98
Income tax expense calculated at 25.17% (March 31, 2019: 34.94%)	**5,953.25**	5,592.14
Less : Effect of Income Tax Ammendment Act		
On Re-measurement of Deferred Tax	(2,200.58)	-
On reversal of MAT Credit	909.62	-
Effect of Deduction U/s 80IA	-	(1,676.19)
Add : Effect of expenses that are not deductible in determining taxable profit		
CSR Expenditure, Donation etc.	239.10	128.96
In respect of prior years	-	84.92
Others	(16.85)	121.42
Total	4,884.54	4,251.25

The tax rate used for reconciliations above is the corporate tax rate of 22% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

36.1 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.69	8.40
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	4.69	8.40
Items that may be reclassified to profit or loss	-	-

Notes to Financial Statements for the Year Ended March 31, 2020

37. FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instruments, their carrying amount and fair values as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets (Current and Non-Current)		
At Amortised cost:		
• Security and Other Deposits	1,774.29	1,804.31
• Trade receivables	54,172.63	30,548.02
• Cash and Bank balances	894.47	13,298.61
• Fixed Deposits and Margin Money with Banks	35,406.67	33,007.23
• Inter-Corporate Deposits	4,655.00	6,350.00
• Interest Receivable	1,174.69	498.49
• Other Financial Assets	1,233.29	1,229.96
Fair Value through Profit and Loss Account		
• Derivative- not designated as hedging instruments: -		
- Forward, Swap and Options	164.26	-
Financial Liabilities (Current and Non-Current)		
At Amortised cost:		
• Long Term Borrowings- Floating Rate	16,212.17	19,803.60
• Short Term Borrowings- Floating Rate	24,549.54	15,208.35
• Bills Discounted with banks	12,571.89	3,511.76
• Lease Liabilities	2,168.52	-
• Trade payables	21,005.19	31,724.32
• Interest accrued but not due	232.83	345.36
• Other financial Liabilities	540.89	587.01
Fair Value through Profit and Loss Account		
• Derivative - not designated as hedging instruments:		
- Forward, Swap and Options	-	754.30

b) FAIR VALUATION TECHNIQUES:

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

1. The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at cost in the financial statements approximate their fair values.
2. The Company's long-term debt has been contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.
3. The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with. Management has evaluated the credit and non-performance risks associated with the counterparties and found them to be insignificant and not requiring any credit adjustments.

c) FAIR VALUE HIERARCHY

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020**:**

Rs. in Lakhs

Particulars	As at March 31, 2020 (*)	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
– Derivative - not designated as hedging instruments - Forward, Swap and Options	164.26 (-)	- -	164.26 (-)	- -
- Security and Other Deposits	788.49 (763.66)	- -	788.49 (763.66)	- -
–Inter-Corporate Deposits	4,655.00 (6,350.00)	- -	4,655.00 (6,350.00)	-
–Fixed Deposits and Margin Money	35,406.67 (33,007.23)	- -	35,406.67 (33,007.23)	- -
Financial Liabilities				
–Long Term Borrowings- Floating Rate	16,212.17 (19,803.60)	- -	16,212.17 (19,803.60)	- -
–Derivative - not designated as hedging instruments - Forward, Swap and Options	(754.30)	-	(754.30)	-
–Lease Liability	2,168.52 (-)	- -	2,168.52 (-)	- -
–Bills Discounted with banks	12,571.89 (3,511.76)	- -	12,571.89 (3,511.76)	-

(*) Figures in round brackets indicate figures as on March 31, 2019.

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on cost of fund borrowed by the company.

Financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. In respect of derivative financial instruments, the inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

d) DERIVATIVES FINANCIAL ASSETS AND LIABILITIES:

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

Notes to Financial Statements for the Year Ended March 31, 2020

i) The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

	Category	Currency	As at March 31, 2020		As at March 31, 2019		Underlying Purpose
			No. of Deals	Amount US$ in lakhs	No. of Deals	Amount US$ in lakhs	
1	Forward	USD/INR	10	72.37	7	172.63	Supplier Credit
2	Option	USD/INR	3	63.05	5	187.36	Supplier Credit
3	Interest Rate Swap	USD	3	8.61	1	35.93	External commercial Borrowings

ii) Unhedged Foreign Currency exposures are as follows: -

(Rs. in lakhs)

Nature	Currency	Amount in Foreign Currency	
		As at March 31, 2020	As at March 31, 2019
Trade Payables	USD	0.36	-
Trade Payables	GBP	0.13	-
Trade Payables	EURO	1.46	0.47
External Commercial Borrowings and Interest	USD	12.29	36.75
Trade Receivables	SGD	11.56	11.53

The table below analyses the derivative financial instruments into relevant maturity groups based on the remaining period as of the balance sheet date:

(Rs. in lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
Not later than one month		63.47	(402.33)
Later than one month and not later than three months		100.22	(357.35)
Later than three months and not later than one year		0.57	(14.17)
Later than one year		-	19.55

e) SALE OF FINANCIAL ASSETS

In the normal course of business, the Company transfers its bills receivable to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and transfer is without recourse. Accordingly, such transfers are recorded as sale of financial assets. Gains and losses on sale of financial assets without recourse are recorded at the time of sale based on the carrying value of the financial assets. In certain cases, transfer of financial assets may be with recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Accordingly, in such cases the amounts received are recorded as borrowings in the statement of financial position and cash flows from financing activities.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

(Rs. in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying value of Asset transferred	Carrying value of associated liabilities	Carrying value of Asset transferred	Carrying value of associated liabilities
Trade receivables	12,571.89	12,571.89	3,511.76	3,511.76

Notes to Financial Statements for the Year Ended March 31, 2020

f) FINANCIAL RISK MANAGEMENT

The company's activities exposed it to a variety of financial risks. The key financial risks include Market risk, Credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors review and approves policy for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. This however does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note no. 49.

MARKET RISK

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and price risk. Financial instruments affected by market risk include trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowing and trade and other payables.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts, options and swaps. The Company periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

The carrying amount of the various exposure to foreign currency at the end of the reporting period are as follows:

(Rs. In lakhs)

Particulars	As at March 31, 2020 ( )			
	USD	EURO	GBP	SGD
External Commercial borrowings	901.45 (2,476.47)	_	-	-
Suppliers Credit/ Buyer's Credit	8,269.32 (21,582.02)	-	-	-
Interest accrued but not due	60.48 (143.04)	-	-	-
Vendors	27.53 (1,063.70)	120.91 (36.65)	12.38 (-)	-
Total liabilities	**9258.78 (25,265.23)**	**120.91 (36.55)**	**12.38 (-)**	-
Trade Receivable	**- (-)**	**- (-)**	**- (-)**	**612.25 (588.29)**

( ) Figures in round brackets indicate figures as on March 31, 2019.

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure have been detailed in Para (d) above. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the company depending upon the remaining period of maturity of the installments falling due for payment.

With all variable constant, the sensitivity analysis resulting in profit or loss arising mainly from unhedged portion of USD denominated payables are as follows:

Notes to Financial Statements for the Year Ended March 31, 2020

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payables:		
Weakening of INR by 5%	47.88	127.06

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The Company has entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. As of March 31, 2020, substantially all of the Company borrowings were subject to floating interest rates, which are reset at short intervals.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(Rs. in lakhs)

Nature of Borrowing	Rate of interest (%)	For the year ended March 31, 2020	For the year ended March 31, 2019
Rupee Loan	Increase by 50 basis point	**81.06**	86.64

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements.

Other Price Risk

The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment of default is minimum with respect to these customers. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and / or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being largely backed by the government order and commitment. Of the trade receivables balance at the end of the year, one customer is having outstanding balance of Rs. 23,945.00 lakhs (March 31, 2019: Rs. 8,382.66 lakhs) which accounts for more than 10% of the accounts receivable as at March 31, 2020 and having more than 10% of revenue for the year ended March 31, 2020.

The Company establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. Receivables are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

Notes to Financial Statements for the Year Ended March 31, 2020

The Company's current investments are valued with respect to market quotation on the reporting date. These investments are diversified across various sectors and are periodically reviewed and managed in accordance with the company's policy and risk objective.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts which are past due at the end of the reporting period, no credit losses there against are expected to arise.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on internal accruals and borrowings to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date.

Interest rate and currency of borrowings

Particulars	Floating Rate Borrowings (Rs. in lakhs)	Weighted Average Interest Rate
INR	52,432.15 (36,047.24)	9.28%
USD	901.45 (2,476.47)	6.22%

Maturity Analysis of Financial Liabilities:

Rs. In lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 Year	Total
Borrowings INR	39,860.26	6,349.54	19,950.00	1,750.00	11,810.72	39,860.26
Bills Discounted	12,571.89	-	12,571.89	-	-	12,571.89
Borrowings USD	901.45	-	901.45	-	-	901.45
Interest accrued but not due	232.83	-	232.83	-	-	232.83
Lease Liabilities	2,168.52	-	109.81	109.80	1,948.91	2,168.52
Other Financial liabilities	540.89	470.92	69.97	-	-	540.89
Trade Payables	21,005.19	12,735.87	8,269.32	-	-	21,005.19
Total	**77,281.03**	**19,556.33**	**42,105.27**	**1,859.80**	**13,759.63**	**77,281.03**

Notes to Financial Statements for the Year Ended March 31, 2020

The Company has current financial assets which will be realized in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratios are as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	53,333.60	38,523.71
Less Cash and Cash Equivalents	804.13	25,723.19
Net Debt	52,529.47	12,800.52
Equity	1,41,694.13	1,26,239.03
Equity and Net Debt	1,96,223.60	1,39,039.55
Gearing Ratio	0.27	0.09

The company also manages its capital to meet financial covenants, if any attached to the borrowings. Non-compliances may result in levy of higher rate of interest on loans charged by the lenders. At present the company has generally complied with the financial covenants of the borrowings during the reported period.

38. Contingent Liabilities not provided for in respect of:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Guarantees given by banks on behalf of the Company.	603.06	603.06
b) Various show cause notices/ demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forums / authorities:		
i) Central Goods & Services Tax Act	35.97	-
ii) Sales Tax	1,985.46	1,985.46
iii) Excise, Custom Duty & Service Tax	312.85	412.51
iv) Forest Development Fee (Note 3 below)	-	-
v) Income Tax	37.72	37.72

Note:

1) The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (b) above is dependent upon the outcome of judgments / decisions.

2) The Company has other disputes concerning direct and indirect taxes in appeals other than as disclosed above and certain litigations in respect of land. Based on the facts of each dispute / litigation and opinion of the management including the advice of legal advisors and also considering that the cases have already been decided in favour of the Company, even though the respective departments have preferred a further appeal to higher authorities against the said orders, these have not been disclosed as contingent liabilities as the outcome of the said disputes / litigations is not expected to have adverse material impact that would affect the financial position or operations of the Company.

Notes to Financial Statements for the Year Ended March 31, 2020

3) The matter related to Forest Department fee has been decided in favour of the company by the Hon'ble High Court of Karnataka. However, the Government of Karnataka has filed a Special Leave Petition before the Hon'ble Supreme Court and the matter is pending thereof.

39. Commitments:

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	4,036.63	3,414.26
b) Export obligation under EPCG Scheme	-	663.97
c) Derivative Contracts	-	-
Forward Contract Outstanding in USD	1,919.02	12,749.99
Option in USD	83.05	
Cash Flow Hedge	3.31	
Interest Rate Swap	8.61	

40. Disclosure of Trade Payables as required under section 22 of "Micro, Small and Medium Enterprises Development Act, 2006" based on the confirmation and information available with the company regarding the status of the suppliers.

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid but not due as at year end	44.86	40.11
Interest amount remaining unpaid but not due as at year end	Nil	Nil
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
Interest accrued and remaining unpaid as at year end	Nil	Nil
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

41. Capital work in progress includes Rs. 3,991.94 Lakhs (March 31, 2019: Rs. 2,976.39 lakhs), in respect of plant and equipment and other facilities to be installed and following development expenditure incurred during construction which will be allocated to respective Property, Plant and Equipment (PPE) consequently on completion thereof. The details of Development Expenditure are as follows:

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	**115.39**	-
Interest and Finance Charges	**290.05**	447.63
Less: Interest Income on Fixed Deposit	**(166.55)**	(332.24)
Capitalised with Property, Plant and Equipment	**(283.99)**	-
Total Development Expenditure	**45.10**	**115.39**

Notes to Financial Statements for the Year Ended March 31, 2020

42.Post Retirement Employee Benefits

The disclosures required under Ind AS 19 “Employee Benefits”, are given below

a) Defined Contribution Plan

(i) Contribution to Defined Contribution Plan, recognized for the year are as under:

Particulars	For the year ending March 31, 2020	For the year ending March 31, 2019
Employer’s Contribution to Provident Fund	151.82	139.55
Employer’s Contribution to Pension Fund	141.06	133.47

(ii) The Hon’ble Supreme Court had passed a decision on February 28, 2019 in relation to inclusion of certain allowances within the scope of “Basic wages” for the purpose of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. There are interpretative aspects relating to judgement including effective date of application. The company based on legal advice is awaiting further clarification on the matter. Pending this and consequential amendment in the relevant Act and/or circulars etc. from relevant authority the amount payable if any in this respect even presently not determinable and is not expected to be material and as such will be given effect to as and when ascertained.

b) Defined Benefit Plans

The employee’s gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method

Particulars	As at March 31, 2020	As at March 31, 2019
Changes in present value of defined benefit obligations		
Liability at the beginning of the year	1,184.40	1,015.20
Interest Cost	78.39	77.66
Current Service Cost	97.29	94.63
Actuarial (gain) / loss on obligations	24.86	25.60
Benefits paid	(80.25)	(28.69)
Liability at the end of the year	**1,304.69**	**1,184.40**
Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	1,115.70	1,057.92
Expected Return on Plan Assets	77.07	81.12
Contributions by the Company	99.19	3.76
Benefits paid	(80.25)	(28.69)
Actuarial gain / (loss) on Plan Assets	6.23	1.59
Fair value of Plan Assets at the end of the year	**1,217.94**	**1,115.70**
Actual return on Plan Asset		
Expected return on Plan assets	77.08	81.12
Actuarial gain / (loss) on Plan Assets	6.23	1.59
Actual Return on Plan Assets	**83.31**	**82.71**

Notes to Financial Statements for the Year Ended March 31, 2020

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Amount Recognized in Balance Sheet		
Liability at the end of the year	1,304.69	1,184.40
Fair value of Plan Assets at the end of the year	1,217.94	1,115.70
Net Liability/ (Asset)	**86.75**	**68.70**
Components of Defined Benefit Cost		
Current Service Cost	97.29	94.63
Interest Cost	78.39	77.66
Expected Return on Plan Assets	(77.07)	(81.12)
Total Defined Benefit Cost recognised in Profit and Loss	**98.61**	**91.17**
Remeasurements recognised in Other Comprehensive Income		
Remeasurements - Due to Financial Assumptions	(90.88)	(310.17)
Remeasurements - Due to Experience Adjustments	115.74	143.80
Remeasurements- Return on Assets	(6.23)	(1.59)
Remeasurements - Due to Demographic Assumptions	-	191.97
Remeasurements recognised in Other Comprehensive Income	**18.63**	**24.01**
Balance Sheet Reconciliation		
Opening Net Liability	68.70	(42.72)
Expenses as above	117.24	115.18
Employers Contribution	(99.19)	(3.76)
Amount Recognized in Balance Sheet	**86.75**	**68.70**
Percentage allocation of plan assets in respect of fund managed by insurer is as follows:		
Fund managed by Insurer	**100.00%**	**100.00%**

The Principal actuarial assumptions as at the Balance Sheet date are set out as below:

Particulars	As at March 31, 2020	As at March 31, 2019
Summary of Financial Assumptions		
Discount Rate	6.85%	7.76%
Future Salary Increase	6.00%	10.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	6.85%	7.76%
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM (2006-08) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%
Retirement Age	60 years	60 years
Average Future Service	40.99	40.76
Weighted Average Duration	13.41	14.55

Compensated absences

The obligation for compensated absences is determined in the same manner as gratuity and is recognised in the Statement of Profit and Loss. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2020 is given below:

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Privileged Leave	**653.22**	**587.62**
Sick Leave	**144.01**	**143.26**

Notes:

i) Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Rs. in Lakhs

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2020	18.64
For the year ended March 31, 2019	24.01

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

a. Investment risk

The Gratuity plan is funded with LIC, accordingly the company does not have any liberty to manage the fund. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

b. Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

c. Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

d. Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Rs. in Lakhs

Sensitivity Analysis

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended March 31, 2020		
Discount Rate	+1%	(102.30)
	-1%	118.04
Salary Growth Rate	+1%	117.22
	-1%	(103.23)
Withdrawal Rate	+1%	1.13
	-1%	(1.14)
For the year ended March 31, 2019		
Discount Rate	+1%	(93.93)
	-1%	104.00
Salary Growth Rate	+1%	102.09
	-1%	(93.93)
Withdrawal Rate	+1%	0.53
	-1%	(4.99)

Notes to Financial Statements for the Year Ended March 31, 2020

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Rs. in Lakhs

Particulars	Gratuity
For the year ended March 31, 2020	
Plan Liabilities - (loss)/gain	(24.86)
Plan Assets - (loss)/gain	6.22
For the year ended March 31, 2019	
Plan Liabilities - (loss)/gain	(25.60)
Plan Assets - (loss)/gain	1.59

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
April 01, 2020 to March 31, 2021	75.47
April 01, 2021 to March 31, 2022	82.53
April 01, 2022 to March 31, 2023	76.21
April 01, 2023 to March 31, 2024	59.68
April 01, 2024 to March 31, 2025	98.00
April 01, 2025 onwards	2,265.16

Average No. of employees:

Particulars	As at March 31, 2020	As at March 31, 2019
Average no. of people employed	1,349	1,327

3. Segment Reporting:

The Company operates mainly in one business segment viz. Pipes being primary segment and all other activities revolve around the main activity.

44. The company opted for continuing accounting policy of capitalizing the exchange difference arising on reporting of long-term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended March 31, 2020 the net exchange difference loss of Rs. 161.53 lakhs (March 31, 2019: Rs. 262.16 lakhs gain) on foreign currency loans have been adjusted in the carrying amount of fixed assets. The un-amortised balance in this respect is Rs. 901.45 lakhs (March 31, 2019: Rs. 2,476.47 lakhs) stands included under cost of respective plant and machinery.

45. Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows:

Name of the Related Parties with whom transactions were carried out during the year and description of relationship:

a. Key Management Personnel & their relatives (KMP):

i. Shri. Raj Kumar Khanna, Chairman
ii. Shri. Mayank Kejriwal, Managing Director
iii. Shri. G. S. Rathi, Whole Time Director
iv. Shri. V. Poyyamozhi, Whole Time Director (Ceased to be a director w.e.f. February 03, 2020)
v. Smt. S. Hemamalini, Director
vi. Smt. Priya Manjari Todi, Director
vii. Shri T. Venkatesan, Director
viii. Shri Ashutosh Agarwal, Director
ix. Shri XJJ Abraham, Independent Director
x. Shri. Solomon Arokia Raj, Director (Ceased to be a director w.e.f. September 06, 2019)
xi. Shri M. Satyanarayana, Nominee Director
xii. Shri N. Sivalai Senthilnathan, CFO
xiii. Smt. Madhu Agarwal, Relative of Director
xiv. Shri. Ashutosh Agarwal HUF, Director is Karta

Notes to Financial Statements for the Year Ended March 31, 2020

b. Enterprise where KMP and/or Close member of the family have significant influence or control

i. Electrosteel Castings Limited ii. Amit Trexim Private Limited iii. Global Exports Limited

Rs. in Lakhs

DESCRIPTION	KMP ( )	Enterprise where KMP and/or Close member of the family have significant influence or control ( )	Outstanding As at 31st March 2020	Outstanding As at 31st March 2019
Sales:				
Electrosteel Castings limited	-	12,794.13		
	-	(10,730.54)	3,651.18	1,468.54
Purchases:				
Electrosteel Castings limited	-	1,856.43		
	-	(284.19)		-
Remuneration/Commission/Sitting Fees				
Shri. R K Khanna	11.45	-		
	(12.10)	-	6.00	6.00
Shri. Mayank Kejriwal	1,190.00	-		
	(790.00)	-	1,190.00	790.00
Shri. G. S. Rathi	208.65	-		
	(201.23)		30.00	30
Shri. V Poyyamozhi	125.74	-		
	(139.41)			15
Smt. S. Hemamalini	9.10	-		
	(7.35)		6	6
Smt. Priya Manjari Todi	87.00	-		
	(67.00)		85	65
Shri T. Venkatesan	9.95	-		
	(6.45)		6.00	-
Shri Ashutosh Agarwal	9.85	-		
	(8.25)	-	6.00	6.00
Shri M. Satyanarayana	0.45			
	-			
Shri. XJJ Abraham	8.25	-	6.00	
	-		-	-
Shri. G. Maruti Rao	-			
	(5.3)	-	-	-
Shri. S Y Rajagopalan	-			
	(6.35)		-	-
Shri N. Sivalai Senthilnathan	68.65	-	-	-
	(64.07)	-	-	-
Professional Services				
Shri. R K Khanna	56.64	-	-	-
	(39.24)			
Shri Ashutosh Agarwal	15.00	-	-	-
	(15.00)			
Smt. Madhu Agarwal	15.00	-	-	-
	(15.00)			
Rent paid:				
Amit Trexim Private Limited	-	7.19	-	-
		(6.79)	-	-
Global Exports Limited	-	25.11	-	-
		(23.36)	-	-
Reimbursement of Expenses:				
Electrosteel Castings Limited	-	-	-	-
		(12.02)		
Interest received/receivable				
Electrosteel Castings Limited	-	380.46	-	-
-		(230.13)		

Notes to Financial Statements for the Year Ended March 31, 2020

b. Enterprise where KMP and/or Close member of the family have significant influence or control

i. Electrosteel Castings Limited ii. Amit Trexim Private Limited iii. Global Exports Limited

(Rs. in lakhs)

DESCRIPTION	KMP ()	Enterprise where KMP and/or Close member of the family have significant influence or control ()	Outstanding As at 31st March 2020	Outstanding As at 31st March 2019
Advances against Supply				
Electrosteel Castings Limited	2,500.00	-	2,274.52	4,816.84
	(5,000.00)	-		
Security Deposits				
Amit Trexim Private Limited	-	-	3.0	
Global Exports Limited	-	-	15.00	15.00

() figures in round bracket indicate figures as on March 31, 2019

The remuneration of directors and other member of key management personnel during the year was as follows:

(Rs. in lakhs)

Period	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	**1,677.80**	1,244.09
Post-employment benefits	**12.24**	18.69
Other long-term benefits	-	-

Note:

1. The above related party information is as identified by the management and relied upon by the auditor.
2. All transactions from related parties are made in ordinary course of business. For the year ended March 31 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by reviewing the financial position of the related party and the market in which the related party operates.
3. In respect of above parties, there is no provision for doubtful debts as on March 31, 2020 and no amount has been written back or written off during the year in respect of debts due from/ to them.
4. Post-Employee benefits and other long-term employee benefits have been disclosed/paid on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.

46. DISCLOSURE AS PER IND AS 116

(i) Following are the changes in the carrying value of right of use assets (ROU) recognised with effect from April 01, 2019 as per modified retrospective approach:

(Rs. in lakhs)

Particulars	Land	Buildings	Plant and Equipments	Total
As at April 1, 2019	41.84	36.95	2,159.86	2,238.65
Reclassification of Leasehold prepayments (current and non-current assets)	67.42	-	-	67.42
Addition	-	108.49	-	108.49
Deletion	-	-	-	-
Depreciation	3.69	83.87	172.79	260.35
As at March 31, 2020	**105.57**	**61.57**	**1,987.07**	**2,154.21**

Notes to Financial Statements for the Year Ended March 31, 2020

(ii) The following is the break-up of current and non-current lease liabilities:

(Rs. in lakhs)

Particulars	As at March 31, 2020
Current lease liabilities	1,948.91
Non-current lease liabilities	219.61
Total	**2,168.52**

(iii) The following is the movement in lease liabilities:

Particulars	As at March 31, 2020
As at April 01, 2019	2,238.65
Additions	108.49
Finance cost accrued during the period	183.94
Deletions	-
Payment of lease liabilities	362.56
As at March 31, 2020	**2,168.52**

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2020
Not later than one year	291.76
Later than one year and not more than five years	1,167.04
Later than five years	2,127.31

(v) Further to above, the Company has certain operating lease arrangements for office, transit houses, etc. on short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 20.53 lakhs.

47. Earnings Per Share (EPS):

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit after taxes as per Statement of Profit and Loss (Rs. in lakhs)	18,767.63	11,753.73
Weighted average number of equity shares for basic EPS and diluted EPS (Face value Rs.10/- per equity share)	4,66,98,407	4,66,98,407
Earnings Per Share: Basic and Diluted EPS (in Rs.)	40.19	25.17

48. The Company had allotted on December 28, 2017, 6,934,812 equity shares of Rs. 10.00 each at a premium of Rs. 350.50 per share amounting to Rs. 25,000.00 lakh pursuant to a Qualified Institutions Placement (QIP) under Securities Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Notes to Financial Statements for the Year Ended March 31, 2020

The details of utilization of such proceeds are enumerated below:

(Rs. In lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**4,605.03**	**21,848.07**
Amount received against QIP Issue	-	-
Amount available	**4,605.03**	**21,848.07**
Less: Utilisation		
Share Issue expenses (adjusted against Securities Premium account in terms of Section 52 of Companies Act, 2013)	-	-
Capital expenditure including capital advances	**1,423.18**	**1,372.59**
Repayment of Long Term Debt		**4,183.60**
Working Capital and General Corporate Purposes	**3,181.85**	**11,686.85**
Amount kept with Banks in Fixed Deposits and with Mutual funds	**-**	**4,605.03**

49. Consequent to the outbreak of COVID-19, which has been declared as a pandemic by World Health Organisation (WHO), Government of India has declared a lock down effective from March 24, 2020. The Company's operation have been affected due to loss of more than a month's production due to the suspension of the operation, disruption in supply chain and non-availability of personnel during lock down. Though the production has started in the first week of May 2020, due to absenteeism, consequent to nationwide lockdown, the normal production is still affected. The Company has considered internal and external information while finalising various estimates and taking assumptions in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors and no material impact on the financial results inter-alia including the carrying value of various current and non-current assets are expected to arise. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor and any variation due to the changes in situations will be taken into consideration, if necessary, as and when it crystallizes.

50. Previous year figures have been re-grouped / re-arranged wherever necessary.

51. These financial statements have been approved by the Board of Directors of the Company on June 01, 2020, for issue to the shareholders for their adoption.

As per our report of even date

For and on behalf of the Board

For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

R. K. Khanna
Director
DIN: 05180042

G. S. Rathi
Whole Time Director
DIN: 00083992

R. P. Singh
Partner
Membership No. 52438

Place: Kolkata.
Date: Jun 01, 2020.

N. Sivalai Senthilnathan
Chief Financial Officer

G. Kodanda Pani
Company Secretary