Confidential

# FACOR ELECTRIC LIMITED

9

NINETH

# ANNUAL REPORT

2018-2019

FACOR ELECTRIC LIMITED

# FACOR ELECTRIC LIMITED

**U40106AP2010PLC086208**

**(Regd. Office)**

**S. NO. 77, ADMINISTRATIVE BUILDING, 1ST FLOOR, KONDAPALEM PANCHAYAT, SHREERAMNAGAR, GARIVIDI-535 101, DIST. VIZIANAGARAM (A.P.)**

**Board of Directors**

**Vinod Saraf**

**Yogesh Saraf**

**Ashim Saraf**

**Bankers**

**HDFC Bank**

**Auditors**

**Salve & Co.**
**Chartered Accountants**

# FACOR ELECTRIC LIMITED
# (Regd. Office)

## CIN U40106AP2010PLC086208

## S.NO. 77, ADMINISTRATIVE BUILDING, 1ST FLOOR, KONDAPALEM PANCHAYAT, SHREERAMNAGAR, GARIVIDI-535 101, DIST. VIZIANAGARAM (A.P.)

## NOTICE TO MEMBERS

Notice is hereby given that the NINTH ANNUAL GENERAL MEETING of the Members of the FACOR ELECTRIC LIMITED will be held at the Registered Office of the Company at S. No. 77, Administrative building, I st floor, Kondapalem Panchayat, Shreeramnagar, Garividi-535 101 on Wednesday, the 25th September, 2019 at 11.15 AM to transact, with or without modifications as may be permissible, the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr Vinod Saraf (DIN00012034) who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mr Prem Shankar Rathi, Chartered Accountant, be and is hereby appointed as auditor of the Company in place of the retiring Auditors Messrs Salve & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting to the conclusion of the Fourteenth consecutive AGM on such remuneration plus Goods Service Tax as applicable and reimbursement of expenses incurred by him incidental to his functions as the Board of Directors may fix in that behalf in consultation with the said Auditor."

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
3. Any query relating to Accounts must be sent to Company's Registered Office at Shreeramnagar at least 10 days before the date of the meeting.
4. Members are requested to bring their copy of Annual Report with them at the meeting.

**By order of the Board,**

Vinod Saraf
Director
(DIN00012034)

Registered Office
S. no. 77, Administrative Building,
1st floor, Kondapalem Panchayat,
Shreeramnagar, Garividi-535 101
Dist. Vizianagaram (A.P.)
CIN U40106AP2010PLC086208
Tel. No. +91 8952 282029
Fax No. +91 8952 282188
E-Mail address facoralloys@facorgroup.in

Dated: 22nd April, 2019

## DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the Ninth Annual Report of the company alongwith the Audited Statement of Accounts for the year ended 31st March 2019.

### WORKING RESULTS:

Your Company has not carried on any income yielding activity during the year under review. During the year 2018-19 the Company has suffered a loss of Rs.35,855/- against loss of Rs. 18,742/- in the previous year. After considering the current year's loss, the balance of accumulated loss aggregating to Rs.3,11,75,998/- has been carried over to the next year.

### DIVIDEND:

Since Company is yet to commence its business activities, the Directors regret their inability to recommend any dividend for the financial year ended 31st March 2019 on Equity Shares of the company.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Vinod Saraf, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

The Company is managed by Board of Directors comprising three directors and there is no change in the composition of the board of the Directors during the year.

### STATUS OF A DORMANT COMPANY :

Your Company is not carrying any business activity since inception hence it is a dormant company. Apropos to Section 455 of the Companies Act, 2013 a dormant company is a company which is not carrying on any business or operation. Hence, an application was made to the Registrar of Companies for getting the status of a dormant company and it was granted the status of a Dormant Company.

Further the advantage of keeping a company dormant is that company need not to comply with all the requirements of Companies Act and the compliance requirement is minimal and hence the cost of running or keeping unoperational company is low. However, a company cannot be in dormant state forever. The law prescribes 5 years as the maximum period for "dormant status" of a company, post which, if the company is not revived, the Registrar of Companies (Ministry of Corporate Affairs) will automatically strike off the company's name from its records.

### ADMISSION OF SHARES FOR DEMATERIALIZATION

Company being wholly owned subsidiary is exempted from getting its shares dematerialized as required pursuant to the provisions of amended Companies (Prospectus and Allotment of Securities) Rules, 2014.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2 respectively relating to meetings of the Board of Directors and General Meetings which have mandatory application during the year under review).

### SHARE CAPITAL:

The Company's Authorised, share capital is Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each. The Subscribed, Issued and paid up share capital is Rs.5,00,000/-. The company has not issued any shares during the financial year 2018-19.

### NUMBER OF MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board met three times in FY 2018-19 viz. on 03rd May, 2018, 28th July, 2018 and 14th August, 2018. The maximum interval between any two meetings did not exceed 120 days.

Details of Directors as on March 31, 2019 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2019 are given below:

| Name of the Director | No. of Meetings held | No. of Meetings attended | Attendance at the AGM |
|---|---|---|---|
| Mr. Vinod Saraf | 3 | 3 | Yes |
| Mr. Yogesh Saraf | 3 | 3 | Yes |
| Mr. Ashim Saraf | 3 | 3 | Yes |

There are no separate Board Committees constituted during the year.

**COMMENTS ON AUDITORS' REPORT:**

There are no observations (including any qualification, reservation or adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditors' Report are self-explanatory.

The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the Company.

**COST RECORDS AND AUDIT**

As per the Companies (Cost Records and Audit Amendments) Rules, 2014, the Company is not required to maintain cost records.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not given any loans or guarantees or made any investments pursuant to Section 134 (3) (g) of the Companies Act, 2013, during the year under review and hence the said provisions are not applicable.

**DISCLOSURE UNDER SECTION 43 (a) (ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights. Hence, no information as per provisions of Section 43 (a) (ii) of the Act read with Rule 4 (4) of Companies (Share Capital and Debenture) Rules, 2014 is required.

**EXTRACT OF THE ANNUAL RETURN:**

An extract of annual return for the financial year ended on 31st March, 2019 in Form MGT-9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached as Annexure-1.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provisions under Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm:

(i) that in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards read with requirements set out under schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

(ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2019 on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) that they had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES:**

During the year under review there were no employees receiving remuneration of or in excess of Rs. 102,00,000/- per annum or Rs. 8,50,000/- per month requiring disclosure as per the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the amended Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

There are no contracts/arrangements/transactions which are not at arm's length basis and there are no material contracts/arrangements/transactions which are at arm's length basis.

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

There are no employees including women in the Company. As and when they are employed, steps will be taken to set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of this report.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (VIII) OF COMPANIES (ACCOUNTS) RULES, 2014**

The company is constantly endeavoring to improve the standards of internal control in various areas. The existing set up of internal control system is commensurate with the size of the company's operations and nature of its business.

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

**CORPORATE SOCIAL RESPONSIBILITY (CSR INITIATIVES)**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

**VIGIL MECHANISM**

The provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to company.

**FINANCE**

The Company has not invited any deposit from public during the year attracting the provisions of Chapter V of the Companies Act, 2013.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not given as the Company has no manufacturing activities. There were no foreign exchange earnings and outgo during the year under review.

**AUDITORS:**

As per the provisions of Section 139 of the Companies Act, 2013, the term of office of M/s. Salve & Company, Chartered Accountants (Registration No.109003W) as the Statutory Auditors of the Company will conclude from the close of the 09th Annual General Meeting (AGM) of the Company.

As M/s. Salve & Company will complete their tenure of appointment as per the provisions of the Companies Act, 2013, the Board of Directors, pursuant to the provisions of Section 139 of the Companies Act, 2013 and subject to the approval of the Members at the forthcoming AGM, at its Board Meeting held on 22 April, 2019 has recommended the appointment of Mr. Prem Shankar Rathi, Chartered Accountant from the conclusion of the ensuing Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2024 as the Statutory Auditor of the Company. Mr. Prem Shankar Rathi has given his consent for the appointment and has also confirmed that he is not disqualified for the appointment within the meaning of Section 141 of the Companies Act, 2013.

Members' attention is drawn to the Resolution proposing the appointment of Mr. Prem Shankar Rathi, as the Statutory Auditor which is included in the Notice convening the AGM.

**ACKNOWLEDGEMENT:**

Your Directors place on record their gratitude for the confidence reposed in the management by all the shareholders of the Company.

On behalf of the Board of Directors

| | |
|---|---|
| VINOD SARAF<br>DIRECTOR<br>(DIN: 00012034) | YOGESH SARAF<br>DIRECTOR<br>(DIN: 00963740) |

Place : Noida
Dated : 22nd April, 2019

Annexure I

# Form No.MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule12(1) of the Companies (Management and Administration)Rules, 2014]*

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i. | CIN | U40106AP2010PLC086208 |
| ii. | Registration Date | 26-08-2010 |
| iii. | Name of the Company | FACOR ELECTRIC LIMITED |
| iv. | Category/Sub-Category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| v. | Address of the Registered office and contact details | FACOR ELECTRIC LIMITED<br>S.NO.77, ADMINISTRATIVE BUILDING, 1ST FLOOR, KONDAPALEM PANCHAYAT, SHREERAMNAGAR, GARIVIDI-531101, DIST. VIZIANAGARAM (A.P.)<br>Ph: 08952-282029<br>Email Id: facoralloys@facorgroup.in |
| vi. | Whether listed company | ~~Yes~~/No |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | N.A. |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | | | |

#The Company has not commenced its commercial operations during the year.

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | Facor Alloys Limited | L27101AP2004PLC043252 | Holding | 100.00 | 2 (46) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A.** Promoter | | | | | | | | | |
| *1) Indian* | | | | | | | | | |
| a) Individual/ HUF | - | 8 | 8 | 0.02 | - | 8 | 8 | 0.02 | NIL |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | - | 49992 | 49992 | 99.98 | - | 49992 | 49992 | 99.98 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(1):- | | 50000 | 50000 | 100.00 | - | 50000 | 50000 | 100.00 | NIL |
| *2) Foreign* | | | | | | | | | |
| g) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| h) Other-Individuals | - | - | - | - | - | - | - | - | - |
| i) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| j) Banks / FI | - | - | - | - | - | - | - | - | - |
| k) Any Other…. | - | - | - | - | - | - | - | - | - |
| Sub-total(A)(2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | | 50000 | 50000 | 100.00 | - | 50000 | 50000 | 100.00 | NIL |
| **B.** Public Shareholding | | | | | | | | | |
| 1. *Institutions* | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(1) | - | - | - | - | - | - | - | - | - |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp.<br>(i) Indian<br>(ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals<br><br>(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh<br><br>(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | - |
| c) Others(Specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(2) | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 50000 | 50000 | 100.00 | - | 50000 | 50000 | 100.00 | NIL |

ii.*Shareholding of Promoters*

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1. | Facor Alloys Limited | 49992 | 99.984 | -- | 49992 | 99.984 | -- | -- |
| 2. | Shri Anurag Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 3. | Shri Manoj Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 4. | Shri Muralidhar Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 5. | Shri Ramkisan Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 6. | Shri Vineet Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 7. | Shri Ashim Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| 8. | Shri Yogesh Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 9. | Shri Rohit Saraf | 1 | 0.002 | -- | 1 | 0.002 | -- | -- |
| | Total | 50000 | 100.00 | -- | 50000 | 100.00 | -- | -- |

iii.*Change in Promoters' Shareholding (please specify, if there is no change –* ***NO CHANGE***

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 50000 | 100.00 | 50000 | 100.00 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | N.A. | N.A. | N.A. | N.A. |
| | At the End of the year | 50000 | 100.00 | 50000 | 100.00 |

iv.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) – **NOT APPLICABLE**

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | N.A. | N.A. | N.A. | N.A. |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | N.A. | N.A. | N.A. | N.A. |
| | At the End of the year ( or on the date of separation, if separated during the year) | N.A. | N.A. | N.A. | N.A. |

v.Shareholding of Directors & KMP

| Sr. no | Shareholding of Directors & KMP # | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| 1. | **Shri Ashim Saraf** | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |

| | | | | | |
|---|---|---|---|---|---|
| | At the beginning of the year | 1 | 0.002 | 1 | 0.002 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -- | -- | -- | -- |
| | At the End of the year | 1 | 0.002 | 1 | 0.002 |
| 2. | **Shri Yogesh Saraf** | | | | |
| | At the beginning of the year | 1 | 0.002 | 1 | 0.002 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | -- | -- | -- | -- |
| | At the End of the year | 1 | 0.002 | 1 | 0.002 |

*# The Company has not appointed any KMP's during the year as per Section 203 of the Company's Act 2013.*

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year<br>i) Principal Amount<br>ii) Interest due but not paid<br>iii) Interest accrued but not due | - | - | - | - |
| Total(i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year<br>- Addition<br>- Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year<br>i) Principal Amount<br>ii) Interest due but not paid | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | - | - | - | - |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1. | Gross salary<br><br>(a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961<br>(b)Value of perquisites u/s 17(2) of the Income-tax Act, 1961<br>(c)Profits in lieu of salary under section17(3) of the Income- tax Act, 1961 | - | - | - | - | NIL |
| 2. | Stock Option | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - |
| 4. | Commission<br>- as% of profit<br>- others, specify… | - | - | - | - | - |
| 5. | Others, please specify | - | - | - | - | - |
| 6. | Total(A) | - | - | - | - | NIL |
| | Ceiling as per the Act | - | - | - | - | - |

*B.Remuneration to other directors:*

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | Independent Directors<br>·Fee for attending board, committee meetings<br>·Commission<br>·Others, please specify | - | - | - | - | - |
| | Total(1) | - | - | - | - | - |
| | Other Non-Executive Directors<br>·Fee for attending board, committee meetings<br>·Commission<br>·Others, please specify | - | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | |
| | Total(2) | - | - | - | - | - |
| | Total(B)=(1+2) | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | NIL |
| | Over all Ceiling as per the Act | - | - | - | - | - |

## C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary<br>(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b)Value of perquisites u/s 17(2) of the Income tax Act, 1961<br>(c)Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | N.A. | N.A. | N.A. | N.A. |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission<br>- as % of profit<br>-others, specify… | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| 6. | Total | N.A. | N.A. | N.A. | N.A. |

## **VII.** PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/Compounding fees imposed | Authority [RD/NCLT/ Court] | Appeal made. If any(give details) |
|---|---|---|---|---|---|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| B.Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. Other Officers In Default | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |

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K.P.SAHASRABUDHE M 9422101354
S.D. PARANJPE M 9422101171

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF FACOR ELECTRIC LIMITED

### Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Facor Electric Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and the loss (including other comprehensive income), 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 Act. 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 Act 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. We have determined that there are no key audit matters to be communicated in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis,

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Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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, read with relevant rules issued thereunder.

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 irregularities; selection and application of appropriate implementation and maintenance of 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.

The Board of Directors is 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

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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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

The Company has been granted the status of a Dormant Company on application by the company to the O/o ROC, Hyderabad vide its Certificate dated 17.10.2018 & there are no significant accounting transaction during the year.

**Report on Other Legal and Regulatory Requirements**

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

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 it appears from our examination of those books;
(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
(e) On the basis of the written representations received from the directors as on March 31,2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2019 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 B";

# SALVE & CO.

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(g) With respect to the other matters to be included in the Auditors 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 has disclosed the impact of pending litigations on its financial position in its financial statements.

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 delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

SALVE & CO. NAGPUR Dt.......... Chartered Accountants

For SALVE & CO.
Chartered Accountants,
(Regn.No.109003W)

C.A. S.D. PARANJPE
Partner
(Membership No. 041472)

Place: Nagpur (M.S.)
Date: 22-04-2019

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**Annexure-A to the Independent Auditors' Report:**

The Annexure referred to in our report to the members of **Facor Electric Limited** ('the Company'), for the year ended 31st March, 2019.

We report that:

i) The Company do not have any Fixed Assets, hence, clause 3(i) of the order is not applicable.

ii) Since the company is not carrying on any operations and does not have any inventory during the year, clause 3(ii) of the Order is not applicable.

iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

iv) In our opinion and according to information and explanations given to us, the Company has not given any loan, made any investment, given any guarantee, or provided any securities covered under section 185 and 186 of the Act during the year.

v) The Company has not accepted any deposits from the public.

vi) The maintenance of cost records under Section 148(1) of the Act is not applicable as Company is not in operation.

vii) a) According to the information and explanations given to us, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax (GST), duty of customs, cess and any other statutory dues with the appropriate authorities.

b) There has been no pending disputed statutory dues to be deposited.

viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) or term loan.

x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) The Company has not paid or provided managerial remuneration during the year.

xii) To the best of our knowledge and according to the information and explanations given to us, company is not a Nidhi Company.

xiii) To the best of our knowledge and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

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xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year.

xv) The Company has not entered into any non-cash transaction with directors or persons connected with them.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SALVE & Co.
Chartered Accountants
(Firm's Registration No.109003W)

SALVE & CO. NAGPUR Dt.......... Chartered Accountants

C.A. S.D. PARANJPE
Partner
(Membership No. 041472)

Place: Nagpur (M.S.)
Date: 22-04-2019

**SALVE & CO.**
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## Annexure B to the Independent Auditor's Report

## Report on the Internal Financial controls under clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Facor Electric Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the 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.

### Auditor's 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 ICAI. 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 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 financial statements, whether due to fraud or error.

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.

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### 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 systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on 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).

For SALVE & Co.
Chartered Accountants
(Firm's Registration No 109003W)

SALVE & CO. NAGPUR Dt.......... Chartered Accountants

C.A. S.D. PARANJPE
Partner
(Membership No. 041472)

Place: Nagpur, (M.S.)
Date: 22-04-2019

Facor Electric Limited
Balance sheet as at 31 March 2019



| | Notes | As at 31 March 2019 (₹) | As at 31 March 2018 (₹) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (i) Other non-current financial assets | 3 | 500 | 500 |
| **Total non-current assets** | | **500** | **500** |
| **Current assets** | | | |
| Financial assets | | | |
| (i) Cash and cash equivalents | 4 | 1,95,732 | 1,96,381 |
| **Total current assets** | | 1,95,732 | 1,96,381 |
| **Total assets** | | 1,96,232 | 1,96,881 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 5 | 5,00,000 | 5,00,000 |
| Other equity | 6 | (3,11,75,998) | (3,11,40,143) |
| **Total equity** | | (3,06,75,998) | (3,06,40,143) |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Other financial liabilities | 7 | 3,08,47,710 | 3,08,12,316 |
| Other current liabilities | 8 | 19,520 | 19,520 |
| Provisions | 9 | 5,000 | 5,188 |
| **Total Current liabilities** | | 3,08,72,230 | 3,08,37,024 |
| **Total liabilities** | | 3,08,72,230 | 3,08,37,024 |
| **Total equity and liabilities** | | 1,96,232 | 1,96,881 |
| Notes to Financial Statements | 1 to 18 | | |

The notes referred to above from an integral part of the Balance sheet
This is the Balance sheet referred to in our report of even date

For SALVE & CO.
Chartered Accountants
(Regn N.109003W)

C.A. S.D. PARANJPE
Partner
Membership No. 041472

Place: NOIDA (U.P.)
Date: 22-04-2019

SALVE & CO. NAGPUR Chartered Accountants

For and on behalf of the Board of Directors

(ASHIM SARAF)
Director
DIN: 00009581

(YOGESH SARAF)
Director
DIN: 00963740

Facor Electric Limited
Statement of Profit and Loss for the year ended 31 March 2019

(₹)

| | Notes | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | | - | - |
| Other Income | | - | 750 |
| **Total income** | | - | 750 |
| **Expenses** | | | |
| Other expenses | 10 | 35,855 | 19,492 |
| **Total Expenses** | | 35,855 | 19,492 |
| **Profit/ (Loss) before tax** | | (35,855) | (18,742) |
| **Tax expense:** | | | |
| Current tax | 11.1 | - | - |
| Deferred tax | 11.2 | - | - |
| **Profit/ (loss) for the period (A)** | | (35,855) | (18,742) |
| **Other Comprehensive Income** | | - | - |
| **Total Other Comprehensive income for the period (B)** | | - | - |
| **Total Comprehensive Income for the period (A + B)** | | (35,855) | (18,742) |
| **Earnings per equity share** | 12 | | |
| Basic | | (0.72) | (0.37) |
| Diluted | | (0.72) | (0.37) |
| Notes to Financial Statements | 1 to 18 | | |

The accompanying notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

**For SALVE & CO.**
Chartered Accountants
(Rwln N.109003W)

C.A. S.D. PARANJPE
Partner
Membership No. 041472
Place: NOIDA (U.P.)
Date: 22-04-2019

SALVE & CO. NAGPUR Dt. ........ Chartered Accountants

**For and on behalf of the Board of Directors**

(ASHIM SARAF)
Director
DIN: 00009581

(YOGESH SARAF)
Director
DIN: 00963740

Facor Electric Limited
Cash Flow Statement for the year ended 31 March 2019



(₹)

| S. No. | Particulars | 2018-19 | 2017-18 |
|---|---|---|---|
| (A) | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | **Net Profit before tax** | (35,855) | (18,742) |
| | Adjustments | - | - |
| | **Operating Profit before Working Capital Changes** | (35,855) | (18,742) |
| | Movement in Working Capital: | | |
| | Decrease in other current liabilities | - | - |
| | Increase/Decrease in Provisions | (188) | (746) |
| | Cash Generates from Operations | (36,043) | (19,488) |
| | Less: Income Tax Paid | - | - |
| | **Net Cash Generated from Operating activities (A)** | **(36,043)** | **(19,488)** |
| | | | |
| (B) | **Cash Flow From Inventing Activities (B)** | - | - |
| (B) | **Cash Flow From Financing Activities** | | |
| | Net Reciept (repayment) of other current financial liabilities | 35,394 | 23,621 |
| | **Cash Flow From Financing Activities (C )** | **35,394** | **23,621** |
| | Net Increase/(Decrease) in Cash and Cash Equivalents (A)+ (B) +(C) | (649) | 4,133 |
| | Cash and Cash Equivalents at the beginning of the year | 1,96,381 | 1,92,248 |
| | **Cash and Cash Equivalents as at the end of the year** | **1,95,732** | **1,96,381** |

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

**For SALVE & CO.**
Chartered Accountants
(Rwgn N.109003W)

C.A. S.D. PARANJPE
Partner
Membership No. 041472

Place: NOIDA (U.P.)
Date: 22-04-2019

SALVE & CO. NAGPUR Chartered Accountants

**For and on behalf of the Board of Directors**

(ASHIM SARAF)
Director
DIN: 00009581

(YOGESH SARAF)
Director
DIN: 00963740

**(a) Equity share capital**

(₹)

| | No. of Shares | Amount |
|---|---|---|
| Balance at the 01.04.2017 | 50,000 | 5,00,000 |
| Changes in equity share capital during the year | - | - |
| **Balance at the 31.03.2018** | **50,000** | **5,00,000** |
| Balance at the 01.04.2018 | 50,000 | 5,00,000 |
| Balance at the end of the reporting period | - | - |
| **Balance at the 31.03.2019** | **50,000** | **5,00,000** |

**(b) Other equity**

| | Reserves & Surplus | |
|---|---|---|
| | Retained earnings | Total |
| **Balance at 1 April 2017** | (3,11,21,401) | (3,11,21,401) |
| Impacts due to Ind AS Adjustments | - | - |
| **Restated balance at the beginning of the reporting period** | (3,11,21,401) | (3,11,21,401) |
| Profit for the year | (18,742) | (18,742) |
| Other comprehensive income/ (loss) for the year | - | - |
| **Total comprehensive income for the year** | (18,742) | (18,742) |
| **Balance at 31 March 2018** | (3,11,40,143) | (3,11,40,143) |
| Changes in accounting policy / prior period errors | - | - |
| **Restated balance at the beginning of the reporting period** | (3,11,40,143) | (3,11,40,143) |
| Profit for the year | (35,855) | (35,855) |
| Other comprehensive income for the year | - | - |
| **Total comprehensive income for the year** | (35,855) | (35,855) |
| **Balance at 31 March 2019** | (3,11,75,998) | (3,11,75,998) |

The accompanying notes are an integral part of these financial statements.
As per our report of even date.

For SALVE & CO.
Chartered Accountants
(Rwgn N.109003W)

C.A. S.D. PARANJPE
Partner
Membership No. 041472

SALVE & CO. NAGPUR Chartered Accountants

Place: NOIDA (U.P.)
Date: 22-04-2019

For and on behalf of the Board of Directors

(ASHIM SARAF)
Director
DIN: 00009581

(YOGESH SARAF)
Director
DIN: 00963740

1. **Reporting Entity**

The Company was incorporated in India on 26th August, 2010 and is a subsidiary of Facor alloys Ltd.

The Company is a Limited company incorporated and domiciled in India and has its registered office in Garividi, Andra Pradesh, India. The company was incorporated with the object of generation of power. The company has not commenced its construction and commercial operation till the date of the Balance Sheet. On its application, the office of Registrar of Companies, Hyderabad, has granted status of Dormant Company.

2. **Significant Accounting Policies**

a) **Statement of Compliance**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has prepared financial statements for the year ended March 31, 2019 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2018.

b) **Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

c) **Functional and presentation currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

d) **Use of Judgment and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**i. Judgments**

Information about the judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements have been given below:

- Fair value measurement of Financial Instruments

**ii. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment in the financial statements for the year ended 31 March 2019 is included below:

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources

### e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

__Financial Assets__

***Initial recognition and measurement***

All financial assets are recognized 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.

***Subsequent measurement***

For the purpose of subsequent measurement, financial assets are classified in four categories:
- *Debt instruments at amortized cost*
- *Debt instrument at fair value through Other Comprehensive Income (FVTOCI)*
- *Debt instrument at fair value through profit and loss (FVTPL)*
- *Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)*

***__Debt instruments at amortized cost__***

A financial asset is measured at amortized cost only if both of the following conditions are met:
- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

***__Debt instrument at fair value through Other Comprehensive Income (FVTOCI)__***

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVTOCI.

***__Debt instrument at fair value through profit and loss (FVTPL)__***

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

***Equity Instrument measured at fair value through Other Comprehensive Income (FVTOCI)***

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. 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 as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the 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.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

***Derecognition of financial assets***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights - to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognised in profit or loss.

***Impairment of financial assets***

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

- ***Financial Liabilities measured at amortised cost***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

- ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

***Derecognition of financial liabilities***

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**Modifications of financial assets and financial liabilities**

***Financial assets***

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

*Financial liabilities*
The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**f) Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits 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.

(₹)

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **3 Other non-current financial assets** | | |
| *Unsecured, considered good* | | |
| Security deposits | | |
| - Others | 500 | 500 |
| | **500** | **500** |
| **4 Cash and cash equivalents** | | |
| Balance with banks: | | |
| - In current account | 1,95,732 | 1,96,381 |
| | **1,95,732** | **1,96,381** |

| | As at 31 March 2019 | (₹) As at 31st March 2018 |
|---|---|---|
| **5 Share capital** | | |
| **Authorised:** | | |
| 250,00,000 (31 March 2018 - 250,00,000) equity shares of Rs.10/- each | 25,00,00,000 | 25,00,00,000 |
| **Issued, subscribed & fully paid up:** | | |
| 50,000 (31 March 2018 - 50,000) equity shares of Rs.10/- each | 5,00,000 | 5,00,000 |
| | **5,00,000** | **5,00,000** |

a. **Terms and rights attached to equity shares**

The Company has only one class of Equity shares referred to as equity shares each having a par value of Rs. 10/- per share. The Equity Shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

b. **Reconciliation of number of shares outstanding at the beginning and end of the year :**

| | Number of Shares | (₹) Amount |
|---|---|---|
| Outstanding at the 1 April 2017 | 50,000 | 5,00,000 |
| Equity Shares issued during the year in consideration for cash | - | - |
| Outstanding at the 31 March 2018 | 50,000 | 5,00,000 |
| Equity Shares issued during the year in consideration for cash | - | - |
| Outstanding at the 31 March 2019 | 50,000 | 5,00,000 |

d. **Shareholders holding more than 5% shares in the company**

| | As at 31 March 2019 No. of Shares | Percentage | As at 31 March 2018 No. of Shares | Percentage |
|---|---|---|---|---|
| Facor Alloys Limited* | 50,000 | 100.0% | 50,000 | 100.0% |

* Includes 8 shares of Rs.10 each held by 8 individuals holding 1 share each as nominee jointly with M/s Facor Alloys Ltd.,being beneficial owner of these shares.

| | As at 31 March 2019 | (₹) As at 31 March 2018 |
|---|---|---|
| **6 Other equity** | | |
| **a Retained earnings** | | |
| Balance at the beginning of the year | (3,11,40,143) | (3,11,21,401) |
| Add: Profit for the year after taxation as per statement of Profit and Loss | (35,855) | (18,742) |
| | (3,11,75,998) | (3,11,40,143) |
| Total Equity (a) | (3,11,75,998) | (3,11,40,143) |

| | As at 31 March 2019 | (₹) As at 31 March 2018 |
|---|---|---|
| **7 Other current financial liability** | | |
| Loan from Related party | 3,08,35,710 | 3,08,00,316 |
| Other payables: | | |
| - Security deposits / Retention money | 12,000 | 12,000 |
| | **3,08,47,710** | **3,08,12,316** |
| **8 Other current liabilities** | | |
| Payable to related party | 19,520 | 19,520 |
| | **19,520** | **19,520** |
| **9 Provisions** | | |
| Provision for Expenses | 5,000 | 5,188 |
| | **5,000** | **5,188** |

| | | (₹) |
|---|---|---|
| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
| **10 Other expenses** | | |
| Un amortised balance written off | 35,855 | 18,742 |
| **Total** | **35,855** | **18,742** |
| **10.1 Payment to Auditor as-** | | |
| **(a) Statutory Auditor** | | |
| Audit Fees | 5,000 | 5,000 |
| Tax Audit Fees | - | - |
| Certification and Consultation Fees | - | - |
| Reimbursement of Expenses | - | - |
| | **5,000** | **5,000** |

**11 Income Tax**

**11.1 Income Tax Expenses**

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|---|---|---|
| **Current Tax Expenses** | | |
| Current year | | |
| | - | - |
| **Deferred Tax Expenses** | | |
| Change in recognised temporary differences | - | - |
| **Total Tax Expenses** | - | - |
| **11.2 Reconciliation of effective tax rate** | | |
| Profit/(loss) before tax | (35,855) | (18,742) |
| Applicable tax rate | 26.00% | 25.75% |
| Computed Tax Expenses | (9,322) | (4,826) |
| **Tax Effect of:** | | |
| Mat Credit difference | | |
| Adjustement of earlier year tax | - | - |
| Tax Allowance of Goodwill | | |
| Deferred tax assets not recognised | 9,322 | 4,826 |
| **Tax Expenses recognised in profit and loss** | - | - |
| **Effective Tax Rate** | 0.00% | 0.00% |

**12 Earning per share**

| | | |
|---|---|---|
| Profit/ (loss) for the period | (35,855) | (18,742) |
| Weighted average number of equity shares of Rs. 10/- each (In lacs) | 50,000 | 50,000 |
| EPS - Basic and Diluted | (0.72) | (0.37) |

13 **Contingent liabilities, contingent assets and commitments**

A. **Contingent Liabilities**
a. The Company is not having any contingent liabilities, assets and commitments, therefore disclosure is not required according to Ind AS.

B. **Capital And Other Commitments**
a. Estimated amount of contracts on Capital Account and other commitments remaining to be executed and not provided for in accounts Rs. Nil (Previous Year Rs. Nil)

14 **Segment Information:**
Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

**Operating Segments**
The company has not generated revenue in FY 2018-19 as well as previous years, therefore operating segment wise revenue disclosure is not applicable.

15 **Related Party Disclosure:-**
I **List of Related Parties:-**
A. **Name and nature of relationship with the related party where control exists:**
Facor Alloys Ltd. - Holding Company

B. **Enterprise, over which key management personnel and their relatives exercise significant influence, with whom transactions have taken place during the year :**

1 Facor Alloys Ltd. - Holding Company

C. **Key Management Personnel**

| | |
|---|---|
| 1 Mr. Vinod Saraf | Director |
| 2 Mr. Yogesh Saraf | Director |
| 3 Mr. Ashim Saraf | Director |

D. **Relatives of a Key Management Personnel :**

I **Transactions with Related Parties during the year ended 31-03-2019 in the ordinary course of business.**

(₹)

| Particulars | With Holding Company | | With Key Management Personnel & Relatives | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| a) Unsecured loan taken | 35,394 | 23,621 | - | - |
| b) Other Payables | - | - | 19,520 | 19,520 |
| c) Balance at year end | 3,08,35,710 | 3,08,00,316 | - | - |

16 **Employee benefits**

The company is not in operation during FY 2018-19 and has no employee during the year and therefore disclosure as per Ind AS 19" Employee Benefits" are not provided.

## 17 Financial instruments – Fair values and risk management

### I. Fair value measurements

**A. Financial instruments by category**

(₹)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amortised Cost | Amortised Cost |
| **Financial assets** | | |
| Other non-current financial assets | 500 | 500 |
| Cash and cash equivalents | 1,95,732 | 1,96,381 |
| | **1,96,232** | **1,96,881** |

*Exclude financial instruments measured at cost

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Financial liabilities** | | |
| Other Current financial liabilities | 3,08,47,710 | 3,08,12,316 |
| | **3,08,47,710** | **3,08,12,316** |

**B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed**

(₹)

| Particulars | As at 31 March 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | |
| Other non-current financial assets | - | - | 500 | 500 |
| Cash and cash equivalents | - | - | 1,95,732 | 1,95,732 |
| **Total financial assets** | - | - | **1,96,232** | **1,96,232** |
| **Financial liabilities** | | | | |
| Other Current financial liabilities | - | - | 3,08,47,710 | 3,08,47,710 |
| **Total financial liabilities** | - | - | **3,08,47,710** | **3,08,47,710** |

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹)

| Particulars | As at 31 March 2018 Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Other non-current financial assets | - | - | 500 | 500 |
| Cash and cash equivalents | - | - | 1,96,381 | 1,96,381 |
| **Total financial assets** | - | - | **1,96,881** | **1,96,881** |
| **Financial liabilities** | | | | |
| Other Current financial liabilities | - | - | 3,08,12,316 | 3,08,12,316 |
| **Total financial liabilities** | - | - | **3,08,12,316** | **3,08,12,316** |

**Level 1**: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and leve 2 during the year

**C. Fair value of financial assets and liabilities measured at amortised cost**

(₹)

| Particulars | As at 31 March 2019 Carrying Amount | As at 31 March 2019 Fair Value | As at 31 March 2018 Carrying Amount | As at 31 March 2018 Fair Value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Other non current financial assets | 500 | 500 | 500 | 500 |
| Cash and cash equivalents | 1,95,732 | 1,95,732 | 1,96,381 | 1,96,381 |
| | **1,96,232** | **1,96,232** | **1,96,881** | **1,96,881** |
| **Financial liabilities** | | | | |
| Other Current financial liabilities | 3,08,47,710 | 3,08,47,710 | 3,08,12,316 | 3,08,12,316 |
| | **3,08,47,710** | **3,08,47,710** | **3,08,12,316** | **3,08,12,316** |

**II. Financial risk management**

**Risk management framework**

The company is exposed primarily to credit, liquid and market risk which may adversly affect the fair value of its financial instruments The company asses the unpredictibility of financial environment and seeks to mitigate potential adverse effects on the financial performance of the company.

**i. Credit risk**

Credit risk is the risk of financial loss to company if a customer or counterparty to the financial instrument fails to meet its financial obligations resulting into financial loss to the company. To manage this the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of account recievables.

The company is not exposed to any credit risk as the company is not yet in operation.

ii. Liquidity risk
Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

**Maturities of financial liabilities**
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(₹)

| Particulars | Carrying Amounts 31 March 2019 | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 year |
| **Non-derivative financial liabilities** | | | | | | |
| Other Current financial liabilities | 3,08,47,710 | 3,08,47,710 | 3,08,47,710 | - | - | - |
| **Total non-derivative liabilities** | **3,08,47,710** | **3,08,47,710** | **3,08,47,710** | - | - | - |

| Particulars | Carrying Amounts 31 March 2018 | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | Upto 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 year |
| **Non-derivative financial liabilities** | | | | | | |
| Other Current financial liabilities | 3,08,12,316 | 3,08,12,316 | 3,08,12,316 | - | - | - |
| **Total non-derivative liabilities** | **3,08,12,316** | **3,08,12,316** | **3,08,12,316** | - | - | - |

The company does not have any undrawn borrowing facility.

**iii. Market risk**
Market risk is the risk that changes in market prices, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**a) Price risk**
The company is not exposed to any price risk

**b) Currency risk**
The company is not exposed to any currency risk

Since the company dosnt have any variable rate financial assets or borrowing, there is no sensitivity.

**18 Capital management**

The company manages its capital to ensure that it will be able to continue as going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.
The board of the directors of the company review the capital structure of the company on an ongoing basis. As part of this review, the Board considers the cost of capital and risk associated with each classe of capital.

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For SALVE & CO.
Chartered Accountants
(Regd. N.109003W)

C.A. S.D. PARANJPE
Partner
Membership No. 041472

Place: NOIDA (U.P.)
Date: 22-04-2019

SALVE & CO. NAGPUR Chartered Accountants

For and on behalf of the Board of Directors

(ASHIM SARAF)
Director
DIN: 00009581

(YOGESH SARAF)
Director
DIN: 00963740