AUDITED FINANCIAL STATEMENT

YEAR-2018-19

GROWING STRONGER TOGETHER

HIRA ENERGY LIMITED

OPSinghania & Co.
CHARTERED ACCOUNTANTS
JDS CHAMBERS, 1ST FLOOR, 6-CENTRAL AVENUE,
CHOUBE COLONY, RAIPUR –492001(C.G.) INDIA
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Independent Auditor's Report

To the Members of Hira Energy Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Hira Energy Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

O.P. SINGHANIA & CO. ICAI FR NO. 002172C RAIPUR-492001 CHHATTISGARH CHARTERED ACCOUNTANTS irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

   e. on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position.

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 25th April, 2019

Annexure A

Re: HIRA ENERGY LIMITED
Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements of our report of even date,

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Hira Energy Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 25th April, 2019

O.P. SINGHANIA & CO.
ICAI R NO. 002172C
RAIPUR 492001
CHHATTISGARH
CHARTERED ACCOUNTANTS

Re: HIRA ENERGY LIMITED

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date,

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in to the financial statements, are held in the name of the Company.

(ii) As the Company does not have any inventories, therefore, the provisions of Clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iii) The Company has not granted any loan secured or unsecured to Companies, Firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore, the provisions of Clause 3(iii)(a) to (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iv) In our opinion and according to the information & explanations given to us, the Company has compiled with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(vi) According to the information and explanation given to us, the central government has not prescribed maintenance of cost records under section 148 (1) in respect of any of the products or services, therefore the provisions of clause 3(vi) of Companies (Auditor's Report) Order, 2016 are not applicable.

(vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including income tax, cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute.

(viii) The Company has not taken any loan or borrowing from any bank, financial institution or government and has not issued any debentures. Therefore, the provisions of clause 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

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(ix) During the year, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xi) The Company has not paid /provided for managerial remuneration during the year. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Raipur, 25th April, 2019

O.P. SINGHANIA & CO. ICAI FR NO 002172C RAIPUR CHARTERED ACCOUNTANTS

HIRA ENERGY LIMITED
Balance Sheet as at 31st March 2019

	Particulars	Note	AS AT 31.03.2019 (Amount in INR)	AS AT 31.03.2018 (Amount in INR)	AS AT 01.04.2017 (Amount in
	ASSETS				
(1)	**Non-current Assets**				
(a)	Property, Plant & Equipment (Land)		5,871,167	5,871,167	5,871,167
(b)	Capital work-in-progress		18,218,885	18,218,849	18,218,849
(c)	Financial assets				
	(i) Investments	4	23,100,000	23,100,000	23,100,000
(d)	Other Non- current Assets	5	158,504	345,424	345,424
			47,348,556	47,535,440	47,535,440
(2)	**Current Assets**				
(a)	Financial Assets				
	Bank, Cash & cash equivalents	6	138,632	145,528	153,090
(b)	Current Tax Assets	7	75,159	418,274	75,159
			213,791	563,802	228,249
	TOTAL ASSETS		**47,562,346**	**48,099,242**	**47,763,690**
	EQUITY AND LIABILITIES:				
	Equity				
(a)	Equity Share capital	8	23,215,000	23,215,000	23,215,000
(b)	Other Equity		8,783,080	10,877,557	11,551,983
			31,998,080	34,092,557	34,766,983
	Liabilities				
	Current Liabilities				
(a)	**Financial Liabilities**				
	(i) Borrowings	9	15,438,184	13,933,052	1,420,000
(b)	Other current liabilities	10	126,082	73,633	39,822
(c)	Current Tax Liability				11,536,885
			15,564,266	14,006,685	12,996,707
	TOTAL EQUITY AND LIABILITIES		**47,562,346**	**48,099,242**	**47,763,690**

Summary of significant accounting policies	**2.1**
First time adoption of Ind AS	**3.1**

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Dated : 25.04.2019

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director

O.P. SINGHANIA & CO. CHARTERED ACCOUNTANTS ICAI FR NO. 002172C RAIPUR 492001

HIRA ENERGY LIMITED
Statement of Profit and loss for the year ended 31st March 2019

	Particulars	Note	31.03.2019 (Amount in INR)	31.03.2018 (Amount in INR)
I.	Other income		-	-
II.	**Total Revenue**		-	-
III.	**Expenses:**			
	Finance costs	11	1,178,573	654,115
	Other expenses	12	209,279	20,310
	Total Expenses		1,387,852	674,425
IV.	**Profit/(loss) Before Tax (II - III)**		(1,387,852)	(674,425)
V.	Tax expense:			
	Current tax		-	-
			-	-
VI.	**Profit/(loss) for the period (IV - V)**		(1,387,852)	(674,425)
	Other comprehensive income for the year		-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,387,852)	(674,425)
VII.	**Earnings per equity share:**	13		
	Basic		(0.60)	(0.29)
	Diluted		(0.60)	(0.29)

Summary of significant accounting policies	2.1
First time adoption of Ind AS	3.2

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Dated : 25.04.2019

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director

HIRA ENERGY LIMITED
Cash Flow Statement For The Year Ended 31st March, 2019

Particulars	AS AT 31.03.2019 (Amount in INR)	AS AT 31.03.2018 (Amount in INR)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	(1,387,852)	(674,425)
Adjustments to reconcile profit before tax to cash generated by operating activities		
Unamortised expenses written off	186,920	-
Changes in assets and liabilities		
Other Current Liabilities	52,449	33,811
Other Current Assets	(153,504)	343,115
	(1,301,987)	**(297,499)**
Income Tax Paid	-	-
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	**(1,301,987)**	**(297,499)**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of other loans and advances	1,505,132	12,513,052
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	**1,505,132**	**12,513,052**
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	**(6,896)**	**(7,562)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(6,896)**	**(7,562)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	145,528	153,090
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**138,632**	**145,528**

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	**118,817**	**118,817**
Balance with Banks	**19,815**	**26,711**
	138,632	**145,528**

(b) Figures in brackets represent outflows.

(c) Previous year figures have been recast/restated wherever necessary.

As per our report of even date

For O P Singhania & CO.
(ICAI Firm Regn.No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership No.076961

O.P. SINGHANIA & CO. ICAI FR NO. 002172C RAIPUR-492001 CHHATTISGARH CHARTERED ACCOUNTANTS

Place : Raipur
Dated : 25.04.2019

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director

HIRA ENERGY LIMITED
Statement of changes in Equity

Particulars	Equity Share Capital	Other Equity			Total Equity Attributable to equity holders of the Company
		Reserve & Surplus		Other comprehensive income	
		Securities Premium	Retained Earnings		
Balance as of April 1, 2017	23,215,000		11,551,983	-	34,766,983
Changes in equity for the year ended March 31, 2018					
Profit/(loss) for the period			(674,425)		(674,425)
Balance as of March 31, 2018	**23,215,000**	**-**	**10,877,557**	**-**	**34,092,557**

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961

O.P. SINGHANIA & CO.
ICAI FR NO. 002172C
RAIPUR-492001
CHHATTISGARH
CHARTERED ACCOUNTANTS

Place : Raipur
Dated : 25.04.2019

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director

HIRA ENERGY LIMITED
Statement of changes in Equity

Particulars	Equity Share Capital	Other Equity			Total Equity Attributable to equity holders of the Company
		Reserve & Surplus		Other comprehensive income	
		Securities Premium	Retained Earnings		
Balance as of April 1, 2018	23,215,000		10,877,557	-	34,092,557
Changes in equity for the year ended March 31, 2019					
Prior Period item			(706,625)		(706,625)
Profit/(loss) for the period			(1,387,852)		(1,387,852)
Balance as of March 31, 2019	**23,215,000**	-	**8,783,080**	-	**31,998,080**

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961

O.P. SINGHANIA & CO.
ICAI FR NO. 002172C
RAIPUR-492001
CHHATTISGARH
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director

1. **Corporate information**

Hira Energy Ltd. (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act,1956. The company is going to set up Power plant.

2. **Basis of preparation**

i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules,2015.

ii) For all periods upto and including the year ended 31st March 2018, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act,2013, read together with paragraph 7 of the Companies (Accounts) Rules,2014 (Indian GAAP). These financial statements for the year ended 31st March,2019 are the first the company has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in note 3.1 & 3.2.

iii) The standalone financial statements have been prepared on a historical cost basis, except for the assets and liabilities which have been measured at fair value as per the significant accounting policies stated below.

2.1 **Summary of significant accounting**

a) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

b) Fair Value Measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instuments (note-3)

O.P. SINGHANIA & CO. ICAI FR NO. 002172C RAIPUR 492001 CHHATTISGARH CHARTERED ACCOUNTANTS

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

The company has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2017).

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
The cost of an item of property, plant and equipment is measured at :

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

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

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

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

d) **Capital work in progress**

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

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

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

e) **Depreciation on tangible fixed assets**

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

ii) Free-hold land and site & land development cost are not depreciated.

f) **Taxes on Income**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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. 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.

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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 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. 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.

g) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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

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

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

h) Financial Instruments (Assets)

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.

i) Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income, and
- at fair value through profit or loss.

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

ii) Initial recognition and measurement

All financial assets except trade receivables 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit or Loss and in other cases spread over life of the financial instrument using effective interest method.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

iii) Subsequent measurement

After initial measurement, financial assets classified at amortised cost 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. The EIR amortisation is included in finance income in the profit or loss.

Financial assets at fair value through other comprehensive income are at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the income statement.

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iv) **Derecognition**

A financial asset is derecognised when the all cash flows associated with the financial asset has been realised or such rights have expired.

v) **Investment in holding company**

The company has accounted for its investments in holding company at cost.

vi) **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following:

- Financial assets that are measured at amortised cost.
- Financial assets that are debt instruments and are measured as at FVTOCI.
- Contract assets and trade receivables under Ind-AS 11, Construction Contracts and Ind AS-18, Revenue.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind- AS 18.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

i) Financial Instruments (Liabilities)

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

i) **Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

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

ii) **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset when the liabilities are derecognised as well as through the EIR amortisation process.

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. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iv) **Offsetting of financial instruments**

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

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j) Impairment of financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit or Loss.

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.

In case of expenditure on survey & investigation, it is decided to abandon such a project under survey & investigation, expenditure incurred thereon is charged to Statement of Profit and Loss in the year in which it is decided to abandon the project.

k) Other Income

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

l) Cash and Cash equivalents

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

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

m) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods

2.2 First Time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact if any, of transition has been provided in the Opening Reserves as at 1st April 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and

a) Exemptions from retrospective application

i) Deemed cost for property, plant and equipment

The Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in holding company

The Company has elected to measure investment in holding company at cost.

b) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Equity as at 1st April, 2016 and 31st March, 2017. Refer Note-3.1.

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017 Refer Note-3.2.

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3.1 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at April 1, 2017 and March 31, 2018
2. Net profit for the year ended March 31, 2018

Reconciliation of equity as previously reported under IGAAP to Ind AS

Particulars	Note	Opening Balance Sheet as at April 1, 2017			Balance Sheet as at March 31, 2018		
		IGAAP	Effects of transition	Ind AS	IGAAP	Effects of transition	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment and Capital work-in-progress		24090016	0	24090016	24090016	0	24090016
Financial assets: Investments		23100000	0	23100000	23100000	0	23100000
Other non-current assets		345424	0	345424	345424	0	345424
Total non-current assets		**47535440**	**0**	**47535440**	**47535440**	**0**	**47535440**
Current assets							
Bank,		153090	0	153090	145528	0	145528
Other current assets		75159	0	75159	418274	0	418274
Total current assets		**228249**	**0**	**228249**	**563802**	**0**	**563802**
Total assets		**47763690**	**0**	**47763690**	**48099242**	**0**	**48099242**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		23215000	0	23215000	23215000	0	23215000
Other equity	B	11551983	0	11551983	10877557		10877557
Total equity		**34766983**	**0**	**34766983**	**34092557**	**0**	**34092557**
Current Liabilities							
Financial Liabilities-		1420000	0	1420000	13933052	0	13933052
Other current liabilities		39822	0	39822	73633	0	73633
Current Tax Liability		11536885	0	11536885	0	0	0
Total current liabilities		**12996707**	**0**	**12996707**	**14006685**	**0**	**14006685**
Total equity and liabilities		**47763690**	**0**	**47763690**	**48099242**	**0**	**48099242.2**

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3.2 Reconciliation of statement of profit & loss as previously reported under IGAAP to Ind AS

Particulars	Note	Year ended March 31, 2018		
		IGAAP	Effects of transition	Ind AS
INCOME				
Other Income		0	0	0
Total Income		**0**	**0**	**0**
EXPENDITURE				
Finance Cost		654115	0	654115
Other expenses		20310	0	20310
Total expenses		**674425**	**0**	**674425**
Profit/(loss) before tax		**(674,425)**	**-**	**(674,425)**
Tax expense		0	0	0
Profit/(loss) for the period		**(674,425)**	**-**	**(674,425)**
Other comprehensive income for the year		0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(674,425)**	**-**	**(674,425)**

Note

Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

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Note 4	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
NON -CURRENT INVESTMENTS	₹	₹	₹
Trade investments			
Valued at cost			
Investment in holding company			
Unquoted equity instruments, fully Paid up			
385000 Equity Shares of Rs.10/- each in Ardent Steel Ltd.	2,31,00,000	2,31,00,000	2,31,00,000
	2,31,00,000	2,31,00,000	2,31,00,000

Note 5	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
OTHER NON-CURRENT ASSETS	₹	₹	₹
Security deposit with govt. & others	5,000	5,000	5,000
Unamortized expenses	-	1,86,920	1,86,920
Balance with statutory/govt. authorities	1,53,504	1,53,504	1,53,504
	1,58,504	3,45,424	3,45,424

Note 6	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
BANK, CASH & CASH EQUIVALENT	₹	₹	₹
(a) Balances with banks			
In current accounts	19,815	26,711	33,773
(b) Cash in hand	1,18,817	1,18,817	1,19,317
Total	1,38,632	1,45,528	1,53,090

Note 7	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
CURRENT TAX ASSETS	₹	₹	₹
Income Tax Receviable (Net)	-	3,43,115	-
TDS Receivable	75,159	75,159	75,159
Total	75,159	4,18,274	75,159

Note 8	As at 31st March 2019		As at 31st March 2018	
	No.	₹	No.	₹
EQUITY SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each	**1,00,00,000**	**10,00,00,000**	1,00,00,000	10,00,00,000
Issued, Subscribed and fully paid up				
Equity Shares of ₹10/- each	23,21,500	2,32,15,000	23,21,500	2,32,15,000
	23,21,500	2,32,15,000	23,21,500	2,32,15,000

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Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31st March 2019		As at 31st March 2018	
	No.	₹	No.	₹
At the beginning of the period	**2,321,500**	**23,215,000**	2,321,500	23,215,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	**2,321,500**	**23,215,000**	2,321,500	23,215,000

Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

Shares held by holding/ ultimate holding company

Out of equity shares issued by the company, shares held by its holding company and ultimate holding company are as below:

Particulars	As at 31st March 2019	As at 31st March 2018
	₹	₹
Equity shares of Rs. 10/- each fully paid held by holding company		
2250000 nos. of shares held by Ardent Steel Ltd.	22,500,000	22,500,000
Equity shares of Rs. 10/- each fully paid held by ultimate holding company		
14000 nos. of shares held by Godawari Power & Ispat Limited	140,000	140,000

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

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid				
Ardent Steel Limited	**2,250,000**	**96.92**	2,250,000	96.92
	2,250,000	**96.92**	2,250,000	96.92

Note 9 BORROWINGS	As at 31st March 2019	As at 31st March 2018	As at 01 April 2017
	₹	₹	₹
Other loans and advances			
Loan From Directors repayable on demand (unsecured)	1,290,000	845,000	1,420,000
Loan and Advances from body corporate repayable on demand (Unsecured)	14,148,184	13,088,052	-
Total	**15438184**	**13,933,052**	**1,420,000**

Note 10 OTHER CURRENT LIABILITIES	As at 31st March 2019	As at 31st March 2018	As at 01 April 2017
	₹	₹	₹
(a) Liabilities for expenses	8,260	8,260	39,822
(b) TDS payables	117,822	65,373	-
Total	**126,082**	**73,633**	**39,822**

Note 11 FINANCE COSTS	2018-19	2017-18
	₹	₹
Interst on unsecured loan	1,177,924	653,425
Bank charges & Others	649	690
Total	**1,178,573**	**654,115**

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Note 12 OTHER EXPENSES	2018-19 ₹	2017-18 ₹
Unamortized expenses written off	186,920	-
Legal & Professional Expenses	14,099	12,050
Payment to Auditors (refer below)	8,260	8,260
Total	**209,279**	**20,310**

PAYMENTS TO AUDITOR	2018-19 ₹	2017-18 ₹
As auditor:		
Audit fee	5,900	5,900
Taxation Matters	2,360	2,360
Total	**8,260**	**8,260**

Note 13 EARNINGS PER SHARE (EPS)	2018-19 ₹	2017-18 ₹
Net Profit/(loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(1,387,852)	(674,425)
Nominal Value of Equity Shares (Rs.)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	2,321,500	2,321,500
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	2,321,500	2,321,500
Basic (Rs.)	(0.60)	(0.29)
Diluted (Rs.)	(0.60)	(0.29)

Note 14

RELATED PARTY DISCLOSURES

a) Names of Related Parties and description of relationship

Description of Relationship	Names of Related Parties
Ultimate Holding Company	Godawari Power & Ispat Limited
Holding Company	Ardent Steel Limited
Key Managerial Personnel	Vinay Agrawal Tonmoy Bose Arbind Kumar Dubey Chandra Mauli Tripathi

b) Material transactions with Related Parties

	2018-19	2017-18
Loans/ Advances received	445,000	-
Loans/ Advances repaid	-	670,000

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Outstanding

Payable/Receivable	**1,290,000**	**845,000**

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

Transactions during the year	2018-19	2017-18
Unsecured loan received		
Vinay Agrawal	**445,000**	-
Repayment of unsecured borrowing		
Vinay Agrawal	-	670,000
Balance Outstanding		
Vinay Agrawal	**1,290,000**	1,420,000

Note 15
Capital Management
The Company's main objectives when managing capital are to:
The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

Note 16
Financial Instruments - Accounting Classifications and Fair Value Measurements
The following methods and assumptions were used to estimate the fair values:

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

The Company uses the following hierarchy fordetermining and disclosing the fair value of financial instruments by valuation techniquie:
Level 1 : quoted (unadjusted)prices in active markets for identical assets or liabilities
Level 2 : other techniques for which all inputs which have a ignificant effect on the recorded fair valueare observable, either directly of indirectly
Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount As at 31.03.2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank, Cash and cash equivalents	145528	-	-	-
Investmets	23100000	-		
Total	**23245528**	-	-	-
Financial liabilities at amortised cost:				
Borrowings	13933052	-	-	-
Total	**13933052**	-	-	-

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	Carrying amount As at 31.03.2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank, Cash and cash equivalents	138632	-	-	-
Investmets	23100000	-		
Total	**23238632**	-	-	-
Financial liabilities at amortised cost:				
Borrowings	15438184	-	-	-
Total	**15438184**	-	-	-

During the reporting period ending 31st March, 2019 and 31st March, 2018 there were no transfers between Level 1 and Level 2 fair value measurements.

Note 17

Financial Risk Management Objective and Policies

The Company's principal financial assets include cash and short-term deposits that derive directly from its operations.
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Bank, Cash and cash equivalents

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

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements.

Price Risk:

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

Note 18

The company has not recognized deferred tax assets on account of unabsorbed business lossses as there was no future certainity about the business profits.

Note 19

There is no contingent liability against the company.

Note 20

Previous year's figures have been regrouped/rearranged wherever necessary.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961

O.P. SINGHANIA & CO.
ICAI FR NO. 002172C
RAIPUR-492001
CHHATTISGARH
CHARTERED ACCOUNTANTS

Place : Raipur
Dated : 25.04.2019

For and on behalf of the Board of Directors of
Hira Energy Limited

Vinay Agrawal
Director

Tonmoy Bose
Director