Notes to financial statements

Summary of Significant Accounting Policies

1. Corporate Information

Manaksia Aluminium Company Limited ("the Company") is a public limited company incorporated in India having its registered office situated at 8/1, Lal Bazar Street, Bikaner Building, Kolkata - 700 001. The Company has its shares listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is primarily engaged in the manufacture of value-added secondary aluminium products like Aluminium Rolled Sheets / Coils. The manufacturing units of the Company are located at Haldia & Bankura (West Bengal).

2. Significant Accounting Policies

I. Basis of Preparation of financial statements

(a) Statement of compliance

These Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (‘Act’) and other relevant provisions of the Act, as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on June 18, 2020.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

(c) Basis of measurement

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(d) Use of estimates and judgments

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. 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. The changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

II. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

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

Notes to financial statements

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Contract balances

Trade receivables

A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company’s right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

III. Property, Plant and Equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows:

Asset	Useful lives (estimated by the management) (Years)
Building	30
Plants and equipments	10 – 20
Computers	3
Office equipment	3 – 5
Furniture and fixtures	5 – 10
Vehicles	8

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other 'Non-Current Assets' Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'

Notes to financial statements

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

Leasehold land is amortised on a straight line basis over the unexpired period of their respective lease ranging from 70-99 years.

IV. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortization expense on Intangible Assets with finite lives is recognized in the Statement of Profit & Loss. The Company amortizes intangible assets over their estimated useful lives using the straight line method.

Intangible Assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

V. Inventories

Inventories are valued at cost or net realisable value whichever is lower except for saleable scraps, whose cost is not identifiable, which are valued at estimated net realisable value. Closing stock has been valued on Weighted Average basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

VI. Financial Instruments

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

i. Non derivative financial instruments

(i) Financial assets carried at amortized cost

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

Notes to financial statements

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

ii. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

Derecognition of financial instruments

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

VII. 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.

VIII. Impairment

Impairment is recognized based on the following principles:

Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an

Notes to financial statements

amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit) Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

IX. 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.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

X. Foreign Currency Transactions & Translations

The functional currency of the Company is Indian Rupee. These Financial Statements are presented in Indian Rupee (rounded off to the nearest Lacs).

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realization are accounted for in the Statement of Profit & Loss. Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

XI. Cash and cash equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

XII. Employee Benefits

Defined Contribution Plan

The Company makes contributions towards provident fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Notes to financial statements

Defined Benefit Plan

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of the defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.

XIII. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

XIV. Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over the lease term.

XV. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

XVI. Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax

Notes to financial statements

assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

XVII. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

XVIII. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realized within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

XIX. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to financial statements

XX. Derecognition of Tangible and Intangible Assets

An item of PPE 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.

XXI. 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.

XXII. Statement of Cash flows

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

XXIII. Rounding of Amounts

All amounts disclosed in the Ind AS Financial Statements and notes have been rounded off to the nearest Lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

XXIII. Changes in accounting policies and disclosures new and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the financial statements of the Company Ind AS 116 Leases Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2018.

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Notes to Financial Statements

(₹ in Lacs)

3. Property, Plant and Equipment (Current Year)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2019	Addition	Deletion/ Adjustment	As at 31st March 2020	As at 1st April 2019	Deletion/ Adjustment	For the year	Up to 31st March 2020	As at 31st March 2020	As at 31st March 2019
Tangible Assets :										
a) Land	13.70	-	-	13.70	-	-	-	-	13.70	13.70
b) Leasehold Land*	79.15	-	-	79.15	3.04	-	1.01	4.05	75.10	76.11
c) Building	2,007.24	377.49	-	2,384.73	263.93	-	95.30	359.23	2,025.50	1,743.31
d) Plant & Equipment	7,225.64	1,787.08	-	9,012.72	1,177.92	-	437.58	1,615.50	7,397.22	6,047.64
e) Computers	5.05	10.02	-	15.07	2.98	-	2.37	5.35	9.71	2.07
f) Office Equipment	7.95	3.10	-	11.05	4.23	-	1.84	6.07	4.98	3.72
g) Furniture & Fixtures	10.35	11.27	-	21.62	5.89	-	0.93	6.82	14.78	4.47
h) Vehicles	21.60	43.97	-	65.57	13.08	-	5.19	18.27	47.30	8.52
Total Tangible Assets	9,370.68	2,232.92	-	11,603.61	1,471.07	-	544.23	2,015.30	9,588.29	7,899.52
Total :	**9,370.68**	**2,232.92**	**-**	**11,603.61**	**1,471.07**	**-**	**544.23**	**2,015.30**	**9,588.29**	**7,899.52**
Capital Work-in-Progress	1,832.60	1,180.32	2,232.92	780.00	-	-	-	-	780.00	1,832.60
	11,203.28	**3,413.24**	**2,232.92**	**12,383.60**	**1,471.07**	**-**	**544.23**	**2,015.30**	**10,368.29**	**9,732.12**

3. Property, Plant and Equipment (Previous Year)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April 2018	Addition	Deletion/ Adjustment	As at 31st Mar 2019	As at 1st April 2018	Deletion/ Adjustment	For the year	Up to 31st Mar 2019	As at 31st Mar 2019	As at 31st March 2018
Tangible Assets :										
a) Land	13.70	-	-	13.70	-	-	-	-	13.70	13.70
b) Leasehold Land*	79.15	-	-	79.15	2.03	-	1.01	3.04	76.11	77.12
c) Building	2,007.24	-	-	2,007.24	175.09	-	88.84	263.93	1,743.31	1,832.15
d) Plant & Equipment	7,225.64	-	-	7,225.64	777.90	-	400.02	1,177.92	6,047.64	6,447.74
e) Computers	5.05	-	-	5.05	1.71	-	1.27	2.98	2.07	3.34
f) Office Equipment	7.95	-	-	7.95	3.09	-	1.14	4.23	3.72	4.86
g) Furniture & Fixtures	10.35	-	-	10.35	5.43	-	0.46	5.89	4.47	4.92
h) Vehicles	21.60	-	-	21.60	8.84	-	4.24	13.08	8.52	12.76
Total Tangible Assets	9,370.68	-	-	9,370.68	974.08	-	496.99	1,471.07	7,899.52	8,396.58
Total	**9,370.68**	**-**	**-**	**9,370.68**	**974.08**	**-**	**496.99**	**1,471.07**	**7,899.52**	**8,396.58**
Capital Work-in-Progress	1,084.24	748.36		1,832.60	-	-	-	-	1,832.60	1,084.24
	10,454.92	**748.36**	**-**	**11,203.28**	**974.08**	**-**	**496.99**	**1,471.07**	**9,732.12**	**9,480.82**

*** Note:**

A) Lease hold land aggregating Rs 91.33 lacs allotted by Haldia Development Authority (HDA) for a period of 90 years . As per the lease agreement, HDA may renew the lease term for an another term of 30 years on the expiry of the lease period at an additional consideration. Accordingly, depreciation has been charged on land taken on lease from HDA. The management believes that the conditions required to be fulfilled to renew the lease term is administrative in nature.

B) The No Objection certificate for the change of the title deed of the above land was issued in favour of the Company from HDA on December 1, 2019.

Notes to Financial Statements

(₹ in Lacs)

4. Investments (Non-Current)

	As at 31st March 2020	As at 31st March 2019
Investment carried at Amortised Cost (Unquoted)		
Investments in Government or Trust Securities		
6 Years National Savings Certificate	0.10	0.10
Total	**0.10**	**0.10**

5. Loans (Non-Current)

Financial Assets carried at Amortised Cost		
(Unsecured, Considered Good)		
Security Deposits	33.65	39.03
Total	**33.65**	**39.03**

6. Other Non Current Assets

(Unsecured, Considered Good)		
Advances for Capital Goods	6.70	257.29
Total	**6.70**	**257.29**

7. Inventories

Valued at Lower of Cost or Net Realisable Value		
Raw Materials*	1,257.31	1,190.81
Finished Goods	2,045.02	1,456.67
Work-in-Process	3,848.17	3,510.33
Stores & Spares	1,047.04	946.31
At Estimated Realisable Value		
Scraps	50.90	184.42
Total	**8,248.44**	**7,288.54**
* Included above, Material-in-Transit	34.80	-

8. Trade Receivables

Financial Assets carried at Amortised Cost		
(Unsecured, Considered Good)		
Other Body Corporate	2,277.20	2,890.65
(Unsecured, Considered Doubtful)		
Trade Receivables	102.12	15.83
Less: Allowance for bad and doubtful debts	(102.12)	(15.83)
Total	**2,277.20**	**2,890.65**

Notes to Financial Statements

(₹ in Lacs)

9. Cash and Cash Equivalents (As Certified by Management)

	As at 31st March 2020	As at 31st March 2019
Financial Assets carried at Amortised Cost		
Balance with banks	38.48	13.65
Cash on hand	13.41	6.96
Total	**51.89**	**20.61**

10. Other Bank Balances

Financial Assets carried at Amortised Cost		
Fixed Deposits with original maturity of		
- More than 3 months but less than 12 months#	803.50	835.12
Total	**803.50**	**835.12**
#Fixed Deposit are held as lien by Bank against Letter of Credit issued.		

11. Loans (Current)

Financial Assets carried at Amortised Cost		
(Unsecured, Considered Good)		
Security Deposit to Customers	2.00	2.00
Tender / Earnest Money (Deposit)	0.16	0.16
Advances to Employees	21.77	-
Total	**23.93**	**2.16**

12. Other Financial Assets (Current)

Financial Assets carried at Amortised Cost		
(Unsecured, Considered Good)		
Mark to Market adjustment on Derivative	503.12	7.82
Interest Receivable on Financial Assets carried at amortised cost		
- On Fixed Deposits	11.11	**14.64**
	514.23	**22.46**

13. Current Tax Assets (Net)

Advance Income Tax (Net of Provision)	40.66	-
Total	**40.66**	**-**

14. Other Current Assets

(Unsecured, Considered Good)		
Advances to vendors	-	45.81
Prepaid Expense	31.39	-
Balances with Statutory Authorities	328.37	227.08
Advance to Suppliers	3,382.00	3,437.29
Others	285.85	536.25
Total	**4,027.61**	**4,246.43**

Notes to Financial Statements

(₹ in Lacs)

15. Equity share capital

	As at 31st March 2020	As at 31st March 2019
Authorised capital		
7,50,00,000 equity shares of ₹ 1 each	750.00	750.00
Increased during the year 1,10,00,000 (31 March 2019: nil) equity shares of ₹ 1 each	110.00	-
	860.00	**750.00**
Issued, subscribed and fully Paid-up capital		
6,55,34,050 equity shares of ₹ 1 each	655.34	655.34
	655.34	**655.34**

Persuant to the ordinary resolution passed through the Postal Ballot held on 28/02/2020, the Authorised Share Capital of the Company have been increased from ₹ 7,50,00,000 divided into 7,50,00,000 equity shares of Re 1 each to ₹ 8,60,00,000 dividend into 8,60,00,000 equity shares of Re.1 each, ranking pari passu in all respects with the existing equity shares of the Company.

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	6,55,34,050	655.34	6,55,34,050	655.34
Add: Share issued during the year	-	-	-	-
Equity shares at the end of the year	**6,55,34,050**	**655.34**	**6,55,34,050**	**655.34**

(b) Details of shareholders holding more than 5% shares in the Company

	31 March 2020		31 March 2019	
	No of shares	% holding	No of shares	% holding
Vineet Agrawal	1,17,08,775	17.87	1,00,50,175	15.33
Basudeo Agrawal	1,03,48,615	15.79	1,03,48,615	15.79
Mahabir Prasad Agrawal	59,59,245	9.09	59,59,245	9.09
Sunil Kumar Agrawal	41,11,428	6.27	54,11,428	8.26
Sushil Kumar Agrawal	36,83,807	5.62	36,83,807	5.62

(c) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of Re.1/-. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

16. Other Equity

	As at 31st March 2020	As at 31st March 2019
Reserve & Surplus		
A. Securities Premium		
Opening Balance	4,014.79	4,014.79
Add: Addition during the period	-	-
Balance as at the end of the period	**4,014.79**	**4,014.79**

Notes to Financial Statements

(₹ in Lacs)

	As at 31st March 2020	As at 31st March 2019
B. General Reserve		
Opening Balance	6,437.34	6,437.34
Add: Addition during the period	-	-
Balance as at the end of the period	**6,437.34**	**6,437.34**
C. Capital Reserve		
Opening Balance	5.00	5.00
Add: Addition during the period	-	-
Balance as at the end of the period	**5.00**	**5.00**
D. Retained Earnings		
Opening Balance	(477.47)	(1,210.07)
Profit/ (Loss) for the Year	584.12	732.59
Tax pertaining to earlier years	21.72	-
Expenses pertaining to earlier years	(44.63)	-
Balance as at the end of the period	**83.74**	**(477.47)**
E. Other Comprehensive Income		
Opening Balance	(3.80)	0.62
Add: Addition /(Reduction) during the period	(12.48)	(4.42)
Balance as at the end of the period	**(16.28)**	**(3.80)**
Total	**10,524.59**	**9,975.86**

Nature And Purpose Of Reserves:

A) Capital Reserve: In terms of an earlier Scheme of Demerger, Share Capital of Rs 5 lacs prior to such Demerger, had been transferred to Capital Reserve Account.

B) Securities Premium: This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

C) General Reserve: This reserve is a free reserve which is used from time to time to transfer profits from retained earnings and can be utilized in accordance with the provisions of the Companies Act, 2013.

D) Retained Earnings : This reserve represents undistrubuted profits of the Company and can be distributed to the shareholders in accordance with the provisions of the Companies Act, 2013.

E) Other comprehensive Income Reserves : This represents effect of remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

17. Borrowings (Non- Current)

Financial Liabilities carried at Amortised Cost		
Secured		
Term loans from Bank		
Rupee Loan	1,500.00	792.00
Less: Current Maturity (refer note 22)	(333.33)	-
Hire Purchase	129.27	67.39
Less: Current Maturity (refer note 22)	(41.90)	(20.36)
	1,254.04	**839.03**
Unsecured		
Loans from Related Party (refer note 38)	300.00	300.00
Loans from Body Corporate	200.00	200.00
	500.00	500.00
Total	**1,754.04**	**1,339.03**

Notes to Financial Statements

(₹ in Lacs)

(i) Repayment terms and nature of securities given for term loan from bank as follows :

Name of the Bank / instrument	Nature of security	Repayment terms	31st March 2020	31st March 2019
Secured				
YES Bank Limited	Exclusive charge on assets funded out of the Yes Bank Limited Term Loan First pari pasu charge on Current assets and 2nd Pari pasu charge on MFA and EQM of properties at Bankura & Haldia.	Principal Repayable in 18 equal Quarterly installment commencing from June, 2020. Interest to be serviced on monthly basis as and when due.	1,500.00	792.00
ICICI Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 30865 /- each commencing from May,2018. Interest @ 8.31%.	6.78	9.78
ICICI Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 30865 /- each commencing from May,2018. Interest @ 8.31%.	6.77	9.77
ICICI Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 28984 /- each commencing from Oct, 2017. Interest @ 9.25%.	4.59	7.50
ICICI Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 36643 /- each commencing from Dec, 2017. Interest @ 9.25%.	6.45	9.94
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 27160 /- each commencing from Nov, 2018. Interest @ 9.64%.	9.65	9.65
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 27160 /- each commencing from Nov 2018. Interest @ 9.64%.	9.65	9.65
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of ₹ 53623 /- each commencing from May 2019. Interest @ 9.31%.	16.61	-

Notes to Financial Statements

(₹ in Lacs)

Name of the Bank / instrument	Nature of security	Repayment terms	31st March 2020	31st March 2019
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 60 equal Monthly instalment of Rs. 17133 /- each commencing from May 2019. Interest @ 8.19 %.	6.77	-
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of Rs. 31385 /- each commencing from June 2019. Interest @ 9.75 %.	9.99	-
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 59 equal Monthly instalment of Rs. 32710 /- each commencing from June 2019. Interest @ 9.70 %.	13.19	-
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 35 equal Monthly instalment of Rs. 27008 /- each commencing from Dec 2019.	7.31	-
Yes Bank	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 35 equal Monthly instalment of Rs. 33347 /- each commencing from Dec 2019.	9.02	-
Bank of Baroda	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 60 equal Monthly instalment of Rs. 29957 /- each commencing from Feb 2020. Interest @ 8.60 %.	14.34	-
Tata Motors Finance Limited	Exclusive hypothecation charge over the machinery/ vehicle acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of Rs. 25202 /- each commencing from Feb,2019.	8.14	**11.10**

18. Provisions (Non- Current)

	As at 31st March 2020	As at 31st March 2019
Provisions for Employee Benefits		
Gratuity (refer note 39)	70.61	64.31
Provision for Entry Tax (refer note 37)	538.46	538.46
Total	**609.07**	**602.77**

Notes to Financial Statements

(₹ in Lacs)

19 Deferred Tax Liabiities (Net)

	As at 31st March 2020	As at 31st March 2019
a) Deferred Tax Liability		
Timing difference in depreciable assets	1,287.70	1,321.56
b) Deferred Tax Assets		
Expense allowable against taxable income in future years	(296.52)	(163.00)
MAT Credit Entitlement	-	(91.17)
Total	**991.18**	**1,067.39**

20. Borrowings (Current)

	As at 31st March 2020	As at 31st March 2019
Financial Liabilities carried at Amortised Cost		
(Secured)		
Loans Repayable on Demand		
From Banks		
Foreign Currency Loan	682.51	-
Rupee Loan	4,239.06	5,231.83
(Unsecured)		
From Other	330.00	-
From Related Party (refer note-38)	45.00	-
Total	**5,296.57**	**5,231.83**

Notes:

The Company's Working Capital facilities are secured by First Charge on the current assets and second charge on Immovable Fixed Assets ranking pari passu with the respective Working Capital bankers.

21. Trade Payables

Financial Liabilities carried at Amortised Cost

MSMED [refer note (a) below]	32.95	91.78
Others	5,120.34	5,844.08
Total	**5,153.29**	**5,935.86**

		31st March 2020	31st March 2019
(a)	**Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006**		
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal amount due to micro and small enterprise	32.95	91.78
	Interest due on above	-	-
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-

Notes to Financial Statements

(₹ in Lacs)

		31st March 2020	31st March 2019
(iii)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.		

22. Other Financial Liabilities (Current)

	As at 31st March 2020	As at 31st March 2019
Financial Liabilities carried at Amortised Cost		
Current Maturity for Hire Purchase (refer note 17)	41.90	20.36
Current Maturity for Rupee Loan (refer note 17)	333.33	-
Interest accrued and due on borrowings	6.06	-
Employee Benefits	34.85	76.09
Total	**416.14**	**96.45**

23. Other Current Liabilites

Duties & Taxes		
Statutory & Other Dues Payables	19.83	23.26
Advance from Customers	321.13	114.23
Other Miscellaneous Liabilities	620.09	222.73
Total	**961.05**	**360.22**

24. Provisions (Current)

Provisions for Employee Benefits		
Gratuity (refer note 39)	34.93	8.30
Total	**34.93**	**8.30**

25. Current tax Liabilities (Net)

Provisions for Income Tax (net of Advance Tax)	-	61.46
Total	**-**	**61.46**

Notes to Financial Statements

(₹ in Lacs)

26. Revenue from Operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Products	27,745.51	27,268.92
Other Operating Income	384.03	291.88
Total	**28,129.54**	**27,560.80**

Particulars of Sale of Products

Metal Products	27,217.93	26,783.17
Others	527.58	485.75
Total	**27,745.51**	**27,268.92**

27. Other Income

Interest Income from Financial Assets at amortized cost:		
- On fixed deposit	49.98	36.98
- On related party transaction (refer note 38)	20.87	-
Foreign Currency fluctuation gain (net)	250.82	163.01
Total	**321.67**	**199.99**

28. Cost of Material Consumed

Opening Stock	1,190.81	1,515.81
Add : Purchases including Procurement Expenses	19,295.12	19,903.51
Less : Closing Stock	1,257.31	1,190.81
Total	**19,228.62**	**20,228.51**

29. Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Opening Stock		
Finished Goods	1,456.67	1,340.11
Work in Progress	3,510.33	3,623.00
Scrap	184.42	55.99
	5,151.42	**5,019.10**
Closing Stock		
Finished Goods	2,045.02	1,456.67
Work in Progress	3,848.17	3,510.33
Scrap	50.90	184.42
	5,944.09	**5,151.42**
Total (Increase) / Decrease	**(792.67)**	**(132.32)**

30. Employee Benefit Expenses

Salaries, Wages and Bonus	810.32	721.62
Contribution to provident & other funds	47.62	45.55
Staff Welfare Expenses	410.28	284.39
Total	**1,268.22**	**1,051.56**

Notes to Financial Statements

(₹ in Lacs)

31. Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses		
On Fixed Loans	143.59	4.87
On Others - To Other Entity	857.08	625.24
- To Related Party (refer note 38)	27.21	43.61
Other Borrowing Cost	229.03	231.62
Total	**1,256.91**	**905.34**

32. Other expenses

Power & Fuel	2,333.42	1,866.55
Consumption of Stores and Consumables:		
- Indigenous	432.18	310.55
- Imported	135.45	92.97
Processing Charges	419.08	226.85
Carriage Inward	83.78	79.19
Repairs to:		
- Building	39.11	23.96
- Machinery	258.09	234.11
- Others	16.68	34.18
Other Manufacturing Expenses	329.11	266.33
Rent	32.23	23.17
Insurance	37.93	21.84
Rates & Taxes	51.81	32.22
Packing Expenses	324.44	161.77
Freight, Forwarding and Handling Expenses	967.69	757.89
Provision For Doubtful Debt	86.29	-
Communication Expenses	10.41	8.83
Travelling & Conveyance	113.82	92.59
Auditor's Remuneration		
- For Statutory Audit	6.18	6.00
- For Tax Audit	0.50	0.50
- For Other Services	0.50	0.71
Commission	180.40	99.12
Other Miscellaneous Expenses	574.71	468.67
Total	**6,433.81**	**4,808.00**

Notes to Financial Statements

(₹ in Lacs)

33. Income Tax

		31st March 2020	31st March 2019
A. Amount recognized in profit or loss			
Current Tax			
Current period		-	73.04
Changes in respect of current income tax of previous years		-	-
	(a)	-	73.04
Deferred Tax			
Attributable to -			
Origination and reversal of temporary differences		(163.19)	(341.92)
	(b)	(163.19)	(341.92)
MAT Credit Entitlement	(c)	91.17	(61.00)
Tax expenses reported in the Standalone Statement of Profit and Loss (a+b+c)		**(72.02)**	**(329.88)**
B. Income tax recognized in Other Comprehensive Income			
Deferred tax relating to items recognized in other comprehensive income during the year		4.20	1.55
Income tax expense charged to OCI		**4.20**	**1.55**
C. Reconciliation of tax expense and the accounting profit for March 31, 2020 and March 31, 2019:			
Accounting profit before income tax		512.09	402.71
Tax at the applicable India tax rate of 25.17% (27.82%)		128.89	112.03
Tax impact on amounts that are adjusted in determining taxable profit:			
Difference between depreciation as per IT Act and depreciation as per books		(8.43)	21.88
Reversal on account of tax rate		(163.19)	(341.92)
Impact of MAT		91.17	12.04
Other adjustments		(120.46)	(133.92)
		(72.02)	**(329.88)**

D. Recognized deferred tax assets and liabilities:

	Balance as on April 1, 2019	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2020
Property, plant and equipment	(1,321.56)	33.85	-	(1,287.71)
Carried forward tax losses	-	108.25		108.25
Provision for doubtful debts	4.12	21.59	-	25.70
Provision for Entry Tax	140.00	(4.48)	-	135.52
Provision for employee benefits	18.88	3.99	4.20	27.07
MAT Credit Entitlement	91.17	(91.17)	-	-
Total	**(1,067.39)**	**72.02**	**4.20**	**(991.18)**

Notes to Financial Statements

(₹ in Lacs)

	Balance as on April 1, 2018	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2019
Property, plant and equipment	(1,706.86)	385.30	-	(1,321.56)
Provision for doubtful debt	5.52	(1.41)	-	4.12
Provision for Entry Tax	178.03	(38.03)	-	140.00
Provision for employee benefits	21.27	(3.94)	1.55	18.88
MAT Credit Entitlement	30.17	61.00	-	91.17
Total	**(1,471.87)**	**402.92**	**1.55**	**(1,067.39)**

E. Deferred tax reflected in the Balance Sheet as follows:

	31st March 2020	31st March 2019
Deferred tax assets	296.52	163.00
Deferred tax liabilities	(1,287.70)	(1,321.56)
MAT Credit Entitlement	-	91.17
Deferred tax assets / (liabilities) (net)	**(991.18)**	**(1,067.39)**

34. Other Comprehensive Income

Particulars	As at 31st March 2020	As at 31st March 2019
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	(16.67)	(5.97)
Income tax relating to items that will not be reclassified to profit or loss	4.20	1.55
Total	**(12.48)**	**(4.42)**

35. Contingencies and Commitments

Claims against the company/disputed liabilities not acknowledged as Debts		
Excise Duty	187.33	11.80
Customs Duty	10.28	10.28
Service Tax	-	2.88
Income Tax	665.08	465.35
Lease Rent	-	18.68
Total	**862.69**	**508.99**

36. Earnings per share

Profit as per Statement of Profit and Loss (₹ in lacs)	584.12	732.59
Weighted average number of equity shares	6,55,34,050	6,55,34,050
Nominal value per equity share (₹)	1.00	1.00
Earnings per share - Basic and Diluted (₹)	0.89	1.12

37. Entry Tax

The Company has made a provision of Rs. NIL (Previous Year Rs. Nil) towards Entry Tax in relation to matter under litigation/ dispute as shown below :

Opening Balance	538.47	538.47
Provisions made during the year	-	-
Closing Balance	**538.47**	**538.47**

Notes to Financial Statements

(₹ in Lacs)

38. Related Party Transactions

List of Related Parties with whom transactions have taken place during the year

Key Managerial Personnel	**Relation**
Mr. Sunil Kumar Agrawal	Managing Director
Mr. Basudeo Agrawal	Whole-time Director (Upto 20th July 2019)
Mr. Amit Agrawal	Chief Financial Officer (Upto 31st March 2019)
Mr. Ashok Agarwal	Chief Financial Officer (w.e.f 29th May 2019)
Mr. Vivek Jain	Company Secretary

Other Directors

Mr. Vineet Agrawal	Non-Executive Director
Mr. Anirudha Agrawal	Non-Executive Director
Mr. Mrinal Kanti Pal	Non-Executive Director (Upto 3rd Nov,2019)
Mr. Ajay Kumar Chakraborty	Non-Executive Independent Director
Mrs. Smita Khaitan	Non-Executive Independent Director (Upto 3rd June, 2019)
Dr. Kali Kumar Chaudhuri	Non-Executive Independent Director (Upto 18th June, 2019)
Mr. Shyamal Chakraborty	Whole Time Director (Additional) (8th Nov 2019 to 31st Dec 2019)
Mr. Chandan Ambaly	Non-Executive Independent Director (w.e.f 29th May 2019)
Mr. Dipak Bhattacharjee	Whole Time Director (Additional) (w.e.f 1st February 2020)
Ms. Suprity Biswas	Non-Executive Independent Director (w.e.f 21st January 2020)
Mrs. Rupanjana De	Non-Executive Independent Director (29th May 2019 to 25th Jan 2020)

Entities over which KMPs and their relatives have significant influence

Manaksia Limited
Manaksia Steels Limited (Upto 14th Feb, 2019)
Manaksia Coated Metals & Industries Limited
Manaksia International FZE
MINL Limited

The following table summarises Related-Party Transactions and Balances included in the Financial Statements as at and for the year ended 31st March, 2020 and 31st March, 2019.

A. Summarises Related-Party Transactions

Nature of Transactions	Key Managerial Personnel & Other Directors	Entities where KMP and relatives have significant influence	Total
Salary and Other Benefits	**164.73**	**-**	**164.73**
	262.89	-	*262.89*
Meeting Fees	**2.83**	**-**	**2.83**
	4.73	-	*4.73*
Sale of Goods / Services	**-**	**3,640.82**	**3,640.82**
	-	*5,354.72*	*5,354.72*
Purchase of Goods / Services	**-**	**949.87**	**949.87**
	-	*395.93*	*395.93*
Interest Income recognised	**-**	**20.87**	**20.87**
	-	-	-
Interest Expense recognised	**-**	**27.21**	**27.21**
	-	*43.61*	*43.61*

Notes to Financial Statements

(₹ in Lacs)

B. Details of Outstanding Balances

Outstanding Balances	Key Managerial Personnel & Other Directors	Entities where KMP and relatives have significant influence	Total
Outstanding Receivables	**-**	**26.80**	**26.80**
	-	-	-
Loan Taken	**(45.00)**	**(300.00)**	**(345.00)**
	-	*(300.00)*	*(300.00)*
Outstanding Payables	**(3.23)**	**(23.69)**	**(26.91)**
	-	*(388.12)*	*(388.12)*

Note : Figures in italics represent comparative figures of previous years.

39. Employee Benefits

		As at 31st March 2020	As at 31st March 2019
I)	**Defined Contribution Plan**		
	Contribution to defined contribution plan, recognized are charged off during the year as follows :		
	Employers' Contribution to Provident Fund	**47.62**	**45.55**
II)	**Defined Benefit Plan**		
	Gratuity is paid to employees under the Payment of Gratuity Act 1972 through partially funded scheme with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
a)	**Change in Defined Benefit Obligations :**		
	Present Value of Defined Benefit Obligations at beginning of year	72.61	64.32
	Current Service cost	14.29	9.47
	Interest cost	5.30	4.89
	Past Service Cost	-	-
	Re-measurement (or Actuarial (gains)/ losses) arising from :	-	-
	Change in demographic assumptions	4.01	-
	Change in financial assumptions	2.62	2.03
	Experience Varience (i.e. Actual experience vs assumptions)	10.04	3.94
	Benefits paid	(1.32)	(12.04)
	Present Value of Defined Benefit Obligations at the end of year	**107.54**	**72.61**
b)	**NetAssets/(Liability) recognition in Balance Sheet**		
	Net Asset/(Liability) recognised in Balance Sheet at beginning of year	(72.61)	(64.32)
	Expense recognised in Statement of Profit and Loss	(19.59)	(14.36)
	Expense recognised in Other Comprehensive Income	(16.67)	(5.97)
	Employer contributions	1.32	12.04
	Net Asset / (Liability) recognised in Balance Sheet at end of year	**(107.54)**	**(72.61)**

Notes to Financial Statements

(₹ in Lacs)

	As at 31st March 2020	As at 31st March 2019
c) Expenses recognised in the statement of Profit and Loss consist of:		
Current Service Cost	14.29	9.47
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Income on the Net Defined Benefit Liability	5.30	4.89
Net Amounts recognised	**19.59**	**14.36**
d) Expenses recognised in the other comprehensive income consist of:		
Actuarial (gains) / losses due to :		
Change in demographic assumptions	(4.01)	-
Change in financial assumptions	(2.62)	(2.04)
Experience Variance (i.e. Actual experience vs assumptions)	(10.04)	(3.93)
Net Amounts recognised	**(16.67)**	**(5.97)**
e) Actuarial Assumptions		
Financial Assumptions		
Discount Rate p.a.	6.60%	7.30%
Rate of increase in salaries p.a.	5.00%	5.00%
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
Normal Retirement Age	58 Years	58 Years
Attrition Rates, based on age (% p.a.)	2.00%	2.00%
For all ages		

f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have determind based on reasonably possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As at 31st March 2020	As at 31st March 2019
Defined Benefit Obligation (Base)	107.54	72.61

Particulars	As at 31st March 2020		As at 31st March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	118.59	98.23	80.18	66.16
% change compared to base due to sensitivity	10.27%	-8.67%	10.42%	-8.89%
Salary Growth Rate (- / + 1%)	98.12	118.60	65.83	80.46
% change compared to base due to sensitivity	-8.76%	10.27%	-9.34%	10.80%
Attrition Rate (- / + 50%)	106.24	108.67	71.21	73.85
% change compared to base due to sensitivity	-1.22%	1.04%	-1.94%	1.70%
Mortality Rate (- / + 10%)	107.28	107.81	72.37	72.86
% change compared to base due to sensitivity	-0.25%	24.00%	-0.34%	0.33%

Notes to Financial Statements

(₹ in Lacs)

g) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31st March 2020	As at 31st March 2019
Weighted average duration (based on discounted cashflow)	10 Years	10 Years
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	7.18	8.30
2 to 5 years	42.05	18.09
6 to 10 years	39.10	32.21
More than 10 years	151.97	117.90

h) Summary of Assets and Liability (Balance Sheet Position)

Particulars	As at 31st March 2020	As at 31st March 2019
Present value of Obligation	107.54	72.61
Fair Value of Plan Assets	-	-
Unrecognized Past Service Cost	-	-
Effects of Asset Celling	-	-
Net Asset / (Liability)	**(107.54)**	**(72.61)**

i) Windup Liability / Discontinuance Liability

Particulars	As at 31st March 2020	As at 31st March 2019
Discontinuance Liability *	128.43	92.81
Present Value of Obligation	107.54	72.61
Ratio (PV of Obligation / Discontinuance Liability)	84.00%	76.00%

* Discontinuance Liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

40. Segment Reporting

I) Business Segment

As the Company's business activity falls within a single primary business segment, viz. "Metal", the disclosure requirements of Indian Accounting Standard-108 "Operating Reporting", notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Amendment Rules, 2014 are not applicable.

II) Geographical Segment

The Company primarily operates out of India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

a) Details of Revenue based on geographical location of customers is as below:

	March 31, 2020	March 31, 2019
Revenue from Operations		
India	8,916.91	8,894.08
Overseas	19,212.63	18,666.72
Total	**28,129.54**	**27,560.80**

Notes to Financial Statements

(₹ in Lacs)

b) Details of Segment Assets based on geographical area is as below:

	March 31, 2020	March 31, 2019
Carrying amount of Segment Assets		
India	25,449.15	23,486.56
Overseas	947.06	1,847.95
Total	**26,396.20**	**25,334.51**

c) Details of Additions to Segment Assets is as below:

	March 31, 2020	March 31, 2019
Additions to Fixed Assets including CWIP		
India	1,180.32	748.36
Overseas	-	-
Total	**1,180.32**	**748.36**

41. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations and short term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	March 31, 2020	March 31, 2019
Equity Share Capital	655.34	655.34
Other Equity	10,524.59	9,975.86
Total Equity (A)	**11,179.93**	**10,631.20**
Short Term Borrowings (Gross Debt) (B)	5,296.57	5,231.83
long Term Borrowings (Gross Debt) (B)	1,754.04	1,339.03
Total Capital (A+B)	**18,230.54**	**17,202.06**
Gross Debt (B) as above	**7,050.61**	**6,570.86**
Less: Cash and Cash Equivalents	(51.89)	(20.61)
Less: Other Bank Balances	(803.50)	(835.12)
Net Debt (C)	**6,195.22**	**5,715.13**
Net Debt to Equity (C/A)	**0.55**	**0.54**

Notes to Financial Statements

(₹ in Lacs)

42. Disclosures on Financial Instruments

I) Financial Instruments by Category

As at March 31, 2020

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	0.10	-	**0.10**	**0.10**
Trade Receivables	2,277.20	-	**2,277.20**	**2,277.20**
Cash and Cash Equivalents	51.89	-	**51.89**	**51.89**
Other Bank Balances	803.50	-	**803.50**	**803.50**
Loans	57.58	-	**57.58**	**57.58**
Other Financial Assets	11.11	503.12	**514.23**	**514.23**
Total Financial Assets	**3,201.38**	**503.12**	**3,704.50**	**3,704.50**
Financial Liabilities				
Borrowings	7,050.61	-	**7,050.61**	**7,050.61**
Trade Payables	5,153.29	-	**5,153.29**	**5,153.29**
Other Financial Liabilities	416.14	-	**416.14**	**416.14**
Total Financial Liabilities	**12,620.04**	**-**	**12,620.04**	**12,620.04**

As at March 31, 2019

Particulars	Amortised Cost	Fair Value through PL	Total Carrying Value	Total Fair Value
Financial Assets				
Investments	0.10	-	**0.10**	**0.10**
Trade Receivables	2,890.65	-	**2,890.65**	**2,890.65**
Cash and Cash Equivalents	20.61	-	**20.61**	**20.61**
Other Bank Balances	835.12	-	**835.12**	**835.12**
Loans	41.19	-	**41.19**	**41.19**
Other Financial Assets	14.64	7.82	**22.46**	**22.46**
Total Financial Assets	**3,802.31**	**7.82**	**3,810.13**	**3,810.13**
Financial Liabilities				
Borrowings	6,570.86	-	**6,570.86**	**6,570.86**
Trade Payables	5,935.86	-	**5,935.86**	**5,935.86**
Other Financial Liabilities	96.45	-	**96.45**	**96.45**
Total Financial Liabilities	**12,603.17**	**-**	**12,603.17**	**12,603.17**

II) Fair Value Hierarchy

All Financial Assets & Financial Liabilites are carried at amortised cost except Current Investments, which have been fair valued using Level 1 Hierarchy.

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

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

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

The following table represents the fair value heierarchy of Financial Assets and Financial Liabilites measured at Fair Value on a recurring basis :

Particulars	Fair Value Hierarchy Level	March 31, 2020	March 31, 2019	March 31, 2018
Financial Assets				
Other Financial Assets (Current)	Level 2	503.12	7.82	**265.28**

Notes to Financial Statements

(₹ in Lacs)

III) Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's focus is on foreseeing the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk -

Market Risk Comprises of Foreign Currency Exchange Rate Risk, Interest Rate Risk & Equity Price Risk

i) Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the Statement of Profit and Loss and Equity, where any transactions are denominated in a currency other than the functional currency of the Company.

The Company's Exchange Rate Risk exposure is primarily due to Trade Payables, Trade Receivables and Borrowings in the form of Letter of Credit denominated in foreign currencies. The Company uses foreign exchange and forward contracts primarily to hedge foreign exchange exposure.

An appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an decrease/increase in the Company's Net Profit before Tax by approximately Rs. 17.76 lacs for the year ended March 31, 2020 (March 31, 2019 : - Rs. 3.04 lacs)

ii) Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

iii) Equity Price Risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company has no investments, hence the Company is not primarily exposed to equity price risk.

b) Liquidity Risk -

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital facilities from various banks. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The following table shows a maturity analysis of the Company's Financial Liabilities on the basis of undiscounted contractual payments :

Particulars	March 31, 2020	March 31,2019
One Year or less		
Borrowings	5,296.57	5,231.83
Trade Payables	5,153.29	5,935.86
Other Financial Liabilites	416.14	96.45
More than One Year		
Borrowings	1,754.04	1,339.03

Notes to Financial Statements

(₹ in Lacs)

c) Credit Risk -

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness.

Financial instruments that are subject to credit risk principally consist of Trade Receivables, Loans Receivables, Investments, Cash and Cash Equivalents and Financial Guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The Company has a policy of dealing only with credit worthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company manages risks through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

43. (a) During the year ended March 31, 2020, the Company has after evaluation, decided to adopt the option (under Section 115BAA of Income Tax Act) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 27.82% (including surcharge and cess) for the Financial Year 2019-20. The current tax for the financial year 2019-20 has, therefore, been calculated @ 25.17% and the deferred tax assets / liabilities have been adjusted accordingly. As a result of this option, unutilized MAT credit entitlement has been written off.

(b) As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the Company had suspended operations across various locations w.e.f. 23/03/2020, adversely impacting the business during the quarter. The Company has been taking various precautionary measures to protect employees and their families from COVID-19.

The Company expects to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material changes in future economic conditions.

44. Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.

45. These financial statements have been approved by the Board of Directors of the Company on 18th June, 2020 for issue to the shareholders for their adoption.

46. Previous year figures:The previous year figures are reclassified where considered necessary to confirm to this year's classification.

As per our report attached of even date

For **DANGI JAIN & Co**
Chartered Accountants
Firm Regn. No. 308108E

Honey Agarwal
(Partner)
Membership No. 304486
UDIN: 20304486AAAAAK5283

Place : Kolkata
Dated : 18th June 2020

For and on behalf of the Board of Directors

Sunil Kumar Agrawal
(Managing Director)
DIN : 00091784

Anirudha Agrawal
(Director)
DIN : 06537905

Ashok Agarwal
(Chief Financial Officer)

Vivek Jain
(Company Secretary)