

# **HIRA**

**HIRA FERRO ALLOYS**



**HIRA FERRO ALLOYS LIMITED**

**Annual Report 2019-20**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

|                             |  |
|-----------------------------|--|
| Mr. Biswajit Choudhuri      | Chairman, Independent Director                 |
| Mr. Narayan Prasad Agrawal  | Managing Director                              |
| Mr. Bhrigu Nath Ojha        | Independent Director                           |
| Ms. Bhavna Govindbhai Desai | Woman Independent Director (w.e.f. 07.08.2020) |
| Mr. Arvind Kumar Dubey      | Whole Time Director                            |
| Mr. Yarra Chandra Rao       | Non- Executive Director                        |
| Mr. Ajay Dubey              | Non- Executive Director (w.e.f. 26.09.2019)    |
| Mr. Manohar Khatri          | Whole Time Director (upto 26.09.2019)          |

### CHIEF FINANCIAL OFFICER

Mr. Dilip Chauhan

### COMPANY SECRETARY

Mr. Mohit Chande

### AUDITORS

JDS & Co.  
Chartered Accountants, Raipur

### INTERNAL AUDITORS

OPS & Co.  
Chartered Accountants, Raipur

### REGISTRAR & TRANSFER AGENT

M/s. Link Intime India Private Limited,  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### BANKERS

State Bank of India  
Axis Bank Limited  
IDBI Bank Limited

### REGISTERED OFFICE

567B, Urla Industrial Area,  
Raipur -493221 Chhattisgarh  
Tel: +91 – 771 - 4082350/ 4082360  
[www.hiraferroalloys.com](http://www.hiraferroalloys.com)  
CIN: U27101CT1984PLC005837

### CORPORATE OFFICE

Hira Arcade, Near New Bus Stand,  
Pandri, Raipur 492 004, Chhattisgarh,  
Tel.: +91 – 771 – 4082000/ 4082001

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## DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts and the Auditor's Report of the Company for the year ended 31<sup>st</sup> March 2020.

## FINANCIAL RESULTS

(Rs. In Lakhs)

| Particulars  | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|--|--------------------------|--------------------------|
| Revenue from Operations  | 30177.48                 | 26665.88                 |
| Other Income   | 157.48                   | 142.20                   |
| Total Revenue  | 30334.96                 | 26808.08                 |
| <b>Profit before Interest, Depreciation and Tax</b>  | <b>1573.48</b>           | <b>1427.35</b>           |
| Finance Charges  | 520.72                   | 640.21                   |
| Depreciation & Amortization Expenses   | 625.24                   | 574.35                   |
| <b>Profit before Tax</b>   | <b>427.52</b>            | <b>212.79</b>            |
| Tax Expenses : Current Tax and Deferred tax  | 44.72                    | (163.94)                 |
| <b>Net Profit after Tax</b>  | <b>382.80</b>            | <b>376.73</b>            |
| <b>Other comprehensive income for the year, net of tax</b>   |                          |                          |
| <b>Items that will not be reclassified to profit or loss</b>   |                          |                          |
| Re-measurement gain/(loss) on defined benefit plans & Income tax relating to items that will not be classified to profit or loss | (2.93)                   | (2.25)                   |
| <b>Item that will be re-classified to Profit/(Loss)</b>  |                          |                          |
| Profit /(Loss) on fair value of financial Assets & Income tax relating to items that will be classified to profit or loss        | (1464.33)                | (2324.54)                |
| <b>Total Comprehensive income for the year, net of tax</b>   | <b>(1084.46)</b>         | <b>(1950.06)</b>         |

## REVIEW OF PERFORMANCE:

The performance of your Company during the year under review was satisfactory due to demand in steel sector and better price realization. The highlights of the financial performance for the year are as under:

- a) Sales Revenue Increased to Rs 30177.48 Lakhs, as against previous year Rs. 26665.88 Lakhs, registering a growth of 13.17 %.
- b) The sale of Ferro Alloys increased to Rs 21060.39 Lakhs as against sale of previous year of Rs 20290.36 Lakhs, registering a growth of 3.80 % in view of favorable demand in Steel Sector.
- c) The sale of electricity division increased to Rs 8977.34 Lakhs as against sale of previous year of Rs 6017.47 Lakhs, registering a growth of 49.19 % in view of operations of Bio-mass Power Plant.
- d) The Company registered Net Profit after tax of Rs.382.81 Lakhs as against net profit after tax of Rs. 376.72 Lakhs during the previous year.

## **DIVIDEND**

Your Directors did not recommend any dividend for the Financial Year 2019-20.

## **TRANSFER OF AMOUNTS & SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to the provisions of Section 125 of the Companies Act, 2013, our company has transferred an amount of Rs. 99,365/- to Investor Education And Protection Fund (IEPF) which remained unpaid or unclaimed for a period of seven years relating to FY 2011-12 and 36,236 equity shares, whose dividend was unpaid/unclaimed for seven consecutive years have been transferred by the Company to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of shares transferred to IEPF and unpaid and unclaimed amounts lying with the Company as on August 10, 2019 (date of last Annual General Meeting) on the Company's website ([www.hiraferroalloys.com](http://www.hiraferroalloys.com)) and also on the Ministry of Corporate Affairs' website.

## **SHARE CAPITAL**

There is no change in the capital structure of the company during the year under review.

As on 31<sup>st</sup> March, 2020, the paid up Equity Share Capital of the company was Rs. 1958.85 Lakhs divided into 1,95,88,500 Equity Shares of Rs.10 each/-.

During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2020, the company has not issued any convertible instruments and none of the Directors of the Company hold convertible instruments of the Company.

The equity shares of the company representing 99.21% of the share capital are dematerialized as on 31<sup>st</sup> March, 2020. The dematerialization facility is available to the shareholders of the company from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Depositories has allotted the ISIN: INE573I01011 to the Company for dematerialization of shares of the company.

### **DEPOSITS**

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### **TRANSFER TO RESERVES**

During the Financial year 2019-20, your Company has not transferred any amount to General Reserve.

### **CHANGES IN NATURE OF BUSINESS:**

The Company has been engaged in the business of manufacturing Ferro Alloys, Products and Generation of Electricity. There is no change in the nature of business of the Company during the Financial Year 2019-20.

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:**

There are no material changes and commitments affecting the financial position of the Company occurred between 01.04.2020 to the date of this report. However, due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of generation of power and ferro alloys products out of which generation of power is considered to be an Essential Service and it was not affected due to lockdown. As far as ferro alloys production is concerned, the plant was lockdown since 24th March, 2020 and as a result of lockdown the volume for the March has been impacted in respect of ferro alloys products. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments as at the reporting period and has concluded that there are no material adjustments required in the financial statements.

The Company is monitoring the situation closely and will resume operations of ferro alloys in a phased manner taking into account directives from the Government. The management believes that the impact of this outbreak on the business and financial position of the Company will not be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

### **CHANGES IN STATUS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

None of the companies has become subsidiary or associate of the Company during the Financial Year 2019-20.

### **PARTICULARS OF EMPLOYEES**

The Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2&3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be furnished since none of the employees of the company has received remuneration in excess of the remuneration mentioned in the above mentioned Rule 5 (2) during the financial year 2019-20 except Mr. Narayan Prasad Agrawal Managing Director, the details of which are given below:

| <b>Particulars</b>  | <b>Details</b>  |
|---|---|
| Name  | Mr. Narayan Prasad Agrawal  |
| Designation   | Managing Director   |
| Remuneration Paid   | 1.14 Crores   |
| Nature of employment, Whether contractual or otherwise  | Permanent   |
| Qualifications and Experience of the employee   | Shri Narayan Prasad Agrawal, Managing Director, is a commerce graduate having more than 3 decades of rich experience in the field of operation and administration of Ferro Alloys Plant and he has been holding charge of the financial, commercial and administrative aspects of the company very efficiently. |
| Date of commencement of employment  | 29.09.2001  |
| The age of such employee  | 61 Years  |
| The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) above  | 265782 Equity Shares (1.36%)  |
| Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager | None  |

## **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONS:**

During the year under review, pursuant to the provisions of Section 203 and read with rule 8 of the (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 and subject to shareholder approval on ensuing Annual General Meeting Shri Ajay Dubey was appointed as Additional Director w.e.f. 26<sup>th</sup> September, 2019 in place of Shri Manohar Khatri, who resigned from the Directorship of the Company w.e.f. 26<sup>th</sup> September, 2019.

During the year under review Mr. Biswajit Choudhuri, Independent Director and Mr. Bhrighu Nath Ojha, Independent Director were re-appointed as Independent Director by the Shareholders in their meeting held on 10<sup>th</sup> August, 2019 for a second term of 5 (five) consecutive years on the expiry of his current term of office

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Arvind Kumar Dubey, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

There is no other change in directors and key managerial person of the Company during the financial year 2019-20.

The Board of Directors of the Company in its meeting held on 7<sup>th</sup> August, 2020, upon recommendation of Nomination and Remuneration Committee and subject to approval of shareholders in ensuing general meeting has appointed Ms. Bhavna Govindbhai Desai (DIN: 06893242) as an Additional Director (Woman-Independent Non-Executive) with effect from 7<sup>th</sup> August, 2020 and she holds office for a term up to 5 (five) consecutive years as per requirement of Section 149 and all other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). She possesses appropriate skills, experience and knowledge, inter alia, in the field of Securities Market.

The particulars of Directors seeking appointment / reappointment/ Retiring by Rotation at the ensuing Annual General Meeting (In Pursuance of regulation Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India) is given in explanatory statement and also as an annexure to the notice of Annual General Meeting to be held on 26<sup>th</sup> September, 2020.

The Board designated the following officials as the Key Managerial Personnel, pursuant to Section 2(51) of the Companies Act, 2013 read with Section 203 of the Act:

1. Mr. Narayan Prasad Agrawal, Managing Director;
2. Mr. Arvind Kumar Dubey, Whole-time Director;
3. Mr. Dilip Chouhan, Chief Financial Officer
4. Mr. Mohit Chande, Company Secretary



## **CONSTITUTION OF CSR COMMITTEE, CSR POLICY AND INITIATIVES**

The Board of Directors in its meeting held on 27<sup>th</sup> July, 2018 has constituted the CSR Committee, since the Company's Net Worth, Turnover and profit for the last three Financial Years do exceed the limits prescribed in Section 135(1) of the Companies Act, 2013.

The composition of Corporate Social Responsibility Committee (CSR Committee) w.e.f. 27<sup>th</sup> July, 2018 is as under:

| <b>Sl.No</b> | <b>Name of the Director</b> | <b>Designation</b>            |
|--------------|-----------------------------|-------------------------------|
| 1            | Mr. Biswajit Choudhuri      | Chairman-Independent Director |
| 2            | Mr. Arvind Kumar Dubey      | Member-Executive Director     |
| 3            | Mr. Y. C. Rao               | Member-Non Executive Director |

### **CSR Committee's Responsibility Statement:**

CSR Committees hereby states that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

Corporate Social Responsibility committee of the Board has recommended and the Board has approved a Corporate Social Responsibility Policy in line with the requirements of Section 135 of the Act. The Corporate Social Responsibility Policy is available on the website of the Company at [www.hiraferroalloys.com](http://www.hiraferroalloys.com). Your company is not required to spend any amount on CSR activities as net profit of the Company as per calculation under section 198 of Companies Act, 2013 was less than 5.00 crores and turnover and net-worth was also below the thresholds limit, hence the CSR Report is not applicable.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the company:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That your Directors have selected such accounting policies and applied them consistently, and made judgment and estimates that are 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 and of the profit of the company for that period;



- c) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- d) That your Directors have prepared the annual accounts on a going concern basis;
- e) That your Directors had laid down proper internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively;
- f) That your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:**

All independent directors of the Company have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as laid down under section 149 (6) of the Companies Act, 2013.

#### **ANNUAL EVALUATION OF BOARD, ETC:**

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of the directors in its meeting held on 10.02.2020.

#### **INDEPENDENT DIRECTORS' MEETING:**

During the year under review, the Independent Directors met on 10.02.2020 inter alia, to discuss:

- Review the performance of Independent Directors.
- Review the performance of the Non-Independent Directors.
- Review the performance of the committees and Board as a whole.
- Review the performance of the Chairman of the company, taking into account the views of Executive Directors and Non Executive Directors.

Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **AUDIT COMMITTEE COMPOSITION:**

The Board of Directors has constituted an Audit Committee comprising of three directors including two Independent Directors and one Non-Executive Director all having financial literacy. The audit committee met four times during the year 2019-20. The composition of the committee and the details of meeting attended by its members during the year are given below:

| Sl. No. | Name of the Director   | Designation                   | Attendance at the Audit Committee Meeting held on |            |            |            |
|---------|------------------------|-------------------------------|---|------------|------------|------------|
|         |                        |                               | 29.04.2019  | 09.08.2019 | 11.11.2019 | 10.02.2020 |
| 1       | Mr. Biswajit Choudhuri | Chairman-Independent Director | Present   | Present    | Present    | Present    |
| 2       | Mr. Bhrigu Nath Ojha   | Member Independent Director   | Present   | Present    | Absent     | Present    |
| 3       | Mr. Y. C. Rao          | Member Non Executive Director | Present   | Present    | Present    | Present    |

The functioning and terms of reference of the audit committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013.

### **NUMBER OF MEETINGS OF BOARD:**

During the year, Four Board Meetings were duly convened and the necessary quorum was maintained in all the said meetings.

The Composition of the Board and the attendance of the directors are as under;

| Sl. No. | Name of the Director       | Designation                   | Attendance at the Board Meeting held on |            |            |            |            |
|---------|----------------------------|-------------------------------|---|------------|------------|------------|------------|
|         |                            |                               | 29.04.2019                              | 09.08.2019 | 26.09.2019 | 11.11.2019 | 10.02.2020 |
| 1       | Mr. Biswajit Choudhuri     | Chairman-Independent Director | Present                                 | Present    | Present    | Present    | Present    |
| 2       | Mr. Narayan Prasad Agrawal | Managing Director             | Present                                 | Present    | Present    | Absent     | Present    |
| 3       | Mr. Bhrigu Nath Ojha       | Independent Director          | Present                                 | Present    | Absent     | Absent     | Present    |
| 4       | Mr. Arvind Kumar Dubey     | Whole Time Director           | Present                                 | Present    | Absent     | Absent     | Present    |
| 5       | Mr. Y. C. Rao              | Non-Executive Director        | Present                                 | Present    | Present    | Present    | Present    |
| 6       | Mr. Ajay Dubey *           | Non- Executive Director       | NA                                      | NA         | NA         | Present    | Present    |
| 7       | Mr. Manohar Khatri*        | Executive- Director           | Present                                 | Absent     | Absent     | NA         | NA         |

Mr. Ajay Dubey has been appointed as Director and Mr. Manohar Khatri has been ceased from directorship wef 26<sup>th</sup> September, 2019 respectively.

## **NOMINATION AND REMUNERATION POLICY:**

During the year one meeting was duly convened and all the members attended the meeting. The composition of the committee and the details of meeting attended by the members during the year are given below:

| <b>Sl. No.</b> | <b>Name of the Director</b> | <b>Designation</b>             | <b>Attendance at the Nomination and Remuneration Committee meeting held on 29.04.2019</b> |
|----------------|-----------------------------|--------------------------------|---|
| 1              | Mr. Bhriagu Nath Ojha       | Chairman-Independent Director  | Present   |
| 2              | Mr. Biswajit Choudhuri      | Member- Independent Director   | Present   |
| 3              | Mr. Y. C. Rao               | Member- Non Executive Director | Present   |

The Nomination and Remuneration Policy of the company as adopted by the Board is attached as **Annexure-1** and the policy is also available on website of the Company and can be access at <http://www.hiraferroalloys.com/financials/downloads/policies/Nomination-Remuneration-Policy.pdf>

The Non-Executive Directors are paid sitting fees within the limit prescribed under Companies Act, 2013. Rs 10,000/- per meeting for attending the Board and Audit Committee meetings and Rs.5,000/- per meeting for attending other committee meetings.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee comprises of two Independent Directors and one Non-Executive Director and Company Secretary has been designated as secretary to the committee. During the year there is no change in the Composition of the Committee.

The Stakeholders Relationship Committee met four times during the year 2019-20. The composition of the committee and the details of meeting attended by its members during the year are given below:

| <b>Sl. No.</b> | <b>Name of the Director</b> | <b>Designation</b>              | <b>Attendance at the Committee Meeting held on</b> |                   |                   |                   |
|----------------|-----------------------------|---------------------------------|--|-------------------|-------------------|-------------------|
|                |                             |                                 | <b>29.04.2019</b>                                  | <b>09.08.2019</b> | <b>11.11.2019</b> | <b>10.02.2020</b> |
| 1              | Mr. Biswajit Choudhuri      | Independent Director            | Present  | Present           | Present           | Present           |
| 2              | Mr. Bhriagu Nath Ojha       | Member - Independent Director   | Present  | Present           | Absent            | Present           |
| 3              | Mr. Y. C. Rao               | Member - Non Executive Director | Present  | Present           | Present           | Present           |

The Committee oversees the performance of the Registrar and Share Transfer Agents', recommends measures to improve the level of investor services and matters pertaining to shareholders' complaints and grievances e.g. non-receipt of annual report, non-receipt of dividend warrant, change of address etc. The functioning and terms of reference of the committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Companies Act, 2013.

## **AUDITORS:**

### **Statutory Auditors**

The statutory auditor of your Company, M/s JDS & Co., Chartered Accountants, having Registration No.018400C, were appointed for a period of 5 (five) years at the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> July 2018. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of statutory auditor by the shareholders at every Annual General Meeting. Hence, the approval of the members is not being sought for the re-appointment of the statutory auditor and in line with their resolution of appointment passed at the Annual General Meeting held on 28<sup>th</sup> July, 2018, the statutory auditor will continue to hold office till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company held in the year 2022. The statutory auditor have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor. The report given by the statutory auditor on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the statutory auditor in their report.

### **Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014, M/s Sanat Joshi & Associates has been appointed as cost auditors for conducting Cost Audit for the financial year 2020-21. The cost records are maintained with the Company.

### **Internal Auditors**

M/s. OPS & Co, Chartered Accountants were appointed as Internal Auditors for the FY 2019-20 and FY 2020-21.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has

appointed M/s. Jain Tuteja & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report on Secretarial Audit of the Company is annexed herewith as **Annexure -2**. There are no qualified opinions or adverse remarks in the secretarial audit report of the company.

### **AUDITOR'S REPORTS**

There are no qualifications, reservations, adverse remarks or disclaimers in the Statutory Auditor's Report on the Financial Statements of the company for the financial year 2019-20 and hence does not require any explanations or comments.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board of Directors in its meeting held on 9<sup>th</sup> February, 2015 approved and established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Sec. 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014.

The Details of Establishment of Mechanism is available on the website of the Company at <http://www.hiraferroalloys.com/financials/downloads/policies/Notification-Whistle-Blower-Policy.pdf>

The said Policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees shall be informed about the Vigil Policy by the Personnel Department at the time of their joining.

### **RELATED PARTY TRANSACTIONS**

The Audit Committee in its meeting held on 29<sup>th</sup> April, 2019 has given their approval to the Board of the Company for entering into transactions with related party in accordance with the provisions of Section 188 of the Companies Act, 2013.

All related party transactions that were entered into by the Company during the financial year 2019-20 were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the company at large.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans given and Investments made by the company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in Financial Statements (Ref. Note 5, 11 & 31). The company has not given any corporate guarantees to any other party.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, are as under :-

Conservation of Energy:

Steps taken for conservation: No additional measures have been taken during the financial year for conservation of energy

Steps taken for utilization of alternate sources of energy:- None

Capital Investment of energy conservation equipments:- NIL

Technology Absorption

Efforts made for technology absorption None

Benefit Derived NA

Expenditure on Research and Development, if any None

Details of technology Import, if any None

Year of Import NA

Whether imported technology fully absorbed NA

Area where absorption of imported technology has not taken place if any NA

Foreign Exchange Earning/Outgo

Earning (FOB) Rs. NIL

Outgo Rs. 3989.11 Lakhs

During the year under review your company has used foreign exchange of Rs.45.63 Lakhs (previous year Rs. 1.70 Lakhs).

## **ANNUAL RETURN**

The annual return of the Company as required under the Companies Act, 2013 will be available on the website of the Company at investors relation at <http://www.hiraferroalloys.com>. The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as **Annexure-3**.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal control system commensurate with the size and scale and complexity of its operations. The scope and authority of Internal Audit functions have been defined in the Internal Audit Charter to maintain its objectivity and independence. The Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating system, accounting procedures and policies of the company. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the control. Significant Audit observations and corrective actions, thereon are presented to the Audit Committee of the Board.

## **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and other activities of the Company and formulated risk mitigations strategies.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary Training) are covered under this Policy. However no complaint has been received during the year 2019-20.

## **ACKNOWLEDGEMENTS**

The Board expresses its sincere gratitude to the shareholders, bankers, State and Central Government authorities and the valued customers for their continued support. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

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

**7<sup>th</sup> August, 2020, Raipur**

**N.P. Agrawal**  
**Managing Director**

**Y.C. Rao**  
**Director**



## **ANNEXURE-1**

### **NOMINATION AND REMUNERATION POLICY**

#### **1. OBJECTIVE**

This Nomination and Remuneration Policy has been framed in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

#### **2. DEFINITIONS**

- 2.1. “Committee” means Nomination and Remuneration Committee.
- 2.2. “Senior Management Personnel” means Senior Management Personnel of the company who are members of its core management team including Functional Heads.

#### **3. NOMINATION POLICY**

- i. The Committee shall identify persons who possess adequate qualification, expertise and experience for the position he/she is considered for appointment as Director, Key Managerial Personnel (KMP) or at Senior Management level Personnel (SMP) and recommend to the Board his/her appointment.
- ii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders.

#### **4. TERM / TENURE**

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director, Independent Director or Non-executive Director for a term not exceeding period as mentioned in the Companies Act, 2013 or any amendment made from time to time.

#### **5. EVALUATION**

The Committee shall review the performance of every Director at regular interval or at least once in a year.

#### **6. REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

## **7. RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

## **8. REMUNERATION POLICY**

The remuneration, compensation, commission, sitting fee, etc. to the Directors, KMP and SMP will be determined by the Committee and recommended to the Board for approval subject to limitations mentioned in the Companies Act, 2013 and the amendments made therein from time to time. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

## **9. AMENDMENTS**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Committee.

## **10. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

## **11. DISSEMINATION OF POLICY**

This policy shall be disclosed in the annual report of the Company.

## **12. EFFECTIVE DATE**

This Policy shall come into force on 15.05.2015.

**ANNEXURE- 2**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
(Pursuant to Section 204 (1) of the companies act, 2013 and rule No.9 of the companies  
(Appointment and Remuneration of Managerial Personal) rules, 2014)

To,  
The Members,  
**Hira Ferro Alloys Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by **Hira Ferro Alloys Limited (CIN:U27101CT1984PLC005837)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Hira Ferro Alloys Limited's books, paper, minute books, forms, and return filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representative during the conduct of secretarial audit and as per the explanations given to us and the representation made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March , 2020 generally complied with the statutory provisions listed hereunder and also that company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Hira Ferro Alloys Limited for the financial year ended on 31<sup>st</sup> March, 2020 according to the applicable provision of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
4. Other laws applicable to the company as per the representations made by the Management.
5. The following Enactments, Agreements and Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018.
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- i. The Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999
- j. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- k. The Listing Agreements;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review and as per the explanations and clarifications given to us and the representation made by management, the company has generally complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that compliance of applicable financial laws including Direct & Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by Statutory Auditors and other designated Professionals.

We further report that the Board of Directors, the Audit Committee and Remuneration Committee of the company were duly constituted. The Changes in the composition of the Board of Directors that took during the period under review were carried out in compliance with the provision of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes

We further report as per the explanation given to us and the representation made by the management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to the monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no such specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, have taken place.

**For Jain And Tuteja Associates**

**Tanveer Kaur Tuteja**  
**(Partner)**

**Practicing Company Secretary**

**M. No.:7704**

**C. P. No.:8512**

**UDIN: F007704B000309951**

**Place: Raipur**

**Date: 02.06.2020**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

*Annexure A*

To,  
The Members  
Hira Ferro Alloys Limited

Our report of even date is to be read along with this note.

1. Maintenance of secretarial records is the responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, We have obtained the management representative about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provision of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Jain And Tuteja Associates**

**Tanveer Kaur Tuteja**  
**(Partner)**

**Practicing Company Secretary**

**M. No.:7704**

**C. P. No.:8512**

**UDIN: F007704B000309951**

**Place: Raipur**

**Date: 02.06.2020**

**ANNEXURE -3**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2020  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|  |   |
|--|---|
| CIN  | U27101CT1984PLC005837   |
| Registration Date :  | 31.12.1984  |
| Name of the Company:   | Hira Ferro Alloys Limited   |
| Category / Sub-Category of the Company:                                    | Company Limited By Shares<br>Non Govt. Company  |
| Address of the Registered office and contact details:                      | Plot No. 567/B, Urla Industrial Area, Raipur<br>Chhattisgarh,<br>Phone +91-771-4082450-51<br>Fax : +91-771-4082452  |
| Whether listed company:  | No  |
| Name, Address and Contact details of Registrar and Transfer Agent, if any: | Link Intime India Private Limited<br>C-101,247 Park, L B S Marg,<br>Vikhroli West, Mumbai-400083.<br>Telephone Number:022-49186000<br>Fax Number:022- 49186060<br>Email : rnt.helpdesk@linkintime.co.in |

**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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Manufacturing of Ferro Alloys                    | 27110                            | 76.09                              |
| 2       | Generation of Electricity                        | 40102                            | 22.56                              |

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

| S.No. | Name and address of the company | CIN/GLN | Holding/subsidiary / associate | % of shares Held | Applicable Section |
|-------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| -     | -                               | -       | -                              | -                | -                  |



**IV SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**

**(A) Category wise Shareholding**

| Sr No | Category of Shareholders   | Shareholding at the beginning of the year - 2019 |          |          |                   | Shareholding at the end of the year – 2020 |          |          |                   | % Change during the year |
|-------|--|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|       |  | Demat  | Physical | Total    | % of Total Shares | Demat                                      | Physical | Total    | % of Total Shares |                          |
| (A)   | Shareholding of Promoter and Promoter Group                        |  |          |          |                   |  |          |          |                   |                          |
| [1]   | Indian   |  |          |          |                   |  |          |          |                   |                          |
| (a)   | Individuals / Hindu Undivided Family                               | 478782   | 0        | 478782   | '2.4442           | 478782                                     | 0        | 478782   | '2.4442           | '0.0000                  |
| (b)   | Central Government / State Government(s)                           | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (c)   | Financial Institutions / Banks                                     | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (d)   | Any Other (Specify)  |  |          |          |                   |  |          |          |                   |                          |
|       | Persons Acting In Concert  | 1987835  | 0        | 1987835  | '10.1480          | 1987835                                    | 0        | 1987835  | '10.1480          | '0.0000                  |
|       | Bodies Corporate   | 16202121   | 0        | 16202121 | '82.7124          | 16202121                                   | 0        | 16202121 | '82.7124          | '0.0000                  |
|       | Sub Total (A)(1)   | 18668738   | 0        | 18668738 | '95.3046          | 18668738                                   | 0        | 18668738 | '95.3046          | '0.0000                  |
| [2]   | Foreign  |  |          |          |                   |  |          |          |                   |                          |
| (a)   | Individuals (Non-Resident Individuals / Foreign Individuals)       | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (b)   | Government   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (c)   | Institutions   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (d)   | Foreign Portfolio Investor   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (e)   | Any Other (Specify)  |  |          |          |                   |  |          |          |                   |                          |
|       | Sub Total (A)(2)   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
|       | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 18668738   | 0        | 18668738 | '95.3046          | 18668738                                   | 0        | 18668738 | '95.3046          | '0.0000                  |
| (B)   | Public Shareholding  |  |          |          |                   |  |          |          |                   |                          |
| [1]   | Institutions   |  |          |          |                   |  |          |          |                   |                          |
| (a)   | Mutual Funds / UTI   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (b)   | Venture Capital Funds  | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (c)   | Alternate Investment Funds   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (d)   | Foreign Venture Capital Investors                                  | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (e)   | Foreign Portfolio Investor   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (f)   | Financial Institutions / Banks                                     | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (g)   | Insurance Companies  | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (h)   | Provident Funds/ Pension Funds                                     | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| (i)   | Any Other (Specify)  |  |          |          |                   |  |          |          |                   |                          |
|       | Sub Total (B)(1)   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |
| [2]   | Central Government/ State Government(s)/ President of India        |  |          |          |                   |  |          |          |                   |                          |
|       | Sub Total (B)(2)   | 0  | 0        | 0        | '0.0000           | 0  | 0        | 0        | '0.0000           | '0.0000                  |

|      |  |          |        |          |           |          |        |          |           |          |
|------|--|----------|--------|----------|-----------|----------|--------|----------|-----------|----------|
| [3]  | Non-Institutions   |          |        |          |           |          |        |          |           |          |
| (a)  | Individuals  |          |        |          |           |          |        |          |           |          |
| (i)  | Individual shareholders holding nominal share capital upto Rs. 1 lakh.               | 435981   | 81431  | 517412   | '2.6414   | 441095   | 51231  | 492326   | '2.5133   | '-0.1281 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh        | 209094   | 0      | 209094   | '1.0674   | 211094   | 0      | 211094   | '1.0776   | '0.0102  |
| (b)  | NBFCs registered with RBI  | 2100     | 0      | 2100     | '0.0107   | 0        | 0      | 0        | '0.0000   | '-0.0107 |
| (d)  | Overseas Depositories(holding DRs) (balancing figure)                                | 0        | 0      | 0        | '0.0000   | 0        | 0      | 0        | '0.0000   | '0.0000  |
| (e)  | Any Other (Specify)  |          |        |          |           |          |        |          |           |          |
|      | IEPF   | 17500    | 0      | 17500    | '0.0893   | 53736    | 0      | 53736    | '0.2743   | '0.1850  |
|      | Trusts   | 10       | 0      | 10       | '0.0001   | 10       | 0      | 10       | '0.0001   | '0.0000  |
|      | Hindu Undivided Family   | 40823    | 0      | 40823    | '0.2084   | 42823    | 0      | 42823    | '0.2186   | '0.0102  |
|      | Non Resident Indians (Non Repat)   | 12426    | 0      | 12426    | '0.0634   | 12585    | 0      | 12585    | '0.0642   | '0.0008  |
|      | Non Resident Indians (Repat)   | 9158     | 0      | 9158     | '0.0468   | 9158     | 0      | 9158     | '0.0468   | '0.0000  |
|      | Clearing Member  | 1319     | 0      | 1319     | '0.0067   | 10       | 0      | 10       | '0.0001   | '-0.0066 |
|      | Bodies Corporate   | 45420    | 64500  | 109920   | '0.5611   | 38020    | 60000  | 98020    | '0.5004   | '-0.0607 |
|      | Sub Total (B)(3)   | 773831   | 145931 | 919762   | '4.6954   | 808531   | 111231 | 919762   | '4.6954   | '0.0000  |
|      | Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)                                    | 773831   | 145931 | 919762   | '4.6954   | 808531   | 111231 | 919762   | '4.6954   | '0.0000  |
|      | Total (A)+(B)  | 19442569 | 145931 | 19588500 | '100.0000 | 19477269 | 111231 | 19588500 | '100.0000 | '0.0000  |
| (C)  | Non Promoter - Non Public  |          |        |          |           |          |        |          |           |          |
|      | (C1) Shares Underlying DRs   |          |        |          |           |          |        |          |           |          |
| [1]  | Custodian/DR Holder  | 0        | 0      | 0        | '0.0000   | 0        | 0      | 0        | '0.0000   | '0.0000  |
|      | (C2) Shares Held By Employee Trust   |          |        |          |           |          |        |          |           |          |
| [2]  | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0        | 0      | 0        | '0.0000   | 0        | 0      | 0        | '0.0000   | '0.0000  |
|      | Total (A)+(B)+(C)  | 19442569 | 145931 | 19588500 | '100.0000 | 19477269 | 111231 | 19588500 | '100.0000 | '0.0000  |

**(B) Shareholding of Promoters & Promoters Group**

| S. No.                | Shareholder's Name   | Shareholding at the beginning of the year 01.04.2019 |                                  |   | Share holding at the end of the year 31.03.2020 |                                  |   | % change in share holding during 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 |   |
| <b>Promoters</b>      |  |  |                                  |   |   |                                  |   |   |
| 1                     | N P Agrawal  | 265782   | 1.36                             | 0   | 265782  | 1.36                             | 0   | 0   |
| 2                     | Bajrang Lal Agrawal  | 104000   | 0.53                             | 0   | 104000  | 0.53                             | 0   | 0   |
| 3                     | Hanuman Prasad Agrawal                                     | 105000   | 0.54                             | 0   | 105000  | 0.54                             | 0   | 0   |
| 4                     | Hanuman Prasad Agrawal (HUF)                               | 4000   | 0.02                             | 0   | 4000  | 0.02                             | 0   | 0   |
| <b>Promoter Group</b> |  |  |                                  |   |   |                                  |   |   |
| 5                     | Godawari Power And Ispat Ltd                               | 9491000  | 48.45                            | 0   | 9491000   | 48.45                            | 0   | 0   |
| 6                     | Hira Infra-Tek Limited                                     | 4454621  | 22.74                            | 0   | 4454621   | 22.74                            | 0   | 0   |
| 7                     | Alok Ferro Alloys Limited                                  | 975000   | 4.98                             | 0   | 975000  | 4.98                             | 0   | 0   |
| 8                     | Hira Cement Limited  | 650000   | 3.32                             | 0   | 650000  | 3.32                             | 0   | 0   |
| 9                     | Hira Power And Steels Limited                              | 31500  | 0.16                             | 0   | 31500   | 0.16                             | 0   | 0   |
| 10                    | Hira Steels Limited  | 50000  | 0.26                             | 0   | 50000   | 0.26                             | 0   | 0   |
| 11                    | Dinesh Agrawal   | 1078000  | 5.50                             | 0   | 1078000   | 5.50                             | 0   | 0   |
| 12                    | Madhu Agrawal  | 199500   | 1.02                             | 0   | 199500  | 1.02                             | 0   | 0   |
| 13                    | Reena Agrawal  | 374000   | 1.90                             | 0   | 374000  | 1.90                             | 0   | 0   |
| 14                    | Sita Devi Agrawal  | 64000  | 0.33                             | 0   | 64000   | 0.33                             | 0   | 0   |
| 15                    | Jagdish Prasad Agrawal (HUF)                               | 4500   | 0.02                             | 0   | 4500  | 0.02                             | 0   | 0   |
| 16                    | Jagdish Prasad Agrawal (Karta of Ram Richhpal Agrawal HUF) | 10000  | 0.05                             | 0   | 10000   | 0.05                             | 0   | 0   |
| 17                    | Kanika Agrawal   | 4500   | 0.02                             | 0   | 4500  | 0.02                             | 0   | 0   |
| 18                    | Bajrang Lal Agrawal (HUF)                                  | 3000   | 0.02                             | 0   | 3000  | 0.02                             | 0   | 0   |
| 19                    | Jagdish Prasad Agrawal                                     | 3000   | 0.02                             | 0   | 3000  | 0.02                             | 0   | 0   |
| 20                    | Abhishek Agrawal   | 1000   | 0.01                             | 0   | 1000  | 0.01                             | 0   | 0   |
| 21                    | Siddharth Agrawal  | 835  | 0.00                             | 0   | 835   | 0.00                             | 0   | 0   |
| 22                    | Gopal Prasad Agrawal                                       | 211000   | 1.08                             | 0   | 211000  | 1.08                             | 0   | 0   |
| 23                    | Sarita Devi Agrawal  | 22000  | 0.11                             | 0   | 22000   | 0.11                             | 0   | 0   |
| 24                    | Amit Kumar Agrawal   | 12500  | 0.06                             | 0   | 12500   | 0.06                             | 0   | 0   |
| 25                    | Vinay Buildcon Private Limited                             | 550000   | 2.81                             | 0   | 550000  | 2.81                             | 0   | 0   |
| <b>Total</b>          |  | <b>18668738</b>                                      | <b>95.30</b>                     | <b>0</b>  | <b>18668738</b>                                 | <b>95.30</b>                     | <b>0</b>  | <b>0</b>                                  |

**C. Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in shareholding of promoter and promoter group during the year FY 2019-20.

**D. Change in Top Ten Shareholding (please specify, if there is no change)**

| Sr No. | Name & Type of Transaction  | Shareholding at the beginning of the year – 01.04.2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year – 31.03.2020 |                                  |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |   | No. of Shares Held                                     | % of total shares of the company | Date of Transaction          | No. of shares | No of Shares Held   | % of Total Shares of The Company |
| 1      | Sanjiv Agarwal  | 75000  | 0.3829                           |                              |               | 75000   | 0.3829                           |
|        | At the end of the year  |  |                                  |                              |               | 75000   | 0.3829                           |
| 2      | Vinod K. Nayar  | 73509  | 0.3753                           |                              |               | 73509   | 0.3753                           |
|        | At the end of the year  |  |                                  |                              |               | 73509   | 0.3753                           |
| 3      | Dalal Street Finance Co. Ltd  | 60000  | 0.3063                           |                              |               | 60000   | 0.3063                           |
|        | At the end of the year  |  |                                  |                              |               | 60000   | 0.3063                           |
| 4      | Sanjiv Kumar Rathi  | 28205  | 0.1440                           |                              |               | 28205   | 0.1440                           |
|        | At the end of the year  |  |                                  |                              |               | 28205   | 0.1440                           |
| 5      | Ginni Finance Pvt. Ltd.   | 25526  | 0.1303                           |                              |               | 25526   | 0.1303                           |
|        | At the end of the year  |  |                                  |                              |               | 25526   | 0.1303                           |
| 6      | Investor Education And Protection Fund Authority<br>Ministry Of Corporate Affairs | 17500  | 0.0893                           |                              |               | 17500   | 0.0893                           |
|        | Transfer  |  |                                  | 15.11.2019                   | 36236         | 53736   | 0.2743                           |
|        | At the end of the year  |  |                                  |                              |               | 17500   | 0.2743                           |
| 7      | Smita Jagannath Chakravarti   | 12500  | 0.0638                           |                              |               | 12500   | 0.0638                           |
|        | At the end of the year  |  |                                  |                              |               | 12500   | 0.0638                           |
| 8      | Jyoti Ketan Vakharia  | 0  | 0.0000                           |                              |               | 0   | 0.0000                           |
|        | Transfer  |  |                                  | 16.08.2019                   | 10940         | 10940   | 0.0558                           |
|        | At the end of the year  |  |                                  |                              |               | 10940   | 0.0558                           |
| 09     | Smita Haren Amin  | 0  | 0.0000                           |                              |               | 0   | 0.0000                           |
|        | Transfer  |  |                                  | 16.08.2019                   | 10940         | 10940   | 0.0558                           |
|        | At the end of the year  |  |                                  |                              |               | 10940   | 0.0558                           |
| 10     | Jatin Virendra Doshi  | 10000  | 0.0511                           |                              |               | 10000   | 0.0511                           |
|        | At the end of the year  |  |                                  |                              |               | 10000   | 0.0511                           |
| 11     | Sigma Vanijya Pvt Ltd   | 10000  | 0.0511                           |                              |               | 10000   | 0.0511                           |
|        | At the end of the year  |  |                                  |                              |               | 10000   | 0.0511                           |
| 12     | Maniben Ugrabhai Patel  | 19880  | 0.1015                           |                              |               | 19880   | 0.1015                           |
|        | Transfer  |  |                                  | 16.08.2019                   | (19880)       | 0   | 0.0000                           |
|        | At the end of the year  |  |                                  |                              |               | 0   | 0.0000                           |

**E. Shareholding of Directors and Key Managerial Personnel:**

| Sl No.    | Name of Director/KMP   | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|-----------|--|---|-------------------|---|-------------------|
|           |  | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
| <b>A</b>  | <b>SHRI NARAYAN PRASAD AGRAWAL – MANAGING DIRECTOR – KMP</b>   |   |                   |   |                   |
| 1         | At the beginning of the year   | 265782                                    | 1.36              | 265782                                  | 1.36              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0.00              | 0                                       | 0.00              |
| 3         | At the End of the year   | 265782                                    | 1.36              | 265782                                  | 1.36              |
| <b>B.</b> | <b>SHRI YARRA CHANDRA RAO – NON EXECUTIVE DIRECTOR</b>   |   |                   |   |                   |
| 1         | At the beginning of the year   | 15  | 0.00              | 15                                      | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0.00              | 0                                       | 0.00              |
| 3         | At the End of the year   | 15  | 0.00              | 15                                      | 0.00              |
| <b>C</b>  | <b>SHRI ARVIND KUMAR DUBEY – WHOLE TIME DIRECTOR- KMP</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 3         | At the End of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| <b>D</b>  | <b>SHRI AJAY DUBEY – NON EXECUTIVE DIRECTOR</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 3         | At the End of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| <b>E</b>  | <b>SHRI BISWAJIT CHOUDHURI – INDEPENDENT DIRECTOR</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 3         | At the End of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| <b>F</b>  | <b>SHRI BHRIGU NATH OJHA - INDEPENDENT DIRECTOR</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 3         | At the End of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| <b>G</b>  | <b>SHRI MANOHAR KHATRI – WHOLE TIME DIRECTOR- Upto 26.09.2019</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| 3         | At the End of the year   | 0.00                                      | 0.00              | 0.00                                    | 0.00              |
| <b>H</b>  | <b>SHRI DILIP CHAUHAN – CFO – KMP</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 15  | 0.00              | 15                                      | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0.00              | 0                                       | 0.00              |
| 3         | At the End of the year   | 15  | 0.00              | 15                                      | 0.00              |
| <b>I</b>  | <b>SHRI MOHIT CHANDE – CS – KMP</b>  |   |                   |   |                   |
| 1         | At the beginning of the year   | 15  | 0.00              | 15                                      | 0.00              |
| 2         | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0   | 0.00              | 0                                       | 0.00              |
| 3         | At the End of the year   | 15  | 0.00              | 15                                      | 0.00              |

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment – (Rs in Lakhs)**

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits    | Total Indebtedness |
|--|----------------------------------|-----------------|-------------|--------------------|
| <b>Indebtedness at the beginning of the financial Year</b> |                                  |                 |             |                    |
| i)Principal Amount   | 2851.72                          | 1215.66         | 0.00        | 4067.38            |
| ii)Interest due but not paid                               | 24.97                            | 128.63          | 0.00        | 153.60             |
| iii) Interest accrued but not due                          | 0.00                             | 0.00            | 0.00        | 0.00               |
| <b>Total (i+ii+iii)</b>                                    | <b>2876.69</b>                   | <b>1344.29</b>  | <b>0.00</b> | <b>4220.98</b>     |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |             |                    |
| · Addition (including interest)                            | 241.48                           | 836.33          | 0.00        | 1133.29            |
| · Reduction  | (1301.43)                        | (375.20)        | 0.00        | (1732.11)          |
| <b>Net Change</b>  | <b>(1059.95)</b>                 | <b>461.13</b>   | <b>0.00</b> | <b>(598.82)</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |             |                    |
| i) Principal Amount  | 1792.23                          | 1565.66         | 0.00        | 3435.37            |
| ii) Interest due but not paid                              | 2.19                             | 239.76          | 0.00        | 164.47             |
| iii) Interest accrued but not due                          | 22.32                            | 0.00            | 0.00        | 22.32              |
| <b>Total (i+ii+iii)</b>                                    | <b>1816.74</b>                   | <b>1805.42</b>  | <b>0.00</b> | <b>3622.16</b>     |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

*(Rs in Lakhs)*

| Sl No. | Particulars of Remuneration   | Narayan Prasad Agrawal (MD)                  | Arvind Kumar Dubey (WTD) | Manohar Khatri (WTD) upto Sep 2019 | Total Amount (In Rs.) |
|--------|---|--|--------------------------|------------------------------------|-----------------------|
| 1      | Gross salary  |  |                          |                                    |                       |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 114.00                                       | 17.99                    | 12.23                              | 144.22                |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | --   | --                       | --                                 | --                    |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | --   | --                       | --                                 | --                    |
| 2      | Stock Option  | NA   | NA                       | NA                                 | NA                    |
| 3      | Sweat Equity  | NA   | NA                       | NA                                 | NA                    |
| 4      | Commission  | NA   | NA                       | NA                                 | NA                    |
|        | - as % of profit  | NA   | NA                       | NA                                 | NA                    |
| 5      | Others, please specify  | --   | --                       | --                                 | --                    |
|        | <b>Total</b>  | <b>114.00</b>                                | <b>17.99</b>             | <b>12.23</b>                       | <b>144.22</b>         |
|        | Ceiling as per the Act  | As per schedule V of the Companies Act, 2013 |                          |                                    |                       |

**B. Remuneration to other directors:**
*(Rs in Lakhs)*

| Sl. No. | Particulars of Remuneration                                  | Biswajit Choudhuri   | B.N. Ojha   | Y.C. Rao    | Ajay Dubey  | Total Amount |
|---------|--|--|-------------|-------------|-------------|--------------|
| 1       | . Independent Directors                                      |  |             |             |             |              |
|         | · Fee for attending board / committee meetings               | 1.10   | 0.80        | NA          | NA          | 1.90         |
|         | · Commission   | NA   | NA          | NA          | NA          | NA           |
|         | · Others, please specify                                     | NIL  | NIL         | NA          | NA          | NIL          |
|         | <b>Total (1)</b>   | <b>1.10</b>  | <b>0.80</b> | <b>0.00</b> | <b>0.00</b> | <b>1.90</b>  |
| 2       | . Other Non-Executive Directors                              |  |             |             |             |              |
|         | · Fee for attending board / committee meetings               | NA   | NA          | 1.05        | 0.00        | 1.05         |
|         | · Commission   | NA   | NA          | NA          | NA          | NA           |
|         | · Others, please specify                                     | NIL  | NIL         | NA          | NA          | NA           |
|         | <b>Total (2)</b>   | <b>0.00</b>  | <b>0.00</b> | <b>1.05</b> | <b>0.00</b> | <b>1.05</b>  |
|         | <b>Total (B)=(1+2)</b>                                       | <b>1.10</b>  | <b>0.80</b> | <b>1.05</b> | <b>0.00</b> | <b>2.95</b>  |
|         | Total Managerial Remuneration Overall Ceiling as per the Act | Maximum amount of Rs.1.00 Lakh for each Director as sitting fee for attending each meeting of the Board or its Committee is allowed under the Act. |             |             |             |              |

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**
*( Rs in Lakhs)*

| Sl. No | Particulars of Remuneration   | Mohit Chande (CS) | Dilip Chauhan (CFO) | Total        |
|--------|---|-------------------|---------------------|--------------|
| 1      | Gross salary  | 11.73             | 14.33               | 26.06        |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                   |                     |              |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NA                | NA                  | NIL          |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NA                | NA                  | NIL          |
| 2      | Stock Option  | NA                | NA                  | NIL          |
| 3      | Sweat Equity  | NA                | NA                  | NIL          |
| 4      | Commission – as % of profit   | NA                | NA                  | NIL          |
| 5      | Others, please specify  | NA                | NA                  | NIL          |
|        | <b>Total</b>  | <b>11.73</b>      | <b>14.33</b>        | <b>26.06</b> |



**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) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                               |                                    |
| Penalty                             | NA                           | NA                | NA  | NA                            | NA                                 |
| Punishment                          | NA                           | NA                | NA  | NA                            | NA                                 |
| Compounding                         | NA                           | NA                | NA  | NA                            | NA                                 |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                               |                                    |
| Penalty                             | NA                           | NA                | NA  | NA                            | NA                                 |
| Punishment                          | NA                           | NA                | NA  | NA                            | NA                                 |
| Compounding                         | NA                           | NA                | NA  | NA                            | NA                                 |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                               |                                    |
| Penalty                             | NA                           | NA                | NA  | NA                            | NA                                 |
| Punishment                          | NA                           | NA                | NA  | NA                            | NA                                 |
| Compounding                         | NA                           | NA                | NA  | NA                            | NA                                 |

## **Independent Auditor's Report**

To the Members of Hira Ferro Alloys Limited

### **Report on the Audit of the Standalone Financial Statements**

#### Opinion

We have audited the standalone financial statements of Hira Ferro Alloys Limited ('the Company'), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), 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 (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2020, and the profit and total 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 Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 Responsibilities for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 in place an adequate internal financial controls system over financial reporting 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 ability of 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 auditors' report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

### **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 Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it 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 financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
- g) with respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in with accordance with the provisions of Section 197 of the Act; and

- h) 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, as amended, 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 standalone financial statements - Refer Note 37 to the standalone financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For JDS & Co  
(ICAI Firm Regn. No.018400C)  
Chartered Accountants

per OP Singhanian  
Partner  
Membership No.051909  
Raipur, 17<sup>th</sup> June, 2020  
UDIN: 20051909AAAAAO2777

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
  - b) As explained to us, property, plant & equipment 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 Note 3 on property, plant & equipment to the financial statements, are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act during the year, therefore, the provisions of (iii) (a) to (c) of clause 3 of the Order is not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Act 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 Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of section 73 to 76 of the Act and Rules framed there under to the extent notified; therefore the provisions of clause 3 (v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees'



state insurance, income tax, goods & services tax, duty of customs, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute other than the followings:

| Name of the Statute             | Nature of Dues  | Amount Rs.in Lacs | Forum where dispute is pending                       |
|---------------------------------|---|-------------------|--|
| Central Sales Tax Act,1956      | Demand of Central Sales Tax for the F.Y. 1997-98  | 2.62              | Board of Revenue, Raipur                             |
| Central Sales Tax Act,1956      | Demand of Central Sales Tax for the F.Y. 1994-95  | 0.72              | Board of Revenue, Raipur                             |
| Central Sales Tax Act, 1956     | Demand of Central Sales Tax for the F.Y. 1995-96  | 1.64              | Board of Revenue, Raipur                             |
| Central Sales Tax Act, 1956     | Demand of Entry Tax for the F.Y.2009-10   | 6.94*             | Before the Deputy Comm. Appeal, Raipur               |
| C.G. Commercial Tax Act, 1994   | Demand of Entry Tax for the F.Y. 2006-07  | 3.26*             | Dy.Commissioner, Commercial Taxes Appeals, Raipur    |
| C.G. Commercial Tax Act, 1994   | Demand of Value Added Tax for the F.Y. 2013-14  | 3.25*             | Dy.Commissioner, Commercial Taxes Appeals, Raipur    |
| C.G. Commercial Tax Act, 1994   | Demand of Entry Tax for the F.Y. 2008-09  | 14.03*            | Dy.Commissioner, Commercial Taxes Appeals, Raipur    |
| C.G. Commercial Tax Act, 1994   | Demand of Entry Tax for the F.Y. 2010-11  | 6.05*             | Addl. Commissioner, Commercial Taxes Appeals, Raipur |
| C.G. Commercial Tax Act, 1994   | Demand of Entry Tax for the F.Y. 2012-13  | 10.46*            | Dy.Commissioner, Commercial Taxes Appeals, Raipur    |
| Central Excise Act,1944         | Demand raised of CENVAT Credit availed on Capital Goods for the F.Y. 1995-96                                      | 5.56              | High Court of Chhattisgarh, Bilaspur                 |
| Central Excise Act,1944         | Demand of Cenvat Credit availed on inputs used in construction of Ferro alloys Unit during February to Nov., 2008 | 72.34             | Commissioner, Central Excise & Customs, Raipur       |
| Chhatisgarh Upkar Adhinyam 1981 | Energy Development Cess   | 2020.82           | Supreme Court  |

\*Net of amount deposited under protest or otherwise.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order is 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 Order is not applicable to the company.
- (xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (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 Order is 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 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 Order is 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 Order is 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 Order is not applicable to the company.

**For JDS & Co**

(ICAI Firm Regn. No.018400C)

Chartered Accountants

per OP Singhania

Partner

Membership No.051909

Raipur, 17<sup>th</sup> June, 2020

UDIN: 20051909AAAAAO2777

## **Annexure - B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hira Ferro Alloys Limited (the "Company") as of 31 March 2020 in conjunction with our audit of the standalone 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 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 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 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.

### **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 standalone 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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 2020, 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 ICAI.

### **For JDS & Co**

(Firm Regn. No.018400C)

Chartered Accountants

### **per OP Singhania**

Partner

Membership No.051909

Raipur, 17<sup>th</sup> June, 2020

UDIN: 20051909AAAAAO2777

| Particulars  | Note | 31.03.2020<br>(Amount in INR) | 31.03.2019<br>(Amount in INR) |
|--|------|-------------------------------|-------------------------------|
| <b>ASSETS</b>  |      |                               |                               |
| <b>(1) Non-current Assets</b>  |      |                               |                               |
| (a) Property, Plant & Equipment  | 3    | 1034816024                    | 1054666631                    |
| (b) Capital work-in-progress   |      | 4532998                       | 4393444                       |
| (c) Other Intangible Assets  | 4    | 233589                        | 312413                        |
| <b>(d) Financial Assets</b>  |      |                               |                               |
| (i) Investments  | 5    | 386305285                     | 533417331                     |
| (ii) Other financial assets  | 6    | 2066000                       | 20000                         |
| (e) Other Non- current Assets  | 7    | 32340932                      | 60183073                      |
|  |      | <b>1460294828</b>             | <b>1652992892</b>             |
| <b>(2) Current Assets</b>  |      |                               |                               |
| (a) Inventories  | 8    | 515168350                     | 489183201                     |
| <b>(b) Financial Assets</b>  |      |                               |                               |
| (i) Trade receivables  | 9    | 299351455                     | 79795683                      |
| (ii) Cash & cash equivalents   | 10   | 1521212                       | 2479284                       |
| (iii) Bank balances other than Cash and cash equivalents mentioned above                 | 10   | 47193431                      | 38705323                      |
| (iv) Loans   | 11   | 47743774                      | 68895953                      |
| (c) Current Tax Assets (Net)   |      | 1627213                       | 3376882                       |
| (d) Other Current Assets   | 12   | 267514835                     | 263560929                     |
|  |      | <b>1180120269</b>             | <b>945997255</b>              |
|  |      | <b>2640415097</b>             | <b>2598990147</b>             |
| <b>TOTAL ASSETS</b>  |      |                               |                               |
| <b>EQUITY AND LIABILITIES:</b>   |      |                               |                               |
| <b>Equity</b>  |      |                               |                               |
| (a) Equity Share capital   | 13   | 195885000                     | 195885000                     |
| (b) Other Equity   |      | 1192127037                    | 1300573435                    |
| <b>Liabilities</b>   |      |                               |                               |
| <b>(1) Non-current Liabilities :</b>   |      |                               |                               |
| <b>(a) Financial Liabilities</b>   |      |                               |                               |
| - Borrowings   | 14   | 129266347                     | 79382623                      |
| (b) Provisions   | 15   | 15293166                      | 13409360                      |
| (c) Deferred tax liabilities (Net)   | 16   | 27078709                      | 30138855                      |
|  |      | <b>1559650259</b>             | <b>1619389272</b>             |
| <b>(2) Current Liabilities</b>   |      |                               |                               |
| <b>(a) Financial Liabilities</b>   |      |                               |                               |
| (i) Borrowings   | 17   | 204557300                     | 334442460                     |
| (ii) Trade Payables  |      |                               |                               |
| - total outstanding dues of mirco enterprises and small enterprises                      |      | 431290                        | 563381                        |
| - total outstanding dues of creditors other than mirco enterprises and small enterprises |      | 405993796                     | 407964223                     |
| (iii) Other financial liabilities  | 18   | 193543684                     | 9398858                       |
| (b) Other current liabilities  | 19   | 273814658                     | 225002845                     |
| (c) Provisions   | 20   | 2424110                       | 2229108                       |
|  |      | <b>1080764838</b>             | <b>979600875</b>              |
|  |      | <b>2640415097</b>             | <b>2598990147</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      |                               |                               |

SIGNIFICANT ACCOUNTING POLICIES 2  
 THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached

**For JDS & Co**  
 (Firm Regn.No.018400C)  
 Chartered Accountants

**For and on behalf of the Board of Directors of  
 Hira Ferro Alloys Limited**

**O.P. SINGHANIA**  
 Partner  
 Membership No. 051909

**N. P. AGRAWAL**  
 Managing Director

**Y.C. RAO**  
 Director

Place : Raipur  
 Date : 17.06.2020

**MOHIT CHANDE**  
 Company Secretary

**DILIP CHAUHAN**  
 CFO

**Hira Ferro Alloys Limited**  
**Statement of Profit and loss for the year ended 31st March 2020**



| Particulars  | Note | 31.03.2020<br>(Amount in INR) | 31.03.2019<br>(Amount in INR) |
|--|------|-------------------------------|-------------------------------|
| I. Revenue from operations   | 21   | 3017748795                    | 2666587564                    |
| II. Other income   | 22   | 16691363                      | 14220392                      |
| <b>III. Total Revenue (I + II)</b>   |      | <b>3034440158</b>             | 2680807956                    |
| <b>IV. Expenses:</b>   |      |                               |                               |
| Cost of raw materials consumed   | 23   | 1902652226                    | 1599383308                    |
| Purchases of traded goods  |      | 27393239                      | 23393109                      |
| Changes in inventories of finished goods and Stock-in-Trade                | 24   | (73495555)                    | (27931705)                    |
| Employee benefits expense  | 25   | 115741155                     | 101007216                     |
| Finance costs  | 26   | 52071637                      | 64020727                      |
| Depreciation and amortization expense                                      | 27   | 62524395                      | 57435467                      |
| Other expenses   | 28   | 904800161                     | 842221109                     |
| <b>Total Expenses</b>  |      | <b>2991687257</b>             | 2659529232                    |
| <b>V. Profit Before Tax (III - IV)</b>                                     |      | <b>42752901</b>               | 21278724                      |
| <b>VI. Tax expense:</b>  |      |                               |                               |
| (1) Current tax  |      | 6741777                       | 3757369                       |
| (2) Deferred Tax   |      | (2269713)                     | (20151387)                    |
|  |      | 4472064                       | (16394018)                    |
| <b>VII. Profit for the year (V - VI)</b>                                   |      | <b>38280837</b>               | 37672742                      |
| <b>VIII. Other comprehensive income for the year</b>                       |      |                               |                               |
| <b>Items that will not be reclassified to profit or loss</b>               |      |                               |                               |
| Re-measurement gain/(loss) on defined benefit plans                        |      | (405620)                      | (215074)                      |
| Income tax relating to items that will not be classified to profit or loss |      | 112843                        | (9956)                        |
| <b>Items that will be reclassified to profit or loss</b>                   |      |                               |                               |
| Profit/(loss) on Fair value of financial assets                            |      | (147112047)                   | (238818682)                   |
| Income tax relating to items that will be classified to profit or loss     |      | 677590                        | 6364674                       |
|  |      | (146727234)                   | (232679039)                   |
| <b>IX. TOTAL COMPREHENSIVE INCOME FOR THE YEAR. NET OF TAX (VII+VIII)</b>  |      | <b>(108446397)</b>            | (195006297)                   |
| <b>X. Earnings per equity share:</b>                                       | 29   |                               |                               |
| Basic  |      | 1.95                          | 1.92                          |
| Diluted  |      | 1.95                          | 1.92                          |

SIGNIFICANT ACCOUNTING POLICIES 2  
 THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As per our report of even date attached

**For JDS & Co**  
 (Firm Regn.No.018400C)  
 Chartered Accountants

**For and on behalf of the Board of Directors of  
 Hira Ferro Alloys Limited**

**O.P. SINGHANIA**  
 Partner  
 Membership No. 051909

**N. P. AGRAWAL**  
 Managing Director

**Y. C. RAO**  
 Director

Place : Raipur  
 Date : 17.06.2020

**MOHIT CHANDE**  
 Company Secretary

**DILIP CHAUHAN**  
 CFO

| PARTICULARS   | Year ended<br>31.03.2020<br>(Amount in INR) | Year ended<br>31.03.2019<br>(Amount in INR) |
|---|---|---|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>   |   |   |
| Net Profit before tax   | 42,752,901                                  | 21,278,724                                  |
| <b>Adjustments to reconcile profit before tax to cash generated by operating activities</b> |   |   |
| Depreciation and amortization expense   | 62,524,395                                  | 57,435,467                                  |
| Finance Costs   | 52,071,637                                  | 64,020,727                                  |
| Provision for Gratuity  | 1,673,188                                   | 1,662,887                                   |
| Allowances for doubtful debts   | 1,393,217                                   | 1,537,307                                   |
| Interest Income   | (16,411,563)                                | (12,704,279)                                |
| (Profit) / Loss on sale of property, plant & equipment (PPE)                                | 943,530                                     | -   |
| <b>Changes in assets and liabilities</b>  |   |   |
| Trade Receivables   | (220,948,988)                               | 75,325,040                                  |
| Inventories   | (25,985,149)                                | (21,781,510)                                |
| Trade Payables  | (2,102,517)                                 | (37,697,172)                                |
| Loans and advances and other assets   | 45,040,415                                  | (15,664,658)                                |
| Liabilities and provisions  | 237,252,791                                 | 43,936,001                                  |
| Income Tax Paid (net of refund)   | (4,992,109)                                 | (10,679,997)                                |
| <b>NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES</b>                                    | <b>173,211,746</b>                          | 166,668,538                                 |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>   |   |   |
| (Increase)/decrease in PPE including Capital WIP  | (43,843,062)                                | (68,156,616)                                |
| Sale proceeds of PPE  | 165,013                                     | -   |
| Redemption/maturity of other bank balances  | (10,633,784)                                | 7,600,000                                   |
| Interest received   | 16,411,563                                  | 12,704,279                                  |
| <b>NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES</b>                                    | <b>(37,900,270)</b>                         | (47,852,337)                                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>   |   |   |
| Repayment of long-term borrowings   | 45,687,249                                  | 42,310,497                                  |
| Proceeds / (Repayment) from short-term borrowings   | (129,885,160)                               | (100,808,400)                               |
| Finance costs   | (52,071,637)                                | (64,020,727)                                |
| <b>NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES</b>                                    | <b>(136,269,549)</b>                        | (122,518,629)                               |
| <b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>                               | <b>(958,072)</b>                            | (3,702,429)                                 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD  | 2,479,284                                   | 6,181,713                                   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                                   | <b>1,521,212</b>                            | 2,479,284                                   |



| PARTICULARS  | Year ended<br>31.03.2020<br>(Amount in INR) | Year ended<br>31.03.2019<br>(Amount in INR) |
|--|---|---|
| (a) Cash and cash equivalent include the following : |   |   |
| Cash on Hand   | 458,903                                     | 481,355                                     |
| Balances with Scheduled banks                        | 1,062,309                                   | 1,997,929                                   |
|  | <b>1,521,212</b>                            | <b>2,479,284</b>                            |

- (b) Previous year figures have been recast/restated wherever  
(c) Figures in brackets represent outflows.

As Per Our Report Of Even Date Attached

**For and on behalf of the Board of Directors of  
Hira Ferro Alloys Limited**

**For JDS & Co**  
(Firm Regn.No.018400C)  
Chartered Accountants

**O.P. SINGHANIA**  
**Partner**  
Membership No. 051909

**N. P. AGRAWAL**  
Managing Director

**Y. C. RAO**  
Director

Place : Raipur  
Date :17.06.2020

**MOHIT CHANDE**  
Company Secretary

**DILIP CHAUHAN**  
CFO

## Statement of changes in Equity as at 31st March, 2020

| Particulars  | Equity Share Capital | Other Equity               |                    |                            |  |  | Total Equity Attributable to equity holders of the Company |
|--|----------------------|----------------------------|--------------------|----------------------------|--|--|--|
|  |                      | Reserve & Surplus          |                    | Other comprehensive income |  |  |  |
|  |                      | Securities Premium Reserve | General Reserve    | Retained Earnings          | Re-measurement gain/(loss) on defined benefit plans, net of tax effect | Fair value of financial assets through OCI, net of tax |  |
| <b>Balance as of April 1, 2019</b>   | 195,885,000          | 1,042,000                  | 124,801,310        | 1,020,303,973              | (1,111,400)  | 155,537,552  | 1,496,458,435  |
| Profit/(loss) for the year   |                      |                            |                    | 38,280,837                 |  |  | 38,280,837   |
| <b>Other Comprehensive Income/(Loss) for the year</b>                        |                      |                            |                    |                            |  |  |  |
| - Re-measurement gain/(loss) on defined benefit plans (net of taxes)         |                      |                            |                    |                            | (292,777)  |  | (292,777)  |
| - Profit/(loss) on Fair value of Financial assets through OCI (net of taxes) |                      |                            |                    |                            |  | (146,434,457)  | (146,434,457)  |
| <b>Balance as of March 31st, 2020</b>  | <b>195,885,000</b>   | <b>1,042,000</b>           | <b>124,801,310</b> | <b>1,058,584,810</b>       | <b>(1,404,177)</b>   | <b>9,103,095</b>                                       | <b>1,388,012,037</b>                                       |

\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For and on behalf of the Board of Directors of Hira Ferro Alloys Limited

**For JDS & Co**

(Firm Regn.No.018400C)  
Chartered Accountants

**O. P. SINGHANIA**  
Partner

Membership No. 051909  
Place : Raipur  
Date :17.06.2020

**N. P. AGRAWAL**  
Managing Director

**MOHIT CHANDE**  
Company Secretary

**Y C RAO**  
Director

**DILIP CHAUHAN**  
CFO

**Hira Ferro Alloys Limited**  
**Statement of changes in Equity as at 31st March, 2019**



| Particulars  | (Amount in INR)         |                      |                      |   |   |                    | Total Equity<br>Attributable to<br>equity holders<br>of the Company |
|--|-------------------------|----------------------|----------------------|---|---|--------------------|---|
|  | Equity Share<br>Capital | Other Equity         |                      |   | Other comprehensive income                                      |                    |   |
|  |                         | Reserve & Surplus    | Retained<br>Earnings | Re-<br>measurement<br>gain/(loss) on<br>defined<br>benefit plans,<br>net of tax<br>effect | Fair value of<br>financial<br>assets through<br>OCI, net of tax |                    |   |
|  | Securities<br>Premium*  | General<br>Reserve** |                      |   |   |                    |   |
| <b>Balance as of April 1, 2018</b>   | 195,885,000             | 1,042,000            | 124,801,310          | 982,631,231   | (886,370)   | 387,991,561        | 1,691,464,731   |
| Profit/(loss) for the year   |                         |                      |                      | 37,672,742  |   |                    | 37,672,742  |
| <b>Other Comprehensive Income/(Loss) for the year</b>                        |                         |                      |                      |   |   |                    |   |
| - Re-measurement gain/(loss) on defined benefit plans (net of taxes)         |                         |                      |                      |   | (225,030)   |                    | (225,030)   |
| - Profit/(loss) on Fair value of Financial assets through OCI (net of taxes) |                         |                      |                      |   |   | (232,454,009)      | (232,454,009)   |
| <b>Balance as of March 31st, 2019</b>  | <b>195,885,000</b>      | <b>1,042,000</b>     | <b>124,801,310</b>   | <b>1,020,303,973</b>  | <b>(1,111,401)</b>  | <b>155,537,552</b> | <b>1,496,458,435</b>  |

\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

**For and on behalf of the Board of Directors of Hira Ferro Alloys Limited**

**For JDS & Co**  
(Firm Regn.No.018400C)  
Chartered Accountants

**OP SINGHANIA**  
Partner  
Membership No. 051909

Place : Raipur  
Date :17.06.2020

**N. P. AGRAWAL**  
Managing Director

**Y. C. RAO**  
Director

**MOHIT CHANDE**  
Company Secretary

**DILIP CHAUHAN**  
CFO

## 1. Corporate information

Hira Ferro Alloys Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. The company is mainly engaged in generation of electricity and manufacturing of Ferro Alloys.

## 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) The standalone financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments and Defined benefit plans - plan assets).

## 2.1 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company is in the business of generation of power and ferro alloys products and out of which renewable power generation of the company is considered to be an Essential Service and it was not affected due to lockdown. However, in view of higher volume of operations during the rest of the month and year, there was no major impact on financials of the Company for the year ended 31st March, 2020. As far as ferro alloys production is concerned, the plant was lockdown since 24th March, 2020 and as a result of lockdown the volume for the March, 2020 have been impacted in respect of ferro alloys products to some extent. Subsequently, in view of classification of iron & steel Industry as essential commodity, the Company has resumed operations effective from 24th April, 2020 after obtaining necessary approval from the appropriate Government agencies. The Company is taking full measure to protect the health & safety of the employees. Further the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the COVID-19 outbreak on the business and financial position of the Company is not likely to be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Company. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company continues to make repayment of loan on due dates and has not availed the moratorium in repayment of loans granted by the banks and including interest thereon. The Company is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

## 2.2 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia 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

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation at the end of each reporting period.

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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.

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.

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

Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

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 and amortisation**

- 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) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013.
- iii) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.
- iv) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery.
- v) Leasehold land is amortised annually on the basis of tenure of lease period.
- vi) Other Intangible assets are amortized over technically useful life of the assets.

**f) Income Taxes**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

**i) Current income tax**

The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generates taxable income.

**ii) Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**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

### Initial Recognition

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

### Subsequent measurement

#### Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

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

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

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

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

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

##### (iv) Financial liabilities

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

### Share capital

#### Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

### Derecognition of financial instruments

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

#### i) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

#### j) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**k) 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.

**l) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**m) Inventories :**

- i) Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at costs or net realizable value (NRV) whichever is lower. The cost is determined using Weighted average and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.
- ii) The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the net realisable value is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.
- iii) Cost of Raw Materials and stores & spares, Finished Goods & Goods in Process are computed on Weighted average basis.
- iv) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

**n) Revenue recognition**

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- i) Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- ii) Revenue from sales of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

**Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend income**

Dividend income is recognised when the company's right to receive payment is established, which is generally when shareholders approve the dividend.

**o) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**p) Foreign Currency Transactions**

- i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.



**q) Defined Benefit Plans**

- i) The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- ii) Remeasurement, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit and loss in subsequent periods.
- iii) Past service costs are recognised in profit or loss.

**r) Segment Reporting Policies****Identification of segments :**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products.

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii) Expenses that are directly identifiable with/allocable to segment are considered for determining segment results. Expenses that relate to company as a whole and not allocable to segment are included under unallocable expenditure.
- iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- iv) Segment results includes margin on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
- v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

**Inter segment Transfers :**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

**s) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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

**2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using 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.

**e) Measurement of defined benefit obligations**

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) Amortization of leasehold land**

The Company's lease asset classes primarily consist of leases for industrial land. The lease premium is the fair value of land paid by the Company to the state government at the time of acquisition and there is no liability at the end of lease term. The lease premium paid by the company has been amortized over the lease period on a systematic basis and classified under Ind AS 16 and therefore, the requirements of both Ind AS 116 and Ind AS 17 as to the period over which, and the manner in which, the right of use asset (under Ind AS 116) or the asset arising from the finance lease (under Ind AS 17) amortized are similar.

**2.3 NEW AND AMENDED STANDARDS**

During the year Ind AS 116 made effective from 01.04.2019 and several other amendments apply for the first time for the year ended 31.03.2020, but do not have an impact on the standalone financial statements of the company. The company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

**Hira Ferro Alloys Limited**


| <b>3. Property, plant &amp; equipment</b> | <b>Freehold Land</b> | <b>Leasehold Land</b> | <b>Site &amp; Land Development</b> | <b>Factory Shed &amp; Building</b> | <b>Plant &amp; Machinery</b> | <b>Furniture &amp; Fixtures</b> | <b>Vehicles</b>   | <b>Grand Total</b>   |
|---|----------------------|-----------------------|------------------------------------|------------------------------------|------------------------------|---------------------------------|-------------------|----------------------|
| <b>Gross Block Carrying Value</b>         |                      |                       |                                    |                                    |                              |                                 |                   |                      |
| <b>At 1 April 2018</b>                    | 39,204,153           | 6,102,070             | 20,978,383                         | 136,063,571                        | 950,513,074                  | 12,260,399                      | 25,224,942        | 1,190,346,593        |
| Additions                                 | -                    | -                     | -                                  | 7,116,618                          | 107,981,095                  | -                               | 1,006,783         | 116,104,496          |
| Disposals                                 | -                    | -                     | -                                  | -                                  | -                            | -                               | -                 | -                    |
| <b>At 31 March, 2019</b>                  | 39,204,153           | 6,102,070             | 20,978,383                         | 143,180,189                        | 1,058,494,169                | 12,260,399                      | 26,231,725        | 1,306,451,089        |
| Additions                                 | 1,569,910            | -                     | -                                  | 203,799                            | 36,752,104                   | -                               | 5,177,694         | 43,703,507           |
| Disposals                                 | -                    | -                     | -                                  | -                                  | -                            | -                               | 1,260,058         | 1,260,058            |
| <b>At 31st March, 2020</b>                | <b>40,774,063</b>    | <b>6,102,070</b>      | <b>20,978,383</b>                  | <b>143,383,988</b>                 | <b>1,095,246,273</b>         | <b>12,260,399</b>               | <b>30,149,361</b> | <b>1,348,894,538</b> |
| <b>Depreciation</b>                       |                      |                       |                                    |                                    |                              |                                 |                   |                      |
| <b>At 1 April 2018</b>                    | -                    | 351,927               | -                                  | 17,170,608                         | 163,342,470                  | 6,811,283                       | 7,020,192         | 194,696,479          |
| Charge for the year                       | -                    | 113,539               | -                                  | 5,639,259                          | 48,885,097                   | 971,671                         | 1,478,411         | 57,087,978           |
| Disposals                                 | -                    | -                     | -                                  | -                                  | -                            | -                               | -                 | -                    |
| <b>At 31 March, 2019</b>                  | -                    | 465,466               | -                                  | 22,809,867                         | 212,227,567                  | 7,782,954                       | 8,498,603         | 251,784,458          |
| Charge for the year                       | -                    | 113,539               | -                                  | 5,639,305                          | 54,449,427                   | 612,996                         | 1,630,305         | 62,445,571           |
| Disposals                                 | -                    | -                     | -                                  | -                                  | -                            | -                               | 151,515           | 151,515              |
| <b>At 31st March, 2020</b>                | -                    | <b>579,005</b>        | -                                  | <b>28,449,172</b>                  | <b>266,676,994</b>           | <b>8,395,950</b>                | <b>9,977,394</b>  | <b>314,078,514</b>   |
| <b>Net Block</b>                          |                      |                       |                                    |                                    |                              |                                 |                   |                      |
| <b>At 31 March, 2019</b>                  | 39,204,153           | 5,636,604             | 20,978,383                         | 120,370,322                        | 846,266,602                  | 4,477,445                       | 17,733,121        | 1,054,666,631        |
| <b>At 31st March, 2020</b>                | <b>40,774,063</b>    | <b>5,523,065</b>      | <b>20,978,383</b>                  | <b>114,934,817</b>                 | <b>828,569,280</b>           | <b>3,864,449</b>                | <b>20,171,967</b> | <b>1,034,816,024</b> |

| <b>4. Other Intangible assets</b> | <b>Computer software</b> | <b>Total</b>     |
|-----------------------------------|--------------------------|------------------|
| <b>Carrying Value</b>             |                          |                  |
| <b>At 1 April 2018</b>            | 1,694,489                | 1,694,489        |
| Purchase                          | -                        | -                |
| <b>At 31 March, 2019</b>          | 1,694,489                | 1,694,489        |
| Purchase                          | -                        | -                |
| <b>At 31st March, 2020</b>        | <b>1,694,489</b>         | <b>1,694,489</b> |
| <b>Amortization/adjustment</b>    |                          |                  |
| <b>At 1 April 2018</b>            | 1,034,587                | 1,034,587        |
| Charge for the year               | 347,489                  | 347,489          |
| Adjustment for the year           | -                        | -                |
| <b>At 31 March, 2019</b>          | 1,382,076                | 1,382,076        |
| Charge for the year               | 78,824                   | 78,824           |
| Adjustment for the year           | -                        | -                |
| <b>At 31st March, 2020</b>        | <b>1,460,900</b>         | <b>1,460,900</b> |
| <b>Net Value</b>                  |                          |                  |
| <b>At 31 March, 2019</b>          | 312,413                  | 312,413          |
| <b>At 31st March, 2020</b>        | <b>233,589</b>           | <b>233,589</b>   |

| <b>Note 5</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|--|-----------------------------|----------------------|
| <b>NON CURRENT INVESTMENTS - FINANCIAL ASSET</b>   | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>A. Investments in Equity Instruments;</b>   |                             |                      |
| <b>Carried at Fair Value through OCI</b>   |                             |                      |
| <b>Quoted</b>  |                             |                      |
| 1200000 (1200000) Equity Shares of Rs.10/- each in Godawari Power and Ispat Ltd.*                                    | <b>125,580,000</b>          | 277,800,000          |
| <b>Unquoted</b>  |                             |                      |
| 80100 (80100) Equity Shares of Rs. 10/- each in Hira Cement Ltd.   | <b>3,214,013</b>            | 3,818,768            |
| 10000 (10000) Equity Shares of Rs.10/- each in Hira Energy Ltd   | <b>146,900</b>              | 146,900              |
| 510 (510) Equity Shares of Rs.10/- each in Vimla infrastructure (I) P. Ltd.  | <b>1,915,392</b>            | 1,915,392            |
| 397000 (397000) Equity Shares of Rs.10/- each in Alok Ferro Alloys Ltd   | <b>35,695,699</b>           | 37,772,168           |
| <b>B Investments in Preference Instruments;</b>  |                             |                      |
| <b>Carried at Fair Value through OCI</b>   |                             |                      |
| <b>Unquoted</b>  |                             |                      |
| 1800000 (1800000) 9% Optionally Convertible Cumulative Pref. Share of Rs.100/- each in Godawari Green Energy Limited | <b>219,753,281</b>          | 211,964,104          |
|  | <b>386,305,285</b>          | 533,417,331          |
| <b>Investments carried at fair value through OCI</b>   |                             |                      |
| Aggregate amount of quoted investments and market value thereof  | <b>125,580,000</b>          | 277,800,000          |
| Aggregate amount of Unquoted investments   | <b>260,725,285</b>          | 255,617,331          |
| <b>Investments given as security</b>   |                             |                      |
| * pledged for the credit facilities sanctioned to other company.   |                             |                      |
| <b>Note 6</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
| <b>OTHER FINANCIAL ASSETS</b>  | <b>(Amount in INR)</b>      | (Amount in INR)      |
| Unsecured, considered good   |                             |                      |
| Other Non current bank balances having maturity for more than 12 months  | <b>2,066,000</b>            | 20,000               |
|  | <b>2,066,000</b>            | 20,000               |
| <b>Note 7</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
| <b>OTHER NON-CURRENT ASSETS</b>  | <b>(Amount in INR)</b>      | (Amount in INR)      |
| Advances other than capital advances   |                             |                      |
| Unsecured, considered good   |                             |                      |
| Deposits with Govt. & Others   | <b>32,340,932</b>           | 60,183,073           |
|  | <b>32,340,932</b>           | 60,183,073           |
| <b>Note 8</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
| <b>INVENTORIES</b>   | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>(valued at lower of cost and net realisable value)</b>  |                             |                      |
| (a) Raw Material   | <b>338,873,265</b>          | 383,512,047          |
| (b) Finished goods & By-products   | <b>109,300,609</b>          | 54,981,329           |
| (c) Stock-in-Trade   | <b>19,471,168</b>           | 294,892              |
| (d) Stores and spares  | <b>47,523,308</b>           | 50,394,933           |
|  | <b>515,168,350</b>          | 489,183,201          |

| <b>Note 9</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019   |
|--|-----------------------------|------------------------|
| <b>TRADE RECEIVABLES</b>   | <b>(Amount in INR)</b>      | <b>(Amount in INR)</b> |
| <b>Unsecured, considered good</b>                                |                             |                        |
| Trade Receivables considered good- Unsecured                     | <b>299,351,454</b>          | 79,795,683             |
| Trade Receivables which have significant increase in Credit Risk | <b>5,003,164</b>            | 3,609,947              |
| Trade Receivables - credit impaired                              | <b>6,445,739</b>            | 6,445,739              |
|  | <b>310,800,357</b>          | 89,851,369             |
| Less: Provision for doubtful & expected credit loss              | <b>11,448,903</b>           | 10,055,686             |
|  | <b>299,351,455</b>          | 79,795,683             |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

| <b>Note 10</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019   |
|---|-----------------------------|------------------------|
| <b>BANK, CASH &amp; CASH EQUIVALENT</b>   | <b>(Amount in INR)</b>      | <b>(Amount in INR)</b> |
| <b>Cash &amp; cash equivalent</b>   |                             |                        |
| (a) Balances with banks   |                             |                        |
| In current accounts   | <b>1,062,309</b>            | 1,997,929              |
| (b) Cash on hand  | <b>458,903</b>              | 481,355                |
|   | <b>1,521,212</b>            | 2,479,284              |
| <b>Other bank balances</b>  |                             |                        |
| On unpaid dividend (Refer Notes below- 1)   | <b>233,431</b>              | 333,107                |
| FDR with Bank (with original maturity of More than three months but less than twelve months) (Refer Note below-2) | <b>46,960,000</b>           | 38,372,216             |
|   | <b>48,714,643</b>           | 41,184,608             |

**Notes:**

- Balance held by the company which are not available for use by it and there was no amount due and outstanding to be credited to the Investor Education and Protection Fund.
- Rs. 469.60 lacs (31st March 2019:Rs.383.72 lacs ) as margin money deposits are pledged with various banks for availing LC, BG,OD facilities and pledged with other Govt. Departments.

| <b>Note 11</b>                   | <b>As at March 31, 2020</b> | As at March 31, 2019   |
|----------------------------------|-----------------------------|------------------------|
| <b>LOANS - FINANCIAL ASSET</b>   | <b>(Amount in INR)</b>      | <b>(Amount in INR)</b> |
| <b>Other loans</b>               |                             |                        |
| Unsecured, considered good       |                             |                        |
| Loan to Body Corporates & Others | <b>47,743,774</b>           | 68,895,953             |
|                                  | <b>47,743,774</b>           | 68,895,953             |

| <b>Note 12</b>                              | <b>As at March 31, 2020</b> | As at March 31, 2019   |
|---|-----------------------------|------------------------|
| <b>OTHER CURRENT ASSETS</b>                 | <b>(Amount in INR)</b>      | <b>(Amount in INR)</b> |
| <b>Advances other than capital advances</b> |                             |                        |
| (i) Advance to vendors                      | <b>180,940,365</b>          | 161,256,964            |
| (ii) Prepaid expenses                       | <b>9,907,272</b>            | 1,090,185              |
| (iii) Balances with tax authorities         | <b>32,683,592</b>           | 37,534,998             |
| (iv) Deposit with Govt & Others             | <b>31,975,964</b>           | 51,024,491             |
| (v) Accrued Interest Income                 | <b>12,007,641</b>           | 12,654,290             |
|   | <b>267,514,835</b>          | 263,560,929            |

| NOTE 13<br>EQUITY SHARE CAPITAL  | As at 31st March 2020 |                 | As at 31st March 2019 |                 |
|--|-----------------------|-----------------|-----------------------|-----------------|
|  | No.                   | (Amount in INR) | No.                   | (Amount in INR) |
| <b>Authorised</b><br>20000000 equity shares of Rs.10/- each  | 20,000,000            | 200,000,000     | 20,000,000            | 200,000,000     |
| <b>Issued</b><br>19588500 Equity Shares of Rs. 10/- each   | 19,588,500            | 195,885,000     | 19,588,500            | 195,885,000     |
| <b>Subscribed and fully Paid-up shares</b><br>19588500 equity shares of Rs.10/- each fully paid-up | 19,588,500            | 195,885,000     | 19,588,500            | 195,885,000     |

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

##### Equity shares

| Particulars                                 | As at 31st March 2020 |                 | As at 31st March 2019 |                 |
|---|-----------------------|-----------------|-----------------------|-----------------|
|   | No.                   | (Amount in INR) | No.                   | (Amount in INR) |
| <b>At the beginning of the period</b>       | 19588500              | 195,885,000     | 19588500              | 195,885,000     |
| Issue during the period                     | -                     | -               | -                     | -               |
| <b>Outstanding at the end of the period</b> | 19588500              | 195,885,000     | 19588500              | 195,885,000     |

##### Terms/ rights attached to equity shares

a) 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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b) 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.

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

| Name of Shareholders                      | As at 31st March 2020 |           | As at 31st March 2019 |           |
|---|-----------------------|-----------|-----------------------|-----------|
|   | No. of shares         | % holding | No. of shares         | % holding |
| Equity shares of Rs. 10/- each fully paid |                       |           |                       |           |
| M/s Godawari Power & Ispat Limited        | 9,491,000             | 48.45     | 9491000               | 48.45     |
| Mr. Dinesh Agrawal                        | 1,078,000             | 5.50      | 1078000               | 5.50      |
| M/s Hira Infra-Tek Limited                | 4,454,621             | 22.74     | 4454621               | 22.74     |
|   | 15,023,621            | 76.70     | 15,023,621            | 76.70     |

(Amount in INR)

| Note 14<br>BORROWINGS                           | Effective<br>interest rate | Maturity | Non-Current Portion   |                       | Current Maturities    |                       |
|---|----------------------------|----------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |                            |          | As at 31st March 2020 | As at 31st March 2019 | As at 31st March 2020 | As at 31st March 2019 |
| <b>Term loans (Secured)</b>                     |                            |          |                       |                       |                       |                       |
| from banks                                      |                            |          |                       |                       |                       |                       |
| State Bank of India                             | 0.00%                      | 6-May-19 | -                     | -                     | -                     | 5147872               |
| <b>Other Loans</b>                              |                            |          |                       |                       |                       |                       |
| from bank & financial institutions<br>(secured) | 8.92%                      |          | 7545765               | 3775477               | 4077615               | 3126218               |
| from body corporates (unsecured)                |                            |          | 121720582             | 75607146              | -                     | -                     |
| <b>Total</b>                                    |                            |          | <b>129266347</b>      | <b>79382623</b>       | <b>4077615</b>        | <b>8274090</b>        |

**Security and terms & conditions for above loans:**

a) The term loans from banks aggregating to Rs.Nil lacs (Previous year Rs.51.48 lacs) (including current maturities of Rs.Nil (Previous year Rs 51.48 lacs) classified as Current maturities of long term debt in Note 18) were secured by first pari-passu charge on entire fixed assets of the company including wind mill and hypothecation of plant & machineries, equipments, furniture and fixtures, structures, other movable assets present and future and also charge over mortgage of land alongwith building etc on which charges has been duly discharged by the company. The Term Loans were further secured by second pari-passu by way of hypothecation of entire Current Assets consisting of Raw Materials, Finished Goods, Stores & Spares etc and Book Debts of the company ( present and future) and also secured by Personal Guarantee of Promoters / Directors.

b) Other Loans from bank & financial institution aggregating Rs.116.23 lacs (P.Y.Rs.Rs.69.02 Lacs) (including current maturities of Rs.40.78 lacs(P.Y.Rs.31.26 Lacs) classified as Current maturities of long term debt in Note 18) are secured by hypothecation of vehicles.

c) Other Loans & advances from body corporates are repayable for more than one year.

| <b>Note 15</b>                  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|---------------------------------|-----------------------------|----------------------|
| <b>PROVISIONS</b>               | <b>(Amount in INR)</b>      | (Amount in INR)      |
| Provision for employee benefits | <b>15,293,166</b>           | 13,409,360           |
|                                 | <b>15,293,166</b>           | 13,409,360           |

| <b>Note 16</b>  | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|---|-----------------------------|----------------------|
| <b>DEFERRED TAX LIABILITIES (NET)</b>                             | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>Deferred Tax Liabilities/(Assets)</b>                          |                             |                      |
| Temporary differences on account of PPE & Other intangible assets | <b>175,867,286</b>          | 177,332,605          |
| Temporary differences on account of Trade Receivable              | <b>(3,185,085)</b>          | (2,797,492)          |
| Temporary differences on account of Employee Benefits             | <b>(4,928,946)</b>          | (4,347,851)          |
| Unused MAT Credit   | <b>(120,051,671)</b>        | (125,449,767)        |
| Others  | <b>(20,622,875)</b>         | (14,598,640)         |
| <b>DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR</b> | <b>27,078,709</b>           | 30,138,855           |

| <b>RECONCILIATION OF DEFERRED TAX LIABILITIES (NET)</b>                           | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|---|-----------------------------|----------------------|
|   | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>Deferred Tax Liabilities</b>   |                             |                      |
| Deferred tax liability / (assets) at the beginning of the year                    | <b>30,138,855</b>           | 56,439,841           |
| Deferred tax liability / (assets) during the year on account of timing difference | <b>(8,458,242)</b>          | (1,304,585)          |
| MAT credit utilized for previous years  | -                           | 9,696,028            |
| Due to changes in tax rate  | -                           | (33,927,593)         |
| MAT Credit (arised)/ utilized   | <b>5,398,096</b>            | (764,836)            |
| <b>DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR</b>                 | <b>27,078,709</b>           | 30,138,855           |

| <b>Note 17</b>                              | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|---|-----------------------------|----------------------|
| <b>BORROWINGS</b>                           | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>Secured</b>                              |                             |                      |
| <b>From Banks (Secured)</b>                 |                             |                      |
| Working capital loans (repayable on demand) | <b>145,734,862</b>          | 273,696,343          |
| Bank Over draft facilities                  | -                           | 1,923,679            |
|   | <b>145,734,862</b>          | 275,620,022          |
| <b>Other loans and advances (Unsecured)</b> |                             |                      |
| Loans from Other Parties                    | <b>58,822,438</b>           | 58,822,438           |
|   | <b>58,822,438</b>           | 58,822,438           |
|   | <b>204,557,300</b>          | 334,442,460          |

Working Capital including Buyers credit limit from banks is secured against margin money deposits, investment property, Bank overdraft facility is secured against pledge of fixed deposit receipts with bank.

| <b>Note 18</b>                           | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|--|-----------------------------|----------------------|
| <b>OTHER FINANCIAL LIABILITIES</b>       | <b>(Amount in INR)</b>      | (Amount in INR)      |
| (a) Current maturities of long term debt | <b>4,077,615</b>            | 8,274,090            |
| (b) Interest accrued but not due         | <b>2,232,638</b>            | 791,661              |
| (c) Advance received                     | <b>187,000,000</b>          | -                    |
| (c) Unpaid Dividends                     | <b>233,431</b>              | 333,107              |
|  | <b>193,543,684</b>          | 9,398,858            |



| <b>Note 19</b>                           | <b>As at March 31, 2020</b> | As at March 31, 2019 |
|--|-----------------------------|----------------------|
| <b>OTHER CURRENT LIABILITIES</b>         | <b>(Amount in INR)</b>      | (Amount in INR)      |
| (a) Renewal Purchase Obligation          | <b>82,648,427</b>           | 69,049,327           |
| (b) Advance from Customers               | <b>27,418,528</b>           | 22,777,298           |
| (c) Other Payable                        | <b>163,747,703</b>          | 133,176,220          |
|  | <b>273,814,658</b>          | 225,002,845          |
| <b>Note 20</b>                           | <b>As at March 31, 2020</b> | As at March 31, 2019 |
| <b>PROVISIONS</b>                        | <b>(Amount in INR)</b>      | (Amount in INR)      |
| Provision for employee benefits          | <b>2,424,110</b>            | 2,229,108            |
|  | <b>2,424,110</b>            | 2,229,108            |
| <b>Note 21</b>                           | <b>2019-20</b>              | 2018-19              |
| <b>REVENUE FROM OPERATIONS</b>           | <b>(Amount in INR)</b>      | (Amount in INR)      |
| Sale of products                         |                             |                      |
| Manufacturing Goods and By-Products      | <b>2,106,039,199</b>        | 2,029,036,662        |
| Electricity                              | <b>897,734,353</b>          | 601,747,482          |
| Traded Goods                             | <b>10,431,380</b>           | 27,179,250           |
| Other operating revenues                 | <b>3,543,863</b>            | 8,624,170            |
| <b>Revenue from Operations (Gross)</b>   | <b>3,017,748,795</b>        | 2,666,587,564        |
| <b>Note 22</b>                           | <b>2019-20</b>              | 2018-19              |
| <b>OTHER INCOME</b>                      | <b>(Amount in INR)</b>      | (Amount in INR)      |
| <b>Interest Income on</b>                |                             |                      |
| Bank Deposits                            | <b>3,894,455</b>            | 2,935,120            |
| Others                                   | <b>12,517,108</b>           | 9,769,159            |
| Income from Duty Draw Back & FPS Licence | -                           | 650,006              |
| Other non-operating income               | <b>279,800</b>              | 866,107              |
|  | <b>16,691,363</b>           | 14,220,392           |

| <b>Note 23</b>  | <b>2019-20</b>         | <b>2018-19</b>         |
|---|------------------------|------------------------|
| <b>COST OF RAW MATERIAL CONSUMED</b>                            | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Inventory at the beginning of the year                          | <b>383,512,047</b>     | 388,011,008            |
| Add: purchases including procurement expenses (Net of Disposal) | <b>1,858,013,445</b>   | 1,594,884,347          |
|   | <b>2,241,525,492</b>   | 1,982,895,355          |
| Less : Inventory at the end of the year                         | <b>338,873,265</b>     | 383,512,047            |
| <b>Cost of raw material and components consumed</b>             | <b>1,902,652,226</b>   | 1,599,383,308          |

  

| <b>Note 24</b>   | <b>2019-20</b>         | <b>2018-19</b>         |
|--|------------------------|------------------------|
| <b>CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b> | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Inventories at the end of the year                                 |                        |                        |
| Finished Goods & By-products                                       | <b>109,300,609</b>     | 54,981,329             |
| Traded Goods   | <b>19,471,168</b>      | 294,892                |
|  | <b>128,771,777</b>     | 55,276,222             |
| Inventories at the beginning of the year                           |                        |                        |
| Finished Goods & By-products                                       | <b>54,981,329</b>      | 25,479,784             |
| Traded Goods   | <b>294,892</b>         | 1,864,733              |
|  | <b>55,276,222</b>      | 27,344,517             |
| <b>Increase/(Decrease) in Inventories</b>                          | <b>(73,495,555)</b>    | (27,931,705)           |

  

| <b>Note 25</b>                                 | <b>2019-20</b>         | <b>2018-19</b>         |
|--|------------------------|------------------------|
| <b>EMPLOYEE BENEFITS EXPENSE</b>               | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Salaries, incentives & Managerial Remuneration | <b>105,077,687</b>     | 90,769,559             |
| Contribution to provident and other fund       | <b>6,662,425</b>       | 7,048,999              |
| Gratuity Expense                               | <b>3,285,628</b>       | 2,845,048              |
| Workmen and staff welfare expenses             | <b>715,415</b>         | 343,610                |
|  | <b>115,741,155</b>     | 101,007,216            |

  

| <b>Note 26</b>       | <b>2019-20</b>         | <b>2018-19</b>         |
|----------------------|------------------------|------------------------|
| <b>FINANCE COST</b>  | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Interest             |                        |                        |
| - on term loans      | <b>596,251</b>         | 3,321,435              |
| - on working capital | <b>29,237,460</b>      | 32,837,829             |
| - on others          | <b>14,616,071</b>      | 18,274,894             |
| Bank charges         | <b>7,621,854</b>       | 9,586,569              |
|                      | <b>52,071,637</b>      | 64,020,727             |

  

| <b>Note 27</b>                              | <b>2019-20</b>         | <b>2018-19</b>         |
|---|------------------------|------------------------|
| <b>DEPRECIATION &amp; AMORTISATION</b>      | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Depreciation of Property, Plant & Equipment | <b>62,445,571</b>      | 57,087,978             |
| Amortisation of Other Intangible Assets     | <b>78,824</b>          | 347,489                |
|   | <b>62,524,395</b>      | 57,435,467             |

| <b>Note 28</b>  | <b>2019-20</b>         | <b>2018-19</b>         |
|---|------------------------|------------------------|
| <b>OTHER EXPENSES</b>   | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| Consumption of stores and spares  | 65,372,239             | 53,536,836             |
| Packing Material Consumed   | 10,518,115             | 7,977,032              |
| Power & Fuel  | 641,705,014            | 580,459,832            |
| Water Charges   | 3,424,221              | 1,786,926              |
| Material Handling & other manufacturing expenses  | 58,047,289             | 48,051,023             |
| Insurance   | 3,174,910              | 2,258,501              |
| Repairs and maintenance   |                        |                        |
| - Plant and machinery   | 29,095,410             | 51,737,621             |
| - Buildings   | 2,726,444              | 3,311,326              |
| - Others  | 5,914,654              | 3,148,625              |
| Rebate, shortage claims & other deductions  | 487,698                | 32,488                 |
| Commission  |                        |                        |
| - Other than Sole selling agents  | 2,345,926              | 2,022,975              |
| Travelling and conveyance   | 1,107,423              | 826,889                |
| Communication expenses  | 328,531                | 378,873                |
| Printing and stationery   | 464,363                | 610,388                |
| Legal and professional fees   | 5,244,959              | 3,991,839              |
| Directors' sitting fees   | 295,000                | 235,000                |
| Payment to Auditor (Refer details below)  | 750,000                | 750,000                |
| Security service charges  | 4,913,626              | 4,316,591              |
| Loss on Foreign Exchange fluctuation  | 3,733,616              | 3,969,246              |
| Loss on scrapping/sale of property, plant & equipment   | 943,530                | -                      |
| Renewal Purchase Obligation   | 13,599,100             | 11,566,723             |
| Allowances for Doubtful Debts   | 1,393,217              | 1,537,307              |
| Electricity Duty Obligations  | 22,686,924             | 19,605,430             |
| Carriage Outward  | 5,572,474              | 10,834,872             |
| Miscellaneous expenses  | 20,955,478             | 29,274,765             |
|   | <b>904,800,161</b>     | <b>842,221,109</b>     |
| <b>PAYMENTS TO AUDITOR</b>  | <b>2019-20</b>         | <b>2018-19</b>         |
|   | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| <b>As auditor:</b>  |                        |                        |
| Audit fee   | 600,000                | 600,000                |
| Tax Audit fee   | 150,000                | 150,000                |
|   | <b>750,000</b>         | <b>750,000</b>         |
| <b>Note 29</b>  | <b>2019-20</b>         | <b>2018-19</b>         |
| <b>EARNINGS PER SHARE (EPS)</b>   | <b>(Amount in INR)</b> | <b>(Amount in INR)</b> |
| <b>Net Profit/(loss) after tax as per Statement of Profit &amp; Loss attributable to Equity Shareholders</b>                            | <b>38,280,837</b>      | 37,672,742             |
| <b>Net Profit after tax (after prior period deferred tax) as per Statement of Profit &amp; Loss attributable to Equity Shareholders</b> | <b>38,280,837</b>      | 37,672,742             |
| Nominal Value of Equity Shares (Rs)   | 10                     | 10                     |
| Weighted average number of Equity Shares used as denominator for calculating basic EPS  | 19588500               | 19588500               |
| Weighted average number of Equity Shares used as denominator for calculating Diluted EPS  | 19588500               | 19588500               |
| Basic (Rs)  | 1.95                   | 1.92                   |
| Diluted (Rs)  | 1.95                   | 1.92                   |

### 30. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. **Defined Contribution Plan:**

Amount of Rs. 66.62 lacs (P.Y. Rs.70.49 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 25)

| Benefit (Contribution to): | (Rs. In lacs) |         |
|----------------------------|---------------|---------|
|                            | 2019-20       | 2018-19 |
| Provident and other fund   | 66.62         | 70.49   |
| Total                      | 66.62         | 70.49   |

b. **Defined benefit plan:**

**Gratuity:**

The Company provides for gratuity, a defined banefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 26 days salary for each completed year of service subject to a maximum of Rs. 20 lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

| Particulars  | Gratuity                |                         |
|--|-------------------------|-------------------------|
|  | 2019-20<br>(Non Funded) | 2018-19<br>(Non Funded) |
| <b>I Change in Present value of defined benefit obiligation during the year:</b> |                         |                         |
| Present value of defined benefit obiligation at the beginning of the year        | 156.38                  | 139.65                  |
| Interest Cost  | 10.38                   | 10.30                   |
| Current Service Cost   | 22.47                   | 18.15                   |
| Past Service Cost  | -                       | -                       |
| Benefit paid directly by employer  | (16.12)                 | (11.82)                 |
| Acturial Changes arising from changes in financial assumption                    | 12.46                   | 2.16                    |
| Acturial Changes arising from changes in expirience assumption                   | (8.40)                  | (2.06)                  |
| Present value of defined benefit obiligation at the end of the year              | 177.17                  | 156.38                  |
| <b>II Change in fair value of plan assets during the year:</b>                   |                         |                         |
| Fair value of plan assets at the beginning of the year                           | -                       | -                       |
| Contribution paid by the employer  | 16.12                   | 11.82                   |
| Benefit paid from the fund   | (16.12)                 | (11.82)                 |
| Fair value of plan assets at the end of the year                                 | -                       | -                       |
| <b>III Net asset / (liability) recognised in the balance sheet:</b>              |                         |                         |
| Present Valur of defined benefit obiligation at the end of the year              | 177.17                  | 156.38                  |
| Fair value of plan assets at the end of the year                                 | -                       | -                       |
| <b>Net asset / (liability) recognised in the balance sheet:</b>                  |                         |                         |
| Net asset / (liability) - Current  | 24.24                   | 22.29                   |
| Net asset / (liability) - Non Current  | 152.93                  | 134.09                  |
| <b>IV Expenses recognized in the statement of profit and loss for the year:</b>  |                         |                         |
| Current Service Cost   | 22.47                   | 18.15                   |
| Interest Cost on benefit obiligation (Net)                                       | 10.38                   | 10.30                   |
| Total expenses included in employee benefits exxpenses                           | 32.85                   | 28.45                   |

|   |   |  |
|---|---|--|
| <b>V Recognized in other comprehensive income for the year:</b>   |   |  |
| Actuarial Changes arising from changes in financial assumption  | <b>12.46</b>                                    | 2.16                                     |
| Actuarial Changes arising from changes in experience assumption   | <b>(8.40)</b>                                   | (2.06)                                   |
| Recognized in other comprehensive income for the year:  | <b>4.06</b>                                     | 0.10                                     |
| <b>VI Maturity profile of defined benefit obligation:</b>   |   |  |
| Within the next 12 months (next annual reporting period)  | <b>24.24</b>                                    | 22.29                                    |
| Between 2 and 5 years   | <b>51.65</b>                                    | 34.26                                    |
| Between 6 and 10 years  | <b>71.33</b>                                    | 76.71                                    |
| <b>VII Quantitative Sensitivity analysis for significant assumption is as below:</b>  |   |  |
| 1 1% point increase in discount rate  | <b>163.44</b>                                   | 144.75                                   |
| 1% point decrease in discount rate  | <b>193.02</b>                                   | 169.74                                   |
| 1% point increase rate of salary Increase   | <b>193.59</b>                                   | 170.32                                   |
| 1% point decrease rate of salary Increase   | <b>162.76</b>                                   | 144.10                                   |
| 1% point increase rate of employee turnover rate  | <b>163.44</b>                                   | 110.61                                   |
| 1% point decrease rate of employee turnover rate  | <b>193.02</b>                                   | 154.99                                   |
| <b>2 Sensitivity Analysis Method:</b>   |   |  |
| Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count. |   |  |
| <b>VIII Actuarial assumptions:</b>  |   |  |
| 1 Discount rate   | <b>7.00%</b>                                    | 7.70%                                    |
| 2 Salary escalation   | <b>6.00%</b>                                    | 6.00%                                    |
| 3 Mortality rate during employment  | <b>Indian Assured Lives Mortality (2006-08)</b> | Indian Assured Lives Mortality (2006-08) |
| 4 Mortality post retirement rate  | <b>Indian Assured Lives Mortality (2006-08)</b> | Indian Assured Lives Mortality (2006-08) |
| 5 Rate of Employee Turnover   | <b>1% to 8%</b>                                 | 1% to 8%                                 |

**Expected contribution to the defined plan for the next reporting period:**

**Notes:**

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.

**31. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.**

Investment made are given under the respective heads. Further the company has not given any guarantee.

|  |                   |               |
|--|-------------------|---------------|
| Loan given by the Company in respect of loans as at 31st March, 2020 |                   | (Rs. In lacs) |
| Name of Company  | <b>As at</b>      | As at         |
|  | <b>31.03.2020</b> | 31.03.2019    |
| Ghanshyam das Mundra   | <b>407.14</b>     | 625.48        |
| IGR Phenix Electron Pvt Ltd  | <b>70.30</b>      | 63.48         |
|  | <b>477.44</b>     | 688.96        |

### 32. RELATED PARTY DISCLOSURE

#### a) Related parties and their relationship :

##### a) Other Related Parties

- Godawari Power & Ispat Ltd.
- YBC Corporate Service LLP

##### b) Key Management Personnel

- |  |  |
|--|--|
| - Mr. N. P. Agrawal, Managing Director | -Mr. Biswajit Chaudhary, Non-Executive Director        |
| - Mr. Arvind Dubey, Director           | -Mr Brighru Nath Ojha, Non-Executive Director          |
| - Mr. Y.C. Rao, Director               | -Mr. Manohar Khatri, Director (Up to 26.09.2019)       |
| - Mr. Dilip Kumar Chauhan, CFO         | -Mr. Ajay Dubey, Additional Director (from 26.09.2019) |
| - Mr. Mohit Chande, CS                 |  |

(Rs. In lacs)

| b) Nature of Transactions                     | Other Related Parties |          | Key Managerial Personnel |        | Total    |          |
|---|-----------------------|----------|--------------------------|--------|----------|----------|
|   | 2020                  | 2019     | 2020                     | 2019   | 2020     | 2019     |
| 1. Purchase of Materials, Services and Others | 680.94                | 512.37   |                          |        | 680.94   | 512.37   |
| 2. Sale of Goods                              | 4,206.25              | 3,662.77 |                          |        | 4,206.25 | 3,662.77 |
| 3. Interest paid                              | 21.39                 | 12.40    |                          |        | 21.39    | 12.40    |
| 4. Purchase of Fixed Assets                   | -                     | 164.02   |                          |        | -        | 164.02   |
| 5. Director Sitting Fees                      | 2.95                  | 2.39     |                          |        | 2.95     | 2.39     |
| 6. Remuneration/Salary paid                   |                       |          | 170.29                   | 142.86 | 170.29   | 142.86   |
| 7. Balance Outstanding                        |                       |          |                          |        |          |          |
| Balance receivable                            | -                     | 144.10   |                          |        | -        | 144.10   |
| Balance payable                               | 1,862.83              | -        |                          |        | 1,862.83 | -        |

#### c) Details of Material Transaction with related parties

|  | 2020     | 2019     |
|--|----------|----------|
| <b>Purchase of Materials and Others</b>  |          |          |
| Godawari Power & Ispat Ltd               | 678.95   | 498.89   |
| <b>Sale of Power and Goods</b>           |          |          |
| Godawari Power & Ispat Ltd               | 4,206.25 | 3662.77  |
| <b>Service and Other Charges Paid</b>    |          |          |
| Godawari Power & Ispat Ltd               | 0.31     | 11.80    |
| YBC Corporate Service LLP                | 1.68     | 1.68     |
| <b>Purchase of Fixed Assets</b>          |          |          |
| Godawari Power & Ispat Ltd               | -        | 164.02   |
| <b>Interest paid on Security Deposit</b> |          |          |
| Godawari Power & Ispat Ltd               | 21.39    | 12.40    |
| <b>Remuneration/Salary Paid</b>          |          |          |
| Mr. N. P. Agrawal                        | 114.00   | 90.00    |
| Mr. Arvind Dubey                         | 17.99    | 17.13    |
| Mr. Manohar Khatri                       | 12.24    | 10.84    |
| Mr. Dilip Chauhan                        | 14.33    | 13.81    |
| Mr. Mohit Chande                         | 11.73    | 11.08    |
| <b>Directors Sitting Fees Paid</b>       |          |          |
| Mr. Biswajit Choudhuri                   | 1.10     | 1.08     |
| Mr Brighru Nath Ojha                     | 1.05     | 0.77     |
| Mr. Yarra Chandra Rao                    | 0.80     | 0.54     |
| <b>Balance Payable/(Receivable)</b>      |          |          |
| Godawari Power & Ispat Ltd               | 1,862.83 | (144.10) |

### 33. Segment-wise Revenue Results :

Basis of preparation :

- i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Ferro Alloys and Power have been identified as the business segments.
- ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

| Particulars  | (Rs. In lacs)            |                          |
|--|--------------------------|--------------------------|
|  | Year Ended<br>31.03.2020 | Year Ended<br>31.03.2019 |
| Particulars  |                          |                          |
| <b>Segment Revenue</b>   |                          |                          |
| Ferro Alloys   | 21197.44                 | 20640.60                 |
| Power  | 11313.21                 | 12834.62                 |
| <b>Total</b>   | <b>32510.64</b>          | <b>33475.22</b>          |
| Less: Inter-segment Sales  | 2333.16                  | 6809.34                  |
| <b>Total Income from Operations</b>  | <b>30177.49</b>          | <b>26665.88</b>          |
| Note: Revenue includes one customer from power segment which is more than 10% of Company's Total Revenue. During the year, total sales to one customer was Rs.3437.05 lacs where as in previous year no such customer was there. |                          |                          |
| <b>Segment Result</b>  |                          |                          |
| Ferro Alloys   | (1598.68)                | 1215.47                  |
| Power  | 2499.76                  | (397.17)                 |
| Unallocable income/(expenditure)   | 47.17                    | 34.69                    |
| <b>Profit before finance cost and tax</b>  | <b>948.25</b>            | <b>852.99</b>            |
| Less: Finance Cost   | 520.72                   | 640.21                   |
| <b>Profit before tax</b>   | <b>427.53</b>            | <b>212.79</b>            |
| Less: Tax expenses   | 44.72                    | (163.94)                 |
| <b>Profit after tax</b>  | <b>382.81</b>            | <b>376.73</b>            |
| <b>Segment Assets:</b>   |                          |                          |
| Ferro Alloys   | 8998.29                  | 9674.59                  |
| Power  | 11025.92                 | 8257.39                  |
| Unallocable  | 6379.94                  | 8057.92                  |
|  | <b>26404.15</b>          | <b>25989.90</b>          |
| <b>Segment Liabilities:</b>  |                          |                          |
| Ferro Alloys   | 5106.25                  | 4969.84                  |
| Power  | 1696.15                  | 1373.39                  |
| Unallocable  | 5721.63                  | 4682.10                  |
|  | <b>12524.03</b>          | <b>11025.32</b>          |
| <b>Depreciation/Amortisation:</b>  |                          |                          |
| Ferro Alloys   | 253.58                   | 218.99                   |
| Power  | 371.67                   | 355.36                   |
|  | <b>625.24</b>            | <b>574.35</b>            |
| <b>Capital Expenditure:</b>  |                          |                          |
| Ferro Alloys   | 332.46                   | 475.43                   |
| Power  | 105.97                   | 206.14                   |
|  | <b>438.43</b>            | <b>681.57</b>            |

### 34 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Price risk

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.

#### Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

#### Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

#### Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognised as income in the statement of profit and loss. The company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

#### Bank, Cash & cash equivalents

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|  | (Rs. In lacs)        |                      |
|--|----------------------|----------------------|
|  | 31st March 20        | 31st March 19        |
| Trade and other receivables  | 2,993.51             | 797.96               |
| Loans and advances   | 477.44               | 688.96               |
| Bank, Cash & cash equivalents  | 487.15               | 411.85               |
| <b>Impairment losses</b>   | <b>31st March 20</b> | <b>31st March 19</b> |
| Trade and other receivables (measured under life time excepted credit loss model ) |                      |                      |
| <b>Opening balance</b>   | <b>100.55</b>        | 85.18                |
| Provided during the year   | 13.93                | 15.37                |
| Reversal of provision  | -                    | -                    |
| <b>Closing balance</b>   | <b>114.48</b>        | 100.55               |



| <b>Ageing analysis</b> | <b>31st March 20</b> | <b>31st March 19</b> |
|------------------------|----------------------|----------------------|
| Upto 3 months          | 2,935.55             | 663.59               |
| 3-6 months             | 27.23                | 14.36                |
| More than 6 months     | 30.73                | 120.01               |
|                        | <b>2,993.51</b>      | <b>797.96</b>        |

No significant changes in estimation techniques or assumptions were made during the reporting period.

#### 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. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

|                      | <b>31st March 20</b> | <b>31st March 19</b> |
|----------------------|----------------------|----------------------|
| Cash Credit facility | 1,542.65             | 263.04               |

#### Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

|                              | (Rs. In lacs)           |                  |                 |
|------------------------------|-------------------------|------------------|-----------------|
| <b>As at 31st March 2020</b> | <b>Less than 1 year</b> | <b>1-5 years</b> | <b>Total</b>    |
| Borrowings                   | 2,086.35                | 1,292.66         | 3,379.01        |
| Trade payables               | 4,064.25                | -                | 4,064.25        |
| Other financial liabilities  | 1,894.66                | -                | 1,894.66        |
|                              | <b>8,045.26</b>         | <b>1,292.66</b>  | <b>9,337.92</b> |
| <b>As at 31st March 2019</b> | <b>Less than 1 year</b> | <b>1-5 years</b> | <b>Total</b>    |
| Borrowings                   | 3,427.17                | 793.83           | 4,220.99        |
| Trade payables               | 4,085.28                | -                | 4,085.28        |
| Other financial liabilities  | 11.25                   | -                | 11.25           |
|                              | <b>7,523.69</b>         | <b>793.83</b>    | <b>8,317.52</b> |

#### Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

| <b>a) Interest rate risk exposure</b> | (Rs. In lacs)        |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | <b>31st March 20</b> | <b>31st March 19</b> |
| Variable rate borrowings              | 1,457.35             | 2,807.68             |
| Fixed rate borrowings                 | 1,921.66             | 1,413.31             |

## b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

|  | (Rs. In lacs)                     |               |
|--|-----------------------------------|---------------|
|  | <b>Impact on profit after tax</b> |               |
|  | <b>31st March 20</b>              | 31st March 19 |
| Interest rates - increase by 70 basis points | <b>(10.20)</b>                    | (19.65)       |
| Interest rates - decrease by 70 basis points | <b>10.20</b>                      | 19.65         |

### PRICE RISK:

The entity is exposed to equity price risk, which arises out from FVTPL quoted equity shares and FVTOCI quoted and unquoted equity shares including preference instrument. The management monitors the proportion of equity securities in 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.

### Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are listed and not listed on the stock exchange. The impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of Rs. 77.26 lacs (2018-19: Rs. 106.68 lacs); an equal change in the opposite direction would have decreased profit and loss.

## 35 CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

ensure compliance with covenants related to its credit facilities; and

minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.

safeguard its ability to continue as a going concern

to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital. 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.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity

|                                     | <b>31st March 2020</b> | 31st March 2019 |
|-------------------------------------|------------------------|-----------------|
| Total long term debt                | <b>1,333.44</b>        | 876.57          |
| Less : Bank, Cash & cash equivalent | <b>484.81</b>          | 408.52          |
| <b>Net debt</b>                     | <b>848.63</b>          | 468.05          |
| Total equity                        | <b>13,880.12</b>       | 14,964.58       |
| <b>Net debt to equity ratio</b>     | <b>0.06</b>            | 0.03            |

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

### 36. 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 short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions 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 based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

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

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

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or 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

| (Rs. In lacs)   |                         |                |                |                |
|---|-------------------------|----------------|----------------|----------------|
|   | <b>Carrying Amount</b>  |                |                |                |
|   | <b>As at 31.03.2020</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| <b>Financial assets at amortised cost:</b>                                |                         |                |                |                |
| Trade receivables   | 2993.51                 | -              | -              | -              |
| Loans and other financial assets  | 498.10                  | -              | -              | -              |
| Cash and bank balances  | 487.15                  | -              | -              | -              |
| <b>Total</b>  | <b>3978.76</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Financial assets at fair value through other comprehensive income:</b> |                         |                |                |                |
| Investments   | 3863.05                 | 1255.80        | 2607.25        | -              |
| <b>Total</b>  | <b>3863.05</b>          | <b>1255.80</b> | <b>2607.25</b> | <b>-</b>       |
| <b>Financial liabilities at amortised cost:</b>                           |                         |                |                |                |
| Long term borrowings  | 1292.66                 | -              | -              | -              |
| Short term borrowings   | 2045.57                 | -              | -              | -              |
| Trade and other payables  | 4064.25                 | -              | -              | -              |
| Other financial liabilities (current)                                     | 1935.44                 | -              | -              | -              |
| <b>Total</b>  | <b>9337.92</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
|   | <b>Carrying Amount</b>  |                |                |                |
|   | <b>As at 31.03.2019</b> | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| <b>Financial assets at amortised cost:</b>                                |                         |                |                |                |
| Trade receivables   | 797.96                  | -              | -              | -              |
| Loans and other financial assets  | 689.16                  | -              | -              | -              |
| Cash and bank balances  | 411.85                  | -              | -              | -              |
| <b>Total</b>  | <b>1898.96</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Financial assets at fair value through other comprehensive income:</b> |                         |                |                |                |
| Investments   | 5334.17                 | 2778.00        | 2556.17        | -              |
| <b>Total</b>  | <b>5334.17</b>          | <b>2778.00</b> | <b>2556.17</b> | <b>-</b>       |
| <b>Financial liabilities at amortised cost:</b>                           |                         |                |                |                |
| Long term borrowings  | 793.83                  | -              | -              | -              |
| Short term borrowings   | 3344.42                 | -              | -              | -              |
| Trade and other payables  | 4085.28                 | -              | -              | -              |
| Other financial liabilities (current)                                     | 93.99                   | -              | -              | -              |
| <b>Total</b>  | <b>8317.52</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |

During the reporting period ending 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.

**37. Contingent Liabilities not provided for, are in respect of :-**

- |                        |  |
|------------------------|--|
| I. Central Excise Duty | Rs. 77.90 lacs (Previous Year Rs.86.07 lacs) |
| CST/VAT/Entry Tax      | Rs. 70.29 lacs (Previous Year Rs.63.92 lacs) |

In respect of above demands the Company has preferred Appeals before higher authorities.

- II. Counter Guarantees given against the bank guarantees issued by the companies banker aggregating to Rs.2138.04 lacs (P.Y.948.45 lacs).
- III. Disputed energy development cess demanded by the Chief Electrical Inspector. Govt of Chhattishgarh Rs. 2020.82 Lacs (PY.Rs. 1884.73 Lacs). The Hon'ble High court of Chhattishgarh has held the levy of cess as unconstitutional vide its order dtd 20th June 2008. The state government has filed a special leave petition before Hon'ble Supreme Court, which is pending for final disposal.

**38. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2020:**

|  | 2019-20 | 2018-19 |
|--|---------|---------|
| i) The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March,2020  |         |         |
| Principal Amount   | 4.31    | 5.63    |
| Interest   | 0.00    | 0.00    |
| ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March,2020 | 0.00    | 0.00    |
| iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)                                       | 0.00    | 0.00    |
| iv) The amount of interest accrued and remaining unpaid for the year ending 31st March,2020  | 0.00    | 0.00    |
| v) The amount of further interest remaining due and payable for the earlier years.   | 0.00    | 0.00    |

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

**39. Previous year figures are regrouped / rearranged wherever necessary.**

The accompanying notes are integral part of the financial statements.

As per our report of even date

**For JDS & Co**  
(Firm Regn.No.018400C)  
Chartered Accountants,

**For and on behalf of the Board of Directors of  
Hira Ferro Alloys Limited**

**OP SINGHANIA**  
**Partner**  
Membership No. 051909  
Place : Raipur  
Date :17.06.2020

**N. P. AGRAWAL**  
Managing Director

**Y. C. RAO**  
Director

**MOHIT CHANDE**  
Company Secretary

**DILIP CHAUHAN**  
CFO

## **NOTICE OF 36<sup>th</sup> ANNUAL GENERAL MEETING**

### **TO ALL THE MEMBERS OF HIRA FERRO ALLOYS LIMITED**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Hira Ferro Alloys Limited, will be held on Saturday, 26<sup>th</sup> day of September, 2020 at 11:30 AM (IST) through video conferencing (VC)/ other audio video means (OVAM) to transact the following businesses:

The proceedings of the Annual General Meeting ('AGM') shall be deemed to conducted at the Registered Office of the Company at 576B, Urla Industrial Area, Urla, Raipur 493221, which shall be deemed venue of the AGM.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements comprising of Balance Sheet as on 31<sup>st</sup> March, 2020 and Profit and Loss Account of the company for the year ended 31<sup>st</sup> March 2020 along with the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Arvind Kumar Dubey, having Director Identification Number 01075608, who retires by rotation and being eligible for reappointment, offers himself for reappointment.

#### **SPECIAL BUSINESS:**

3. To approve the appointment of Mr. Ajay Dubey (DIN: 01073809) as Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolutions:

“RESOLVED THAT pursuant to the provisions of Section 149,152, 160 and all other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) Mr. Ajay Dubey (DIN: 01073809), who was appointed as an Additional Director by the Board of Directors at its meeting held on September 26, 2019 pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this General Meeting as recommended by the Nomination and Remuneration Committee , be and is hereby appointed as Director of the Company, liable to retire by rotation.”

4. To approve the appointment of Ms. Bhavna Govindbhai Desai (DIN: 06893242) as Women Independent Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Special Resolutions:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Articles of Association of the company, Ms. Bhavna Govindbhai Desai (DIN: 06893242) who was appointed as an Additional Women Independent Director by the Board of Directors at its meeting held on August 07, 2020 pursuant to provisions of section 161 (1) of the Companies Act, 2013 and as recommended by the Nomination and Remuneration Committee and who has submitted a declaration that she meets the criteria for independence as provided in section 149 (6) of the Companies Act, 2013 be and is hereby appointed as Women Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from August 07, 2020 to August 06, 2025, whose period of office will not be liable to determination by retirement of directors by rotation.”

5. To approve the remuneration of the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2021 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolutions:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March , 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

**By Order of the Board**

**Mohit Chande (FCS-7144)**  
**Company Secretary**  
**567B, Urla Industrial Area**  
**Chhattisgarh 493221**

**Date: 07.08.2020**

## NOTES

1. In view of massive outbreak of Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with MCA General Circular No. 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA circulars, the AGM of the Company is being held through VC / OAVM. The Board of Directors of the Company has considered that the special business under Item Nos. 3 to 5, be transacted at the ensuing AGM of the Company.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
4. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 1800-222-990.
5. The Register of Members and share transfer books of the Company shall remain closed from 19<sup>th</sup> September, 2020 to 26<sup>th</sup> September, 2020 (both days inclusive) for the purpose of the Annual General Meeting (AGM) for the year ended 31<sup>st</sup> March, 2020.
6. In accordance with the MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31<sup>st</sup> March, 2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed there under, such



statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with RTA by following due procedure. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, a copy of the Notice of this AGM along with Annual Report for the Financial Year 2019-2020 is available on the website of the Company at **www.hiraferroalloys.com** and the AGM Notice is also available on the website of NSDL (agency for providing the e-voting facility) i.e. **www.evoting.nsdl.com**.

7. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto. Further the information under Secretarial Standard (SS-2) with respect to the details of the Directors seeking appointment/re-appointment are given in the additional information on Directors recommended for appointment/reappointment forming part of this notice.
8. The AGM is being held pursuant to the MCA circulars through VC/OVAM, physical attendance of Members has been dispensed with and the attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** Corporate/Institutional members are required to send a scanned copy of its Board or Governing Body resolution/authorization etc., authorizing its representative to attend the AGM through VC/OVAM to [office.csps@gmail.com](mailto:office.csps@gmail.com), Scrutinizer to cast their votes through e-voting.
9. The members can join the AGM in the VC/OVAM mode 30 minutes before and after the schedule time of the commencement of the meeting by following the procedure mentioned in the notice.
10. The facility of participation at the AGM through VC/OVAM will be made available to at least 1000 members on first come first serve basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.



11. Members holding shares in physical form are requested to advise any change in their registered address, E-mail address, Contact Numbers etc., to the Company's Registrar and Share Transfer Agent (RTA), Link Intime India Private Limited (LIPL), Mumbai quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address, E-mail address, Contact Number and bank particulars to their respective Depository Participant and not to the Company.
12. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.
13. The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such Investor Education and Protection Fund (IEPF) of the Central Government:

| <b>Year of Dividend</b> | <b>Date of Declaration</b> | <b>Due date for transfer to IEPF</b> |
|-------------------------|----------------------------|--------------------------------------|
| 2012-13                 | 28.09.2013                 | 27.10.2020                           |
| 2013-14                 | 27.09.2014                 | 26.10.2021                           |
| 2014-15                 | 19.09.2015                 | 18.10.2022                           |
| 2015-16                 | NA                         | NA                                   |
| 2016-17                 | NA                         | NA                                   |
| 2017-18                 | NA                         | NA                                   |
| 2018-19                 | NA                         | NA                                   |
| 2019-20                 | NA                         | NA                                   |

Further, the company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends which have been transferred to the credit of the Investor Education and Protection Fund of the Central Government under the provisions of section 125 of the Companies Act, 2013.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangements with National Securities Depository Limited (“NSDL”) as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
2. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. 19<sup>th</sup> September, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting on the day of AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this notice as intimation only.
3. The Notice of AGM and Annual Report for the financial year 2019-20 are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ RTA or the Depository Participant(s) as on 14<sup>th</sup> August, 2020. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 19<sup>th</sup> September, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
4. The e-voting period commences on 23<sup>rd</sup> September, 2020 (9:00 AM) and ends on 25<sup>th</sup> September, 2020 (05:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19<sup>th</sup> September, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
5. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 19<sup>th</sup> September, 2020. NSDL can made available link of inspection documents in shareholders dashboard so that shareholders can inspect them during the AGM period

6. CS Brajesh R. Agrawal, Practising Company Secretary (CP No. 5649 & Membership No. F5771) BR Agrawal & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**7. The instructions for e- voting as under:**

**Step 1:** Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

**Step 2:** Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

**Step 3:** A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**Step4:** Your User ID details are given below:

| S.no. | Manner of holding shares i.e. demat (NSDL User ID is : or CDSL) or Physical | Your User ID is :  |
|-------|---|--|
| a.    | For Members who hold shares in demat account with NSDL.                     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| b.    | For Members who hold shares in demat account with CDSL.                     | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c.    | For Members holding shares in Physical Form.                                | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

**Step5:** Your password details are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- (c) How to retrieve your ‘initial password’?

If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the.pdf file. The password to open the.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

**Step 6:** If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

**Step 7:** After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

**Step 8:** Now, you will have to click on “Login” button.

**Step 9:** After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [office.csps@gmail.com](mailto:office.csps@gmail.com) with a copy marked to [mohit.chande@hfal.in](mailto:mohit.chande@hfal.in) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [mohit.chande@hfal.in](mailto:mohit.chande@hfal.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [mohit.chande@hfal.in](mailto:mohit.chande@hfal.in).
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further

members can also use the OTP based login for logging into the e-voting system of NSDL.

- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before scheduled time of AGM mentioning their name, demat account number / folio number, email id, mobile number at mohit.chande@hfal.in and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- f) Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at mohit.chande@hfal.in from 19<sup>th</sup> September, 2020 (9.00 a.m. IST) to 24<sup>th</sup> September, 2020 (5.00 p.m.) Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM
- g) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

8. The Scrutinizer shall within a stipulated period from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

9. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizers Report shall be placed on the Company's website [www.hiraferroalloys.com](http://www.hiraferroalloys.com) and on the website of NSDL from the conclusion of AGM of the Company.

**By Order of the Board**

**Mohit Chande (FCS-7144)**  
**Company Secretary**  
**567B, Urla Industrial Area**  
**Chhattisgarh 493221**

**Date: 07.08.2020**



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item no. 3**

The Board of Directors upon recommendation of Nomination and Remuneration Committee, and pursuant to Section 149 & 152 of the Companies Act, 2013, at its meeting held on September 26, 2019, appointed Shri Ajay Dubey as an Additional Director (Non Executive) of the Company with effect from September 26, 2019. Under Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company, Shri Ajay Dubey holds office only up-to the date of the General Meeting of the Company and he shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Shri Ajay Dubey aged 57 years having 3 decades of experience in various capacities and he is looking after plant operations/maintenance of the Company including dealing with various State/Central Govt. Authorities/ Agencies etc. and having vast experience in the field of general administration.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 03. The Board recommends the resolution set forth in Item No. 03 of the notice for your approval as an ordinary resolution.

Details related to the appointment as a Director as specified in SS-2 is provided in Annexure to the notice.

### **Item no. 4**

Ms. Bhavna G. Desai aged 57 year, is a Bachelor in Commerce from Bombay University having over two decades of experience in shares and security market activities. She was associated as a partner with a firm M/s G. B. Desai which is engaged in the business of dealing with securities and Presently, associated with our group companies i.e. Godawari Power and Ispat Limited, Godawari Green Energy Limited and Ardent Steel Limited in the capacity of Independent Women Director.

The Board of Directors of the Company upon the recommendation of Nomination and Remuneration Committee and pursuant to section 149,152 & 160 has appointed her as an Independent Woman Additional Director in its meeting held on 07<sup>th</sup> August, 2020 and pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company,



she hold the office as Independent Woman Additional Director up to the date of the ensuing Annual General Meeting.

Ms. Bhavna G. Desai is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 (1) & (6) of the Act inter alia stipulates the criteria of Woman Director and independence for the appointment of an independent director on the Board of the Company. As per the said Section 149 (10) an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Bhavna G. Desai that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Ms. Bhavna G. Desai possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

In the opinion of the Board, Ms. Bhavna G. Desai fulfills the conditions for her appointment as a Women Independent Director as specified in the Act and she is independent of the management.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Bhavna G. Desai is appointed as a Woman Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Bhavna G. Desai as a Woman Independent Director, for approval by the shareholders of the Company.

Copy of the draft letter for appointment of Ms. Bhavna G. Desai as an Independent Director setting out the terms and conditions is available in the website of the company at [www.hirafferroalloys.com](http://www.hirafferroalloys.com).

Except Ms. Bhavna G. Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Details related to the appointment as a Women Independent Director as specified in SS-2 is provided in Annexure to the notice.

**Item no. 5**

The Board, on the recommendation of the Audit Committee, has approved the reappointment and remuneration of M/s Sanat Joshi & Associates, Cost Auditor having Firm Registration No. 000506 to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March , 2021 at a remuneration of Rs.45,000 ( P.Y.Rs.45,000/-).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**By Order of the Board**

**Mohit Chande (FCS-7144)**

**Company Secretary**

**Regd office : 567B, Urla Industrial Area,**

**Urla Raipur, Chhattisgarh 493221**

**Date: 07.08.2020**

**Particulars of Directors seeking appointment / reappointment/ Retiring by Rotation at the ensuing Annual General Meeting (In Pursuance of regulation Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India) :**

| <b>Name</b>  | <b>Mr. Arvind Kumar Dubey</b>  | <b>Mr. Ajay Dubey</b>   | <b>Ms. Bhavna Govindbhai Desai</b>  |
|--|--|---|---|
| <b>Age</b>   | 58 Years   | 57 Years  | 57 Years  |
| <b>Qualification</b>   | Commerce Graduate  | Post Graduate in Commerce (M. Com)  | Commerce Graduate   |
| <b>Experience in specific functional area</b>                                      | General Administration. And Plant Operation  | Operations/Maintenance Ferro Alloys plant and Administration                      | Shares and Securities Market  |
| <b>Date of Appointment on the Board of the Co.</b>                                 | 06.08.2011   | 26.09.2019  | 07.08.2020  |
| <b>Terms and conditions of appointment or re-appointment</b>                       | Remuneration in the slab of Rs. 75,000 to Rs. 1,25,000 per annum along with other perquisites. Sitting Fee will not be paid. | Since he is a Non-Executive Director, no terms of appointment were fixed.         | As per the resolution at Item No. 4 of the Notice convening Annual General Meeting dated 07.08.2020 read with explanatory statement thereto   |
| <b>Remuneration last drawn (including sitting fees for FY 2019-20, if any)</b>     | 17.99 Lacs   | NIL   | NIL   |
| <b>Remuneration proposed to be paid</b>  | 17.99 Lacs (Approx)  | NIL   | Sitting Fees shall be paid within the prescribed limits laid under the Companies Act, 2013  |
| <b>Nature of expertise in specific functional areas</b>                            | Over Three decades of experience in Plant Operations and Administration  | Over two decades of experience in Plant Operations/Maintenance and Administration | Over two decades of experience in shares and security market activities. She was associated as a partner with a firm M/s G. B. Desai which is engaged in the business of dealing with securities. |
| <b>Name(s) of other Listed entities in which the person holds the Directorship</b> | N.A.   | N.A.  | Godawari Power and Ispat Limited  |

|   |                                      |                                      |  |
|---|--------------------------------------|--------------------------------------|--|
| <b>*Chairman/Member of the Committee of the Board of Directors of the Company</b>                                 | CSR Committee – Member               | None                                 | None   |
| <b>*Chairman/ Member of the Committee of the Board of Directors of other Companies in which he is a Director.</b> | None                                 | None                                 | 1. Godawari Power and Ispat Limited as a Member of<br>a) Audit Committee<br>b) Stakeholder Relationship Committee<br>2. Ardent Steel Limited as Member of<br>a) Audit Committee<br>3. Godawari Green Energy Limited as Member of<br>a) Audit Committee<br>4. Chettinad Cement Corporation Private Limited as a Member of<br>a) Audit Committee |
| <b>No. of Shares held by the Directors</b>  | NIL                                  | NIL                                  | NIL  |
| <b>Relationship with Directors inter-se</b>   | None                                 | None                                 | None   |
| <b>No. of Board Meetings held/ attended during the FY 2019-20 and FY 2020-21</b>                                  | 3/5 (FY 2019-20)<br>1/3 (FY 2020-21) | 2/2 (FY 2019-20)<br>3/3 (FY 2020-21) | N.A. (FY 2019-20)<br>N.A. (FY 2019-20)   |

**REQUEST TO THE SHAREHOLDERS OF THE COMPANY  
WHO ARE HOLDING SHARES IN PHYSICAL MODE FOR CONVERSION OF THEIR  
PHYSICAL SHARES CERTIFICATE INTO DEMAT MODE AND  
UPDATE THEIR PAN AND BANK DETAILS ETC.**

Pursuant to the Notification G.S.R 853(E) dated September 10, 2018, the Ministry of Corporate Affairs (MCA) has mandated to hold securities in dematerialized mode for the purpose of effecting transfer of securities or subscribing to additional/ new securities, w.e.f. October 2, 2018.

Accordingly, the member is hereby requested to convert their shares from physical to Demat form at the earliest, in order to comply with the above provisions. The shareholder(s) who are not having DEMAT Account may open a DEMAT account with a Depository Participant (DP), registered with National Securities Depository Limited (NSDL) or with Central Depository Services Limited (CDSL). For the purpose of dematerialization, you are requested to contact your Depository Participant (DP) with whom you have opened your Demat Account and thereafter you may dematerialized your shares with the ISIN - INE573I01011 of the Company.

You may access FAQ on Transfer and Dematerialization of Shares from the link mentioned at CDSL <https://www.cdslindia.com/Investors/FAQs.html> and NSDL <https://nsdl.co.in/services/demat.php>

We also request you to complete the below mentioned documents / formalities and submit to the RTA immediately on receipt of this letter:

1. Self-attested copy of PAN Card of all the holders. In case of residents of Sikkim, please provide valid Identity proof issued by Government;
2. Original cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book first page);
3. Address proof: Aadhaar card or Passport or Utility bills like Telephone Bill, Electricity Bill, Gas Bill not more than 3 months old.
4. E-mail Address and Mobile Number for speedy communication etc.

We further request the members to kindly update their email Ids and contact number to obtain faster, accurate and complete communications from the Company.

In this connection, the company/RTA has sent letters to the shareholders, who are holding shares in physical mode.

In order to give effect to the above, the shareholders who hold physical shares certificate are requested to:

1. dematerialize your physical shares certificate as the Company shall not be able to entertain any request for transfer of securities in physical form after 2<sup>nd</sup> October, 2018 and,
2. Update your PAN & Bank Accounts details with M/s Link Intime India Private Limited, C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Contact No. 022 - 4918 6270 Toll-free number : 1800 1020 878 and email at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

Please note that if you have already forwarded the details/documents and/or dematerialized shares, please ignore this communication.

**TRANSFER OF SHARES IN RESPECT OF WHICH DIVIDEND HAS NOT BEEN CLAIMED  
FOR SEVEN CONSECUTIVE YEARS OR MORE TO THE INVESTOR EDUCATION AND  
PROTECTION FUND**

This is to inform you that pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, which have come into effect from 7th September, 2016, stipulates that shares on which dividend has not been encashed or claimed for seven consecutive years or more, then such shares are to be transferred to the Investor Education and Protection Fund (IEPF), a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

It has been noticed that some shareholders has not encashed the dividend warrants for last seven consecutive years commencing from the unpaid Final Dividend For The Year 2012-2013 on the equity shares held by them are as under:

Dividend for the year

Final Dividend For The Year 2012-2013

Final Dividend For The Year 2013-2014

Final Dividend For The Year 2014-2015

The unclaimed dividend(s), if any, prior to the year(s) mentioned above has already been transferred to the Investor Education and Protection Funds (IEPF), as required under Section 124(5) of the said Act.

To claim above unpaid dividend or in case you need any information/clarification, please write to or contact our RTA M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.: (022)-49186270, e-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). or the undersigned on Tel No.: 0771-4082746, e-mail: [mohit.chande@hfal.in](mailto:mohit.chande@hfal.in).

Please provide following details in all your communications:

1. Name of the Company, 2. Folio No. or DP and Client ID, 3. Name of shareholder, 4. Contact No., 5. Email ID. Also provide self-attested KYC documents of the shareholder like PAN, cancelled cheque leaf along with latest utility bill as address proof.

You are requested to claim unpaid dividend on or before 27.09.2020 failing which the shares and dividend amount for the year 2012-13 will be transferred to IEPF at appropriate date.

*After the shares & dividend have been transferred to IEPF, you can claim the said shares from IEPF Authorities, by filing e-form No. IEPF-5, as prescribed under the said Rules.*



**HIRA FERRO ALLOYS**

**HIRA FERRO ALLOYS LIMITED**

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