Notes forming part of the Indiviual Financial Statements

Note No : 1 Corporate Informations

Corporate informations ASHIRWAD STEELS & INDUSTRIES LIMITED (“the Company”) is a public limited company incorporated and domiciled in India. The registered office of the Company is situated at 6, Waterloo Street, 5th Floor, Room No. 506, Kolkata- 700 069, West Bengal, India. The Company’s shares are listed on the BSE Ltd., (Bombay Stock Exchange). The Company is managed by the Board of Directors consisting of nine Directors including one wholetime Chairman and Managing Director and three Independent Directors. The Company’s main business is to produce Sponge Iron and has two Sponge Iron Plants with one at Jamshedpur and the other one in the District of Nalgonda (Telengana). Besides the Company has two Bottling Plants with one located at Uluberia, Howrah, West Bengal (given on lease) and the second one is at Raigarh in the State of Chhattisgarh.

The financial statements for the year ended 31st March, 2018 were approved for issue by the Board of Directors of the Company in their meeting held on 29th May, 2018 and is subject to the adoption by the shareholders in the ensuing 32nd Annual General Meeting.

Note No. : 2 Significant accounting policies

2.1 Statement of Compliance with Ind AS

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2017 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 (“Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) (“Previous GAAP”).

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016. Reconciliations and descriptions of the effect of the transition have been summarized in Note No. 31

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

2.2 Basis of preparation

These financial statements have been prepared in accordance with Ind AS under the historical cost basis except for the following:

i) Certain financial assets and financial liabilities (including derivative instruments) - measured at fair value.

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

All 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 Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements including notes thereon are presented in Indian Rupees (“Rupees”or “Rs.”), which is the Company’s functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless stated otherwise.

2.3 Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

a) Sale of goods

Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. It includes excise duty and cess and excludes sales tax/VAT, GST (Goods & Services Tax) trade discounts and rebates.

b) Interest income

Interest income is included in “Other Income” in the Statement of Profit and Loss.

c) Dividend Income

Dividend income is recognised when the Company’s right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

d) All other income are accounted for on accrual basis.

2.4 Expenses

All expenses are accounted for on accrual basis.

2.5 Property, plant and equipment (PPE)

a) Transition to Ind AS

The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

b) All Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Subsequent costs are included in the asset’s carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

During the year, in terms of Ind AS 36 Impairment of Assets, the company has determined impairment loss (if any) in respect of its Assets wherever considered necessary.

c) Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated.

Lease-hold land are amortised over the lease term.

Depreciation on other items of PPE is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013, except for Power transmission lines and Mobile phones which are depreciated over a period of five years and three years respectively.

The estimated useful lives are determined based on assessment made by technical experts, in order to reflect the actual usage of the assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives considered are as follows:

Category	**Useful life**
Buildings (other than factory building)	60 years
Factory Building	30 years
Plant & Machinery	25 years
Electrical Installation & Equipment (for double shift)	20 years
Generator Set (for Double Shift)	20 years
Laboratory Equipment	10 years
Weighing Machines, Tools & Implements, Pollution Equipments & Fire fighting equipments	25 years
Computer & Accessories	3 years
Office Equipments including Air Conditioners	5 years
Furniture & Fixtures	10 years
Motor Cars	8 years
Motor Cycles & Scooters	10 years

There exists no restrictions or any encumbrances on title by way of any security/pledge of any property or plant & Equipment against any liabilty of the company.

Each item of PPE individually costing Rs. 5,000/- or less is depreciated over a period of one year from the date the said assets is available for use.

The residual value of an item of PPE is not more than 5% of the original cost of the respective asset.

The estimated useful lives, residual values and depreciation method are reviewed at-least at the end of each financial year and are adjusted, wherever appropriate.

2.6 Inventories

a) Inventories (other than By-products and scraps) are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

The cost of inventories is computed on FIFO (First in First Out) basis.

Net realisable value (NRV) 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.

b) By-products and scraps are valued at net realisable value (if any)

2.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the transition date, i.e.1st April, 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

a) When the Company is a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which substantially all the risks and rewards of ownership are transferred to the Company are classified as finance leases.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

b) When the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

The company has leased its RLHG/LPG Bottling Plant located at Ulberia, Howrah (West Bengal) along with all existing building, structures and equipment, storage bullets, pipings etc situated on the same land and the plant and equipment and other immovable assets with effect from 21-03-2000. The lease Period has been renewed for a further period upto 31-03-2020.

2.8 Provisions, contingent liabilities and contingent assets

a) A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the passage of time is recognized as finance costs.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to provision is presented in the Statement of Profit and Loss, net of any reimbursement.

b) A contingent liability is not recognised in the financial statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognized in the financial statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

c) A contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.

When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.9 Employee benefits

a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Defined contribution plans

The Company pays provident and other fund contributions to publicly administered fund as per local regulations.

The Company has no further obligation, other than the contributions payable to the respective funds. The Company recognizes contribution payable to such funds as an expense, when an employee renders the related service.

c) Defined benefit plans

The Company doesn't operates a defined benefit gratuity plan, which requires contributions to be made to the recognised fund Company doesn't Carry out the Acturial valuation of the Defined benefit plan (Gratuity) hence doesn't recognise in the Balance sheet in respect of Gratuity in terms of present value of the Defined benefit obligation as the Balance Sheet date less fair value of plan assets.

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

a) Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The financial assets include equity, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments

ii) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

1) At amortised cost,

2) At fair value through other comprehensive income (FVTOCI), and

3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

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

1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and

2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity.

iii) De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

b) Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments etc.

(ii) Subsequent measurement

For the purpose of subsequent measurement, Financial liabilities are classified in two categories:

1) Financial liabilities at amortised cost, and

2) Derivative instruments at fair value through profit or loss (FVTPL)

c) Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

d) Offsetting of financial instruments

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

e) Fair value measurement

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 “Fair Value Measurement.”

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

Three widely used valuation techniques specified in the said Ind AS are the market approach, the cost approach and the income approach which have been dealt with separately in the said Ind AS.

Each of the valuation techniques stated as above proceeds on different fundamental assumptions, which have greater or lesser relevance, and at times there is no relevance of a particular methodology to a given situation. Thus, the methods to be adopted for a particular purpose must be judiciously chosen. The application of any particular method of valuation depends on the company being evaluated, the nature of industry in which it operates, the company’s intrinsic strengths and the purpose for which the valuation is made.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

f) Share capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

2.11 Impairment of Assets

a) Non-financial assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

b) 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.

ECL impairment loss allowance is measured at an amount equal to lifetime ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income or expense in the Statement of Profit and Loss. This amount is reflected under the head "Other expenses" in the profit or loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance sheet. The allowance reduces the net carrying amount.

Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

2.12 Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in Equity or in OCI.

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and Equity are recognized in OCI and in Equity respectively.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 realise the assets and settle the liabilities simultaneously

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in 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 profits or loss at the time of the transaction.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.13 Earnings per Share

a) Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

b) Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

2.14 Segment Reporting

Company is into a single line of business and doesn’t have any Reportable Segment, hence Reporting requirements as per Ind AS 108 is not applicable

2.15 Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company’s cash management

2.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax 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 flows. The cash flows from operating, investing and financing activities of the Company are segregated

2.17 Recent Accounting Pronouncements

During March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 - Statement of cash flows.

These ammendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 - Statement of cash flows respectively. The amendments are applicable to the Company from 1st April, 2017

Amendment to Ind AS 7 - Statement of cash flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement

Note No. : 3 Use of critical estimates, judgements and assumptions

The preparation of the financial statements requires the use of accounting estimates, which, by definition would seldom equal the actual results. Management also needs to exercise judgement and make certain assumptions in applying the Company's accounting policies and preparation of financial statements.

The use of such estimates, judgements and assumptions affect the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the financial statements

i) Estimated useful life of Property, plant and equipment

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

ii) Recognition of deferred tax assets for carried forward tax losses and unused tax credit

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii) Estimated fair value of unlisted securities

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including Net Asset Value method, discounted cash flow (DCF) model.

The Group uses its judgement to select a variety of method/methods and make assumptions that are mainly based on market conditions existing at the end of each financial year.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could effect the reported fair value of financial instruments.

NOTE NO : 4 PROPERTY, PLANT AND EQUIPMENT

(Amounts in Rupees)

Particulars	Property, Plant and Equipment							
	Land (Free hold)	Land (Lease hold)	Buildings	Plant and Equipment	Office Equipment	Furniture and fixtures	Motor Vehicles	Total
Gross block								
Gross carrying amount as at 1 April 2017	**1,328,675**	**5,253,804**	**18,731,740**	**186,925,330**	**1,548,653**	**348,740**	**6,838,567**	**220,975,509**
Additions during the year	-	-	-	-	103,906	-	-	103,906
Disposals /Deductions during the year	-	2,263,500	-	-	-	-	-	2,263,500
Gross carrying amount as at 31 March 2018	**1,328,675**	**2,990,304**	**18,731,740**	**186,925,330**	**1,652,559**	**348,740**	**6,838,567**	**218,815,915**
Depreciation /amortisation/ impairment								
Accumulated depreciation/ amortisation as at 1 April 2017	**-**	**744,319**	**9,459,628**	**121,382,132**	**1,467,386**	**311,691**	**5,238,847**	**138,604,003**
Depreciation/ amortisation for the year	-	49,953	600,261	5,165,814	26,085	6,577	367,631	6,216,321
Disposals /Deductions during the year	-	-	-	-	-	-	-	-
Accumulated depreciation/ amortisation as at 31st March 2018	**-**	**794,272**	**10,059,889**	**126,547,946**	**1,493,471**	**318,268**	**5,606,478**	**144,820,324**
Net carrying amount as at 31 March 2018	**1,328,675**	**2,196,032**	**8,671,851**	**60,377,384**	**159,088**	**30,472**	**1,232,089**	**73,995,591**
Net carrying amount as at 1st April 2017	**1,328,675**	**4,509,485**	**9,272,112**	**65,543,198**	**81,267**	**37,049**	**1,599,720**	**82,371,505**
Gross block								
Gross carrying amount as at 1st April 2016	**1,328,675**	**5,253,804**	**18,731,740**	**186,340,320**	**1,914,366**	**362,170**	**7,906,539**	**221,837,614**
Additions during the year	-	-	-	992,358	20,895	-	-	1,013,253
Disposals /Deductions during the year	-	-	-	407,348	386,608	13,430	1,067,972	1,875,358
Gross carrying amount as at 31 March 2017	**1,328,675**	**5,253,804**	**18,731,740**	**186,925,330**	**1,548,653**	**348,740**	**6,838,567**	**220,975,509**
Depreciation/amortisation/ impairment								
Accumulated depreciation/ amortisation as at 1 April 2016	**-**	**694,366**	**8,859,368**	**116,621,231**	**1,827,166**	**306,968**	**5,876,472**	**134,185,571**
Depreciation/amortisation for the year	-	49,953	600,261	5,165,876	26,827	18,134	427,723	6,288,774
Disposals/Deductions during the year	-	-	-	404,975	386,608	13,411	1,065,347	1,870,341
Accumulated depreciation/amortisation as at 31st March 2017	**-**	**744,319**	**9,459,629**	**121,382,132**	**1,467,385**	**311,691**	**5,238,848**	**138,604,004**
Net carrying amount as at 31 March 2017	**1,328,675**	**4,509,485**	**9,272,111**	**65,543,198**	**81,268**	**37,049**	**1,599,719**	**82,371,505**
Net carrying amount as at 1st April 2016	**1,328,675**	**4,559,438**	**9,872,372**	**69,719,089**	**87,200**	**55,202**	**2,030,067**	**87,652,043**

Note : Lease Rent of Rs 18,630/- upto 31-03-2017 payable for lease hold land of plasto steel Park, Borjora (West Bengal) allotted by WBIDC and Gram Panchyat Tax of Rs 90,000/- upto 31-03-2017 on the same is accounted for in current F.Y. 2017-18 as the WBIDC has repossessed the said land as per order of Hon'ble Calcutta High Court.

ASHIRWAD STEELS & INDUSTRIES LIMITED

Note No. : 5 Investments (Non - Current Assets)

Particulars	Face Value	Number of Shares	As at 31st March 2018 (Rs in lacs)	Number of Shares	As at 31st March 2017 (Rs in lacs)	Number of Shares	As at 1st April 2016 (Rs in lacs)
(i) Equity instruments							
(1) Designated at fair value through other comprehensive income Fully paid up (Quoted)							
Navketan Merchants Ltd.	10	3,500	0.03	3,500	0.16	3,500	0.42
Goutam Resources Ltd.	10	20,000	8.10	20,000	1.96	20,000	8.10
Herald Commerce Ltd.	10	20,000	0.38	20,000	0.38	20,000	0.38
Electro Steel Castings Ltd.	10	50,000	1.20	100,000	4.43	100,000	3.35
Monnet Ispat Ltd.	10	100	0.02	100	0.03	100	0.02
Tata Sponge Iron Ltd.	10	10	0.09	10	0.07	10	0.05
Tata Steels Ltd.	10	100	0.57	100	0.48	100	0.32
Divis Laboratories Ltd.	2	5,000	-	5,000	31.15	-	-
IDEA Cellular Ltd.	10	2,500	1.90	5,000	4.26	-	-
Sun Pharmaceutical Industries Ltd.	1	2,000	9.90	2,000	13.74	-	-
Bank of India Ltd..	10	10,000	10.36	-	-	-	-
Oriental Bank of Commerce Ltd.	10	15,000	13.74	-	-	-	-
Punjab National Bank Ltd.	2	50,000	47.65	-	-	-	-
Union Bank of India Ltd.	10	50,000	47.00	-	-	-	-
Power Finance Corporation Ltd.	10	25,000	21.41	-	-	-	-
TOTAL (A)			**162.34**		**56.67**		**12.64**
(2) Designated at Cost As Fair value Fully paid up (Unquoted)							
Emami Cements Ltd		-	-	-	-	1875000	295.69
Chhibbar Business & Fiscal Pvt Ltd		1,850,000	352.06	1,850,000	352.06	-	-
TOTAL (B)			**352.06**		**352.06**		**295.69**
(ii)Preference Shares (Unquoted) Fully paid up							
7.5% Non cumulative convertible Preference Shares of Mastermind Commodeal Pvt Ltd		4,000	20.00	4,000	20.00	-	-
7.5% Non cumulative convertible Preference Shares of Regal Trading (P) Ltd		33,500	167.50	33,500	167.50	-	-
7.5% Non cumulative convertible Preference Shares of Sati Mansion (P) Ltd		30,000	150.00	30,000	150.00	-	-
7.5% Non cumulative convertible Preference Shares of Vinay Holding Pvt Ltd		7,000	35.00	7,000	35.00	-	-
TOTAL (C)			**372.50**		**372.50**		**-**
TOTAL (D) (A+B+C)			**886.90**		**781.22**		**308.33**
Aggregate amount of Quoted Investments			162.34		56.67		12.64
Aggregate investment carried at cost as fair value			724.56		724.56		295.69
Aggregate investment designated at fair value through other comprehensive income			162.34		56.67		12.64

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 6 Other financial assets

Non-current (Unsecured, considered good)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Carried at cost			
Security deposits (note a)	**777.11**	502.11	27.11
Fixed deposits with banks			
Bank deposits with more than 12 months maturity (see note (b) & ©	**1,265.60**	1,621.25	1,969.70
	2,042.71	2,123.36	1,996.81

Note (a)

Security deposits are payable on demand hence carried at cost without discounting

Note (b)

Balances with banks includes Fixed deposits under lien for Bank Guarantees of Rs 46.00 lacs issued to Central Coalfields Ltd (Rs 46.00 lacs as on 31-03-2017 and Rs 46.00 lacs as on 1st April 2016)

Note ©

Balances with banks in deposits accounts include deposits under lien of Rs 1250.00 lacs

(Rs.880.00 lacs on 31.03.2018, Rs 1250.00 lacs on 31-03-2017 & Rs 1250.00 lacs on 1st April 2016)

Note No. : 7 Other Non - Current Assets

Non-current (Unsecured, considered good)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Capital Advances			
Advance against land	**49.50**	-	-
Advance for capital goods	**10.00**	-	-
Other deposits & advances			
Security deposits with Govt. Departments	**22.79**	26.82	44.33
Advance to suppliers	**114.30**	114.30	114.30
Income tax deducted at source	**30.17**	58.54	67.80
Income tax refundable	**35.06**	26.64	28.79
	261.82	**226.30**	**255.21**

Note No. : 8 Inventories (Valued at lower of cost and net realisable value, unless stated otherwise)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Raw materials	**406.50**	206.39	293.48
Stores & spares	**18.10**	19.28	19.28
Finished goods : Sponge Iron	**116.18**	-	-
Goods in transit:			
Coal	**3.92**	-	-
Others			
Fuel (Diesel oil)	**1.73**	-	-
	546.42	225.67	312.76

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 9 Trade and other receivables (carried at cost)

Current (Unsecured, considered good)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables (see note)	**184.72**	-	-
	184.72	-	-

Note :

Allowances for doubtful debt is not considered necessary hence no allowances are made since trade receivables are outstanding for a period less than six months from the due date for payment and is payable on demand hence it is carried at cost instead of amortized cost

Note No. : 10 Cash and cash equivalents

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with banks			
On current accounts	**56.25**	417.86	19.81
Cheques on hand	**276.02**	-	-
Cash on hand	**14.65**	10.44	7.19
	346.92	428.30	27.00

Note No. : 11 Loans (carried at Cost)

Current (Unsecured, considered good)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Other loans			
Inter-corporate deposits	**275.00**	475.00	1,400.00
Other	**150.00**	-	-
	425.00	475.00	1,400.00

Note :

Inter-corporate deposits are unsecured and receivable on demand. The purpose of utilisation of loan by the loanee company is for general business purposes.

Note No. : 12 Other financial assets

Current (Unsecured, considered good)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Interest accrued on Bank Fixed Deposits	**59.04**	11.26	91.51
Interest accrued on Security Deposit for Electicity	**2.53**	2.50	2.84
Interest Receivable on Loan Given	**12.15**	12.15	12.15
	73.72	25.91	106.50

Note No. : 13 Other current assets (Unsecured, considered good)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance to suppliers	**33.71**	252.57	-
Advance for Expenses	**5.28**	2.47	1.27
Balances with Central Excise & Vat Authorities	**12.52**	11.73	15.87
	51.50	266.77	17.14

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 14 Share Capital

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
(a) Authorised						
Equity shares of par value Rs. 10/- each	**12,500,000**	**1,250.00**	12,500,000	1,250.00	12,500,000	1,250.00
(b) Issued, subscribed and fully paid up	**12,500,000**	**1,250.00**	12,500,000	1,250.00	12,500,000	1,250.00
Equity shares of par value Rs. 10 /- each						
		1,250.00		1,250.00		1,250.00

(c) Reconciliation of number and amount of equity shares outstanding

Particulars	As at 31st March 2018		As at 31st March 2017	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
At the beginning of the year	**12,500,000**	**1,250.00**	12,500,000	1,250.00
At the end of the year	**12,500,000**	**1,250.00**	12,500,000	1,250.00

(d) The Company has only one class of equity shares. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share

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

(f) The company is neither a holding company nor a subsidiary company

(g) Shareholders holding more than 5 % of the equity shares in the Company

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No of Shares	% of holding	No of Shares	% of holding	No of Shares	% of holding
Meghdoot Vyapar (P) Ltd	-	-	-	-	1350000	10.80
Chhibbar Business & Fiscals Pvt Ltd	2267633	18.14	2267633	18.14	2267633	18.14
Doyang Wood Products Ltd	931476	7.45	931476	7.45	931476	7.45
Sohini Suppliers Pvt Ltd	1233972	9.87	1233972	9.87	-	-
Purnavasu Vyapaar Pvt Ltd	881900	7.06	881900	7.06	-	-

(h) There are no shares reserved for issue under options and contracts / commitments for the sale of shares/ disinvestments

(i) For the period of 5 years immediately preceding the date as at which the Balance Sheet is prepared

Name of the Shareholder	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
	No of Shares	No of Shares	No of Shares
(a) Aggregate number and class of shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	**NIL**	NIL	NIL
(b) Aggregate number and class of shares alloted as fully paid by way of bonus shares	**NIL**	NIL	NIL
© Aggregate number and class of shares bought back	**NIL**	NIL	NIL

(j) There were no securities issued having a term for conversion into equity / preference shares.

(k) There are no calls unpaid in respect of Equity Shares issued by the Company

(l) There are no forfeited shares by the Company

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 15 Other Equity

Particulars	**As at 31st March 2018**		As at 31st March 2017		As at 1st April 2016	
(a) Securities Premium Reserve						
Balance as per last account		**2923.44**		2923.44		2923.44
(b) General Reserve						
Balance as per last account		**750.00**		750.00		750.00
(c) Retained Earnings						
Balance as per last account	**297.71**		209.84			209.84
Add : Net Profit for the Year	**51.79**		75.96			
Add : Adjustment for provision of gratuity	**-**		16.96			
Add : Excess provision for Income Tax	**-**		0.71			
Add : Transfer from Other Comprehensive Income	**(4.80)**	**344.70**	(5.75)	297.71		
(d) Other Comprehensive Income						
Balance as per last account	**-**		-			-
Add : Other Comprehensive Income for the Year	**(4.80)**		(5.75)			
Less : Transfer to retained earnings	**4.80**		5.75			
		4018.14		3971.15		3883.28

Note :

(i) General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

Note No. : 16 Other financial liabilities

(i) Non - Current

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Carried at Cost			
Security deposit	**5.00**	5.00	-
	5.00	5.00	-
(ii) Current			
Carried at fair value through profit or loss			
Derivative Contract Put Options	**1.35**	-	-
	6.35	5.00	-

Note :

(i) Security deposit is payable at demand hence carried at cost

(ii) Derivative contract is with respect to options (put) written and will be settled within next trade cycle and are carried at fair value through profit or loss (FVTPL)

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 17 Provisions

Non-Current(Rs In Lacs)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Provision for employee benefits - Gratuity	-	-	16.96
	-	-	16.96

Note :

Since company has settled off the present obligation arising from the Defined benefit plan (Gratuity) during the F.Y 2016-17; therefore it has not carried out any acturial valuation by external actuaries using the projected unit credit method and therefore remeasurements, comprising of acturial gain or loss has not been carried out and to that extent effects of any gain or losses are not carried out through Other Comprehensive Income (OCI) in the period in which they occur.

Note No. : 18 Deferred tax liabilities (net)

As at 31st March 2018

Particulars	Opening Balance	Recognised in Profit or loss	Reclassified from equity to profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Depreciation	149.93	(34.77)	-	-	115.16
Investment	(0.66)	-	-	(2.05)	(2.71)
	149.27			**(2.05)**	**112.45**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses / unabsorbed depreciation	25.32	-	-	-	25.32
	25.32	-	-	-	25.32
Net deferred tax liabilities / expense	123.95	(34.77)		(2.05)	87.12
As at 31st March 2017					
Tax effect of items constituting deferred tax liabilities					
Depreciation	166.63	(16.70)	-	-	149.93
Investment	1.90	-	-	(2.56)	(0.66)
	168.53	(16.70)	-	(2.56)	149.27
Tax effect of items constituting deferred tax assets					
Carried forward tax losses / unabsorbed depreciation	27.62	(2.30)	-	-	25.32
	27.62	(2.30)	-	-	25.32
Net deferred tax liabilities / expense	140.91	(14.40)	-	(2.56)	123.95

Note:

In assessing the realisability of the deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized.

The ultimate realisation of the deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income during the periods in which the temporary difference become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and the planning strategies in making this assessment. Based on the historical taxable income and projection of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognised deductible differences, carried forward losses and portion of unused tax credits.

ASHIRWAD STEELS & INDUSTRIES LIMITED

(Rs In Lacs)

Note No. : 19 Other Current liabilities

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
ESI Employer's contribution	**0.07**	0.02	0.08
ESI Employees contribution	**0.03**	0.01	0.03
Providend fund, admin charges etc	**0.35**	0.14	0.20
Creditors for Expenses	**103.73**	13.71	6.26
Statutory liabilites *	**25.31**	0.05	1.31
Advance from customers	**55.17**	-	-
	184.66	13.92	7.87
Note :			
(i) *Includes GST (Goods & Services Tax) Rs In Lacs	**25.13**	**-**	**-**

Note No. : 20 Current tax liabilities (net)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Provision for taxation	**18.39**	19.73	1.27
Less: Advance tax	**5.00**	7.50	-
	13.39	12.23	1.27

Note No. : 21 Revenue from operations

(i)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Sale of goods *	2,499.01	-
(b) Other operating revenue		
Sale of Coal*	-	112.88
Sale of Char coal & Killin dust	4.24	-
Lease Rental Income	78.00	78.00
	2,581.24	190.88
Less : GST	276.70	-
Revenue from operations	2,304.54	190.88

(ii)* Recovery of excise duty flows to the entity on its own account because it is a liabilty of the Manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the entity on its own account therefore Revenue includes Excise Duty and hence Excise duty of Rs. 77.83 lacs is included in the Revenue from Sale of Goods for the year 2017-18 and Excise Duty of Rs. 5.74 lacs is included in the Revenue from sale of Goods for the year 2016-17

(iii) Sale of Goods post Introduction of GST

The incidence of GST is on supply of goods or Services and it is recovered from the customer.

As in paragraph 8 of Ind AS 18, revenue includes only the gross inflows of economic benefits received or receivable by the entity on its own Account. Amounts collected on behalf of third parties, i.e., Sales Tax, Goods and Services Tax and Value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore they are excluded from Revenue.

Note No. : 22 Other income

(Rs In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income on financial assets carried at cost		
Current Assets		
Interest on Loans given	**59.22**	68.03
Interest income on other financial assets		
Non current		
Interest on Bank Fixed Deposits	**102.32**	141.53
Interest on Security Deposits	**2.99**	2.95
Interest income on Income Tax Refund	**4.47**	1.26
Income from Dividend	**0.53**	0.01
Other non-operating income (net of expenses directly attributable to such income)		
Income from Derivative transactions (F&O)	**2.40**	0.85
Income from sale of Investments	**6.50**	0.68
	178.43	215.31

Note No. : 23 Cost of materials consumed

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Raw Material consumed	**2,106.55**	-
Coal	**-**	111.61
	2,106.55	111.61

Note No. : 24 Changes in inventories of finished goods.

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Stock		
Finished Goods(Sponge Iron)	**-**	-
Less : Closing Stock		
Finished Goods(Sponge Iron)	**116.18**	-
	(116.18)	-

Note No. : 25 Employee benefits expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries and wages, including bonus	**47.23**	18.82
Contribution to Provident fund, ESI , etc	**3.04**	1.55
Staff welfare Expenses	**2.52**	21.47
Gratuity	**0.53**	16.99
	53.32	58.82

Note No. : 26 Finance costs

(Rs In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expense		
Bank Overdraft	**11.15**	2.37
	11.15	2.37

Note No. : 27 Depreciation and amortisation expense

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation and amortisation of property, plant and equipment (Refer Note no 4)	**62.16**	62.89
	62.16	62.89

Note No. : 28 Other expenses

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
Consumption of stores and spare parts		23.59		2.00
Power and fuel		124.48		14.67
Rent		8.24		2.36
Repairs				
Plant and Equipment		38.11		-
Building		-		2.86
Others		0.97		0.01
Insurance		0.19		0.27
Rates & Taxes (excluding Income Tax)				
Other Rates & Taxes		8.22		1.43
Sales Tax (CST & VAT Demand)		0.03		0.94
Payments to auditor				
As auditor for statutory audit	0.45		0.45	
For taxation matters	0.15		0.15	
Internal Audit Fees	0.24		0.16	
Secretarial Audit Fees	0.07	0.91	0.07	0.83
Loss in Derivative , F&O transactions		-		23.36
Loss on sale/ discard of property, plant & equipments		-		0.05
Lease cancellation charges (WBIIDC)		5.71		-
Fair value loss on financial instruments at fair value through profit or loss		1.35		-
Professional & legal fees		0.87		12.81
TDS written off		-		2.14
Business promotion Expenses		15.52		-
Director sitting fees		0.33		-
General Expenses		3.01		3.59
Listing Fees		2.50		2.33
Bank Guarantee charges		0.41		0.80
Custodial fees		0.90		1.40
Travelling & conveyances		2.89		1.77
Miscellaneous Expenses		11.31		9.31
		249.51		82.93

Note No. : 29 Tax expense

(Rs In Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current tax	**21.58**	20.26
Deferred tax [Refer Note No. 18]	**(34.77)**	(14.40)
	(13.19)	5.86

Note No. : 30 Other comprehensive income

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
Items that will not be reclassified to profit or loss				
Fair value changes of Investments in equity shares	**(6.86)**		(8.31)	
Less: Income tax relating to items that will not be reclassified to profit or loss	**(2.05)**	**(4.80)**	(2.56)	(5.75)
Total other Comprehensive Income		**(4.80)**		(5.75)

Note No. : 31 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
a) Bank Guarantee issued by the HDFC Bank in favour of Central Coal fields Ltd. Being Bank Guarantee No.014GT01133450003 dated 11.12.2013 for Rs.46,00,000/- and renewed on 05.03.2018 against which the company has pledged/created lien on it's fixed deposits with the HDFC Bank Ltd.	**46.00**	46.00	46.00
b) This demand was set aside by the Central Excise Service Tax Appellate Tribunal, Bangalore but the excise authorities have preferred an appeal in the Hon'ble High Court at Hyderabad against orders of the tribunal.	**12.14**	12.14	12.14
c) Compensation of Rs.1,15,48,530/- for Company's alleged non-lifting of coal has been wrongly and illegally claimed by M/s Central Coalfields Ltd., Ranchi, and the Company has refused and refuted such illegal and baseless claims and the entire matter is pending with the Hon'ble High Court at Ranchi for adjudication. The CCL has, however, most illegally adjusted company's Purchase advance of Rs.1,14,09,500/- against their aforesaid wrong/baseless/illegal compensation claim of Rs 1,15,48,530/-. The company has a good case against CCL and hence continues to treat it's Purchase Advance as a good recoverable asset along with interest. Similarly performance incentive claim of Rs.10,86,024/- by CCL is also not acknowledged and considered as payable or a debt being disputed and subjudiced.	**115.48**	115.48	115.48

2) Effective 2011; M/s. Central Coalfields Ltd., Ranchi, had increased the price of 'B' Grade coal by whopping approx. 130% overnight in one stroke resulting in the aforesaid coal becoming absolutely unviable and uneconomical for the production of Sponge Iron at Company's Sponge Iron Plant located at Jamshedpur. Accordingly, the Company had made several requests and representations, verbally and in writing to them with a request to supply Grade 'C' coal or lower grade of coal whose price increase was only 30% but Central Coalfields Ltd. most arbitrarily and illegally refused such valid requests of the company. Being highly aggrieved by this most illegal, unjustified, arbitrary and discriminatory act; the Company had taken legal action against Central Coalfields Ltd. (CCL) in the Hon'ble High Court at Ranchi

Note No. : 31 Other disclosures *(Contd.)*

and that matter is under adjudication. As the Company suffered heavy losses for non-supply of coal by CCL, despite having provided them with Bank Guarantees of Rs.46,00,000/- and Coal advance amount of Rs.1,14,30,107/-; it got entitled for compensation from Central Coalfields Ltd. as per Clause No. 4.5 to 4.8 of FSA dated 29.04.2008 entered with them and also based on Principles of natural law and justice and it accordingly raised on CCL a Compensation Bill of Rs.99.45,450/- for accounting year 2011-12 and Rs.99,45,450/- for accounting year 2012-13 along with an Interest amount of Rs.2,96,42,992/- receivable/claimed on the said compensation amount up to 31.03.2018 and an Interest amount of Rs.2,70,70,164/- as on 31.03.2018 on Company's purchase advance amount of Rs.1,14,30,107/- lying with them. Upon refusal by Central Coalfields Ltd. to pay the aforesaid compensation and interest amounts; the Company has filed legal suit against the Central Coalfields Ltd. at Hon'ble High Court at Ranchi and the said suit is pending for hearing and adjudication. Since, the matter is subjudice; the Company will account for the aforesaid compensation and interest amount being legitimately receivable/claimed from Central Coalfields Ltd; on actual receipt basis after the verdict is announced by the Hon'ble High Court at Ranchi and/or higher courts.

3) As per the requirements of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables, the Company has no outstanding towards it.

4) Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets.

(i) Nature of provision

Provision for contingencies

Provision for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the Company based on the Management's assessment.

(ii) Movement in provision:-

Particulars	Duties & Taxes	Other Litigation Claims	Total
Balance as at 1st April, 2017		NIL	
Provided during the year		NIL	
Used during the year			
Reversed during the year			
Balance as at 31st March, 2018		NIL	
Non-current		NIL	
Current			
Balance as at 1st April, 2016		NIL	
Provided during the year		NIL	
Used during the year			
Reversed during the year			
Balance as at 31st March, 2017		NIL	
Non -current		NIL	
Current			

(5) Earnings per share - The numerators and denominators used to calculate Basic / Diluted earnings per share

Particulars		**For the year 2017-2018**	For the year 2016-2017
(a) Amount used as the numerator			
Profit after Tax - (Rs in Lacs)	(A)	**51.79**	75.96
(b) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings Per Share	(B)	**12500000**	12500000
Add: Weighted average number of dilutive potential equity shares		**-**	-
(C) Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings Per Share	(C)	**12500000**	12500000
(d) Nominal value of equity shares	(Rs)	**10.00**	10.00
Basic earnings per share	(A)/(B)	**0.41**	0.61
Diluted earnings per share	(A)/(C)	**0.41**	0.61

Note No. : 31 Other disclosures *(Contd.)*

(Rs In Lacs)

6) Related party disclosures :

The Company has entered into transaction with related parties, during the year with particulars as under :-

Name of the related party	Relationship	Nature of transaction	Amount (Rs.)	Balance Rs. as on 31.03.18
Dalbir Chhibbar	Key Management Personnel (Managing Director)	Remuneration Paid	8.40	Nil
Chhibbar Business & Fiscal Pvt. Ltd.	Related Party	Office Rent Paid	1.50	Nil

7) Disclosures under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

The Company does not have any holding or subsidiary Company. The other necessary disclosures are furnished in the Report of the Board of Directors dated 29.05.2018 and annexed to the Annual Report for the financial year ended 31.03.2018. Please refer to the same.

8) Financial instruments - Accounting, Classification and Fair value measurements

A) Financial instruments by category

As at 31st March, 2018

Particulars	Refer Note No	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized cost	FVTOCI	FVTPL	
1) Financial assets								
(i) Investments	5	886.90	-	-	724.56	162.34	-	886.90
(ii) Trade and other receivables	9	184.72	-	-	184.72	-	-	184.72
(iii) Cash and cash equivalents	10	346.92	-	-	346.92	-	-	346.92
(iv) Loans	11	425.00	-	-	425.00	-	-	425.00
(v) Other financial assets (Non-current)	6	2,042.71	-	-	2,042.71	-	-	2,042.71
(vi)Other financial assets (Current)	12	73.72	-	-	73.72	-	-	73.72
TOTAL		**3,959.97**	**-**	**-**	**3,797.63**	**162.34**	**-**	**3,959.97**
2) Financial Liabilites								
(i) Other financial liabilities	16	6.35	-	-	5.00	-	1.35	6.35
TOTAL		**6.35**	**-**	**-**	**5.00**	**-**	**1.35**	**6.35**

As at 31st March, 2017

Particulars	Refer Note No	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized cost	FVTOCI	FVTPL	
1) Financial assets								
(i) Investments	5	781.22	-	-	724.56	56.67	-	781.23
(ii) Trade and other receivables	9	-	-	-	-	-	-	0.00
(iii) Cash and cash equivalents	10	428.30	-	-	428.30	-	-	428.30
(iv) Loans	11	475.00	-	-	475.00	-	-	475.00
(v) Other financial assets (Non-current)	6	2,123.36	-	-	2,123.36	-	-	2,123.36
(vi) Other financial assets (Current)	12	25.91	-	-	25.91	-	-	25.91
TOTAL		**3,833.79**	**-**	**-**	**3,777.13**	**56.67**	**-**	**3,833.80**
2) Financial Liabilites								
(i) Other financial liabilities	16	5.00	-	-	5.00	-	-	5.00
TOTAL		**5.00**	**-**	**-**	**5.00**	**-**	**-**	**5.00**

Note No. : 31 Other disclosures *(Contd.)*

As at 1st April, 2016 (Rs In Lacs)

Particulars	Refer Note No	Total Fair Value	Cost	Deemed Cost	Carrying Value			Total
					Amortized cost	FVTOCI	FVTPL	
1) Financial assets								
(i) Investments	5	308.33	-	-	295.69	12.64	-	308.33
(ii) Trade and other receivables	9	-	-	-	-	-	-	0.00
(iii) Cash and cash equivalents	10	27.00	-	-	27.00	-	-	27.00
(iv) Loans	11	1,400.00	-	-	1,400.00	-	-	1,400.00
(v) Other financial assets (Non-current)	6	1,996.81	-	-	1,996.81	-	-	1,996.81
(vi)Other financial assets (Current)	12	106.50	-	-	106.50	-	-	106.50
TOTAL		**3,838.64**	**-**	**-**	**3,826.00**	**12.64**	**-**	**3,838.64**
2) Financial Liabilites								
(i) Other financial liabilities	16	-	-	-	-	-	-	-
TOTAL		**-**	**-**	**-**	**-**	**-**	**-**	**-**

B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

(1) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current & Non-current financial assets, and other current financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

(2) The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(i) Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2018:

(Rs In Lacs)

Particulars	Refer Note No	Level 1	Level 2	Level 3	Total
1) Financial assets					
At FVTOCI					
(i) Investments in Equity Instruments	5	162.34	-	-	162.34
TOTAL FINANCIAL ASSETS		**162.34**	**-**	**-**	**162.34**
2) Financial Liabilites					
At FVTPL					
(i) Options	16	1.35	-	-	1.35
TOTAL FINANCIAL LIABILITES		**1.35**	**-**	**-**	**1.35**

Note No. : 31 Other disclosures *(Contd.)* (Rs In Lacs)

(ii) Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2017:

Particulars	Refer Note No	Level 1	Level 2	Level 3	Total
1) Financial assets					
At FVTOCI					
(i) Investments in Equity Instruments	5	56.67	-	-	56.67
TOTAL FINANCIAL ASSETS		**56.67**	**-**	**-**	**56.67**

(iii) Financial assets and financial liabilities measured at fair value on a recurring basis as at 1st April, 2016:

(Rs In Lacs)

Particulars	Refer Note No	Level 1	Level 2	Level 3	Total
1) Financial assets					
At FVTOCI					
(i) Investments in Equity Instruments	5	12.64	-	-	12.64
TOTAL FINANCIAL ASSETS		**12.64**	**-**	**-**	**12.64**

There have been no transfer between Level 1 and Level 2 either during the year ended 31st March 2018 or during the year ended 31st March 2017

Description of significant unobservable inputs to valuation

The following table shows the valuation technique and inputs for financial instruments

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Investments in unqoted equity shares	Adjusted net asset method		

Since there is no gain or loss in re-measurement of Investments in unquoted equity shares during the F.Y 2017-18 & F.Y 2016-2017 hence reconciliation is not considered necessary Fair value of Investments in unquoted equity shares is carried out by using level 3 basis and Fair value approximates the adjusted net asset method used to arrive at fair value. Investments in unquoted preferance shares are taken at cost as fair value approximates the transaction price, i.e. cost.

9) Financial risk management objectives and policies

The Company's principal financial liabilities are Security deposit characterised with repayable in short period and beside that there exists no other financial liabilites. The Company's principal financial assets include Trade receivables, Cash and cash equivalents & other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below :

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

(I) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations towards Bank overdraft with floating interest rates.

(II) 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. Since Company doesn't have any exposure in Foreign currency therefore it doesn't effect the company's cash flow

Note No. : 31 Other disclosures *(Contd.)*

(III) Regulatory risk

Risk is inherent in every business activity and Sponge iron Industry is no exception. The Steel Industry displays strong commodity characteristics and is subject to cyclical price movements in business cycle. The company is exposed to risks from overall market , cheaper import of steel, changes in Government polices , law of the land, Taxation increases its cost of inputs like iron ore, coal, power, diesel, freight etc which effects the financial performance of the company.

(IV) 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 impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

(V) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 3 to 60 days.

An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively

The ageing analysis of the receivables has been considered from the date the invoice falls due

(Rs In Lacs)

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Upto 6 months	**184.72**	-	-
6 to 12 months	**-**	-	-
More than 12 months	**-**	-	-
	184.72	-	-

(10) Balances with banks

Credit risk from balances with banks is managed in accordance with the Company's policy

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and short term loans from banks.

(11) Capital Management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and for the year ended 31st March 2017.

Note No. : 31 Other disclosures *(Contd.)*

12) Explanation of transition to Ind AS

(A) These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies [Refer Note No.2].

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, i.e. the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP To Ind AS.

(B) The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any.

(C) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

(D) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVTOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed as at the date of transition to Ind AS.

(E) The estimates as at 1st April, 2015 and as at 31st March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

(F) Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition.

Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

(G) The Company has applied the requirements in Ind AS 109 at the date of transition to Ind AS.

Note No. : 31 Other disclosures *(Contd.)*

13. Disclosures as required by Ind AS - 101 - First Time Adoption of Indian Accounting Standards - Reconciliation between Previous GAAP and Ind AS

(a) Reconciliation of equity as at 1st April, 2016 (date of transition to Ind AS) : (Rs in Lacs)

Particulars	Foot note	Previous GAAP		Adjustments		Ind AS	
I. ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	A	876.52		-		876.52	
(b) Financial assets							
(i) Investments	B	302.16		6.17		308.33	
(ii) Other financial assets	G	1,996.81		-		1,996.81	
(c) Other non-current assets		255.21	3,430.70	-	6.17	255.21	3,436.87
(2) Current assets							
(a) Inventories		312.76		-		312.76	
(b) Financial assets							
(i) Cash and cash equivalents	G	2.70		-		27.00	
(ii) Loans		1,400.00				1,400.00	
(iii) Other financial assets		106.50		-		106.50	
(c) Other current assets		17.14	1,839.11	-	-	17.14	1,863.41
Total Assets			**5,269.81**		**6.17**		**5,300.28**
II. EQUITY AND LIABILITES							
(1) Equity							
(a) Share Capital		1,250.00		-		1,250.00	
(b) Other Equity	H	3,821.44	5,071.44	61.84	61.84	3,883.28	5,133.28
(2) Non-current liabilities							
(b) Provisions		16.96		-		16.96	
(c) Deferred Tax liabilities (net)	D	196.57	213.53	(55.67)	(55.67)	140.91	157.86
(3) Current liabilities							
(a) Other current liabilities		7.87		-		7.87	
(b) Current tax liabilities (Net)	C	1.27	9.14	-	-	1.27	9.14
Total Equity and Liabilities			**5,294.11**		**6.17**		**5,300.28**

Note No. : 31 Other disclosures *(Contd.)*

(b) Reconciliation of equity as at 31st March, 2017 (date of transition to Ind AS) : (Rs in Lacs)

Particulars	Foot note	Previous GAAP		Adjustments		Ind AS	
I. ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	A	823.72		-		823.72	
(b) Financial assets							
(i) Investments	B	783.36		(2.13)		781.22	
(ii) Other financial assets	G	2,123.36		-		2,123.36	
(c) Other non-current assets		226.30	3,956.73	-	(2.13)	226.30	3,954.60
(2) Current assets							
(a) Inventories		225.67		-		225.67	
(b) Financial assets							
(i) Cash and cash equivalents	G	428.30		-		428.30	
(ii) Loans		475.00		-		475.00	
(iii) Other financial assets		25.91		-		25.91	
(c) Other current assets		266.77	1,421.65	-	-	266.77	1,421.65
Total Assets			**5,378.39**		**(2.13)**		**5,376.25**
II. EQUITY AND LIABILITES							
(1) Equity							
(a) Share Capital		1,250.00		-		1,250.00	
(b) Other Equity	H	3,917.36	5,167.36	53.79	53.79	3,971.15	5,221.15
(2) Non-current liabilities							
(a) Financial liabilities							
(i) Other financial liabilities		5.00		-		5.00	
(b) Deferred Tax liabilities (net)	D	179.87	184.87	(55.93)	(55.93)	123.95	128.95
(3) Current liabilities							
(a) Other current liabilities		13.92		-		13.92	
(b) Current tax liabilities (Net)	C	12.23	26.16	-	-	12.23	26.16
Total Equity and Liabilities			**5,378.39**		**(2.13)**		**5,376.25**

Note No. : 31 Other disclosures *(Contd.)*

(C) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016 (Rs In Lacs)

Particulars		Foot note	Previous GAAP	Adjustments	Ind AS
I	**Revenue from operations**	E	185.14	5.74	190.88
II	Other Income	F	215.31	-	215.31
III	**III Total Income(I+II)**		**400.45**	**5.74**	**406.18**
IV	**IV Expenses:**				
	Cost of Materials consumed		111.61	-	111.61
	Excise Duty on sale of goods	E	-	5.74	5.74
	Employee benefits expense		58.82	-	58.82
	Finance costs	F	2.37	-	2.37
	Depreciation and amortization expense	A	62.89	-	62.89
	Other expenses		82.93	-	82.93
	Total Expenses (IV)		**318.63**	**5.74**	**324.37**
V	**Profit before exceptional items and tax (III - IV)**		**81.82**	**-**	**81.82**
VI	Exceptional Items		-	-	-
VII	Profit before tax (V - VI)		81.82		81.82
VIII	**Tax expense :**				
	(1) Current tax	C	20.26		20.26
	(2) Deferred tax	D	(16.70)	2.30	(14.40)
	Total tax expense		**3.56**	**2.30**	**5.86**
IX	**Profit for the year (VII - VIII)**		78.26	(2.30)	75.96
X	**Other Comprehensive Income / Loss**	I			
	(A) (i) Items that will not be reclassified to profit or loss				
	(a) Fair value changes of Investments in equity shares		-	(8.31)	(8.31)
	(ii) Income tax relating to items that will not be recycled to profit or loss		-	(2.56)	(2.56)
	Total other Comprehensive Income / Loss		-	(5.75)	(5.75)
XI	**Total Comprehensive Income for the year (IX + X)**		78.26	(5.75)	70.21
	(Comprising of profit and other comprehensive income for the year)				

(D) Footnotes to the reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and Statement of Profit and Loss for the year ended 31st March, 2017

(1) Property, plant and equipment

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments

(2) Investments

Investments in equity instruments

Under the previous GAAP, investment in equity instruments were classified as long term investments or current investment based on the intended holding period and realisability. The Company accounted for long term investments in equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments, if any.

Under Ind AS, the Company has the option to designate such investments either as FVTOCI or FVTPL investments.

In case of other long term investments in unquoted equity shares, the Company has designated investments as FVTOCI investments as at the date of transition. Ind AS requires FVTOCI investments to be measured at fair value.

Note No. : 31 Other disclosures *(Contd.)*

(3) Current tax

Current tax liabilities have been accounted for on account of various transitional adjustments as stated above as at the date of transition with corresponding impact either to Retained earnings or Other Comprehensive Income in correlation to the underlying transaction

(4) Deferred tax

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings.

The net impact on deferred tax liabilities has increased by Rs -55.67 lacs and Rs -55.93 lacs as at the date of transition and for the year ended 31st March 2017.

(E) Revenue from sale of goods

Excise duty

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by RS 5.74 lacs with a corresponding increase in “Total expense”.

(F) Interest Income/ Interest Expense

The previous GAAP required the recognition of revenue from interest on time proportion basis. However, Ind AS requires interest on financial assets to be recognized using the effective interest rate method.

(G) Cash flow statement

Under Ind AS, bank overdrafts forms an integral part of the cash management process and are included in cash and cash equivalents for the purpose of presentation of Cash Flow Statement.

Bank deposits having maturity more than 12 months has been classified as Other Financial Assets under Non- Current Investments to the tune of Rs 1969.70 Lacs as on the date of transition that is April 1st 2016 and Rs 1621.25 Lacs as on 31st March 2017.

Apart from the above, the transition from the previous GAAP to Ind AS has not had a material impact on Cash Flow Statement.

(H) Retained earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments

(I) Total comprehensive income and other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

The previous year’s including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year

As per our report of even date attached

For **M R Singhwi & CO.**
Chartered Accountants
Firm Registration No: 312121E

CA. Mahesh Raj Singhwi
Partner
Membership No- 050650

Place of Signature : Kolkata
Date : 29.05.2018

For and on behalf of the Board of Directors

Dalbir Chhibbar : *Managing Director*
DIN:00550703

Vishesh Chhibbar : *Director*
DIN: 03553892

S. Venu Gopal : *Chief Financial Officer*