

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amounts in ₹ (Lacs))

Particulars	Notes	For the Year ending on 31st march 2020	For the Year ending on 31st march 2019
I Revenue from Operations	21	23,056	25,513
II Other Income	22	154	110
Total Income		23,210	25,623
III Cost of Material Consumed	23	17,301	20,392
Change in Inventories of Finished Goods, Stock in Trade and WIP	24	(213)	(847)
Employee Benefit Expenses	25	1,390	1,316
Finance Costs	26	674	699
Depreciation and Amortisation Expenses	27	511	431
Other Expenses	28	3,009	3,063
Total Expenses		22,672	25,054
IV Profit/(Loss) before Exceptional Items and Tax		538	569
V Exceptional Items		-	4
VI Profit/(Loss) before Tax		538	565
VII Tax Expense:	29		
(1) Current Tax		206	114
(2) Deferred Tax		(38)	48
VIII Profit/(loss) for the year from continuing operations		370	403
IX Profit/(loss) from discontinued operations		-	-
X Tax expense from discontinued operations		-	-
XI Profit/(Loss) after tax for the period from discontinued operations		-	-
XII Profit/(Loss) for the year		370	403
XIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurement of net defined benefit liability		(16)	7
(ii) Income tax relating to items that will not be reclassified to profit or loss		5	(2)
Other Comprehensive Income/(Loss) for the year		(11)	5
XV Total Comprehensive Income for the year		359	408
XVI Earnings per Equity Share :	30		
(1) Basic		0.46	0.50
(2) Diluted		0.46	0.50
Significant Accounting Policies	1		
Notes forming part of the Financial Statement			

Notes forming part of the Financial Statement

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

For **A. K. MEHARIA & ASSOCIATES**

Chartered Accountants
Firm Registration No. 324666E
A. K. Meharia
Partner
Membership No. 053918
Dated : 18th day of July, 2020
Place : Kolkata

Vikram Jhunjunwala
Chairman & Managing Director
DIN - 00169833

Rohit Kumar
Company Secretary

Madan Gopal Todi
Director
DIN - 00112568

Nitesh Kumar Kyal
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

The Company Information

Century Extrusions Limited ('the Company') is one of India's large pure play aluminium extrusion manufacturers. The Company enjoys a number of first mover advantages comprising a comprehensive understanding of the aluminium and aluminium extrusions market, reputed brand, low historical asset cost and a strong customer base, among others. The Company possesses in-house facilities for die manufacturing, melting and casting of billets and the extrusions manufacturing facility with three press lines. The Company manufactures extrusions for varied applications (architectural, hardware, road transport - vehicles, railways, electrical and electronic applications, engineering applications, automotive sector, consumer durables, Defence applications and irrigation, among others).

The company is a public limited company incorporated and domiciled in India and has its registered office at Kolkata (West Bengal) with regional marketing offices in Bangalore, Chennai, Coimbatore, Delhi, Hyderabad, Kanpur, Kolkata & Mumbai. The Company's production facility is located at Kharagpur (West Bengal) in eastern part of India, close to leading primary aluminium manufacturers in India. Its shares are listed on National Stock Exchange & Bombay Stock Exchange.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on 18th July 2020.

Note: 1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance

These Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & Companies (Indian Accounting Standards) Amendment Rules 2016. (As amended)

b) Basis of Preparation

The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

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.

All assets and liabilities have been classified as per the Company's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

c) Use of Estimates

In preparing the financial statements in conformity with Ind AS, management has made estimates, judgments and assumptions which affect the application of accounting policies and the reported amounts of assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognized prospectively. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are as follows:

- Estimated useful life of intangible asset
Intangible asset comprises of computer software. The management estimates the useful life of the software to be 6 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 6 years, depending on technical innovations and competitor actions.
- Recognition of deferred tax assets for carried forward tax losses
The management has made estimates regarding the probability that the future taxable profits will be available against which deferred tax assets can be used.
- Impairment of trade receivables
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

The management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

d) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/ bringing the asset to its working condition for its intended use (net of credit availed, if any). Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of Property Plant Equipment (PPE) over its useful life and is provided on a straight line method basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

e) **Intangible Assets**

Intangible assets include Computer Software acquired separately and measured on initial recognition at cost. Directly attributable costs that are capitalized as a part of the software includes its purchase price. The useful life of the Computer Software has been assessed as finite by the management on the justification of technological obsolescence. The useful life of all the Software has been assumed six years. Annual maintenance charges and Renewal Fees are expensed in the period occurred.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

g) **Inventories**

Inventories are valued at the lower of the cost and net realizable value (NRV). Cost of inventories is computed on FIFO basis. Cost incurred in bringing each product to its present location and condition are accounted as follows:

(a) Raw Materials: Cost includes Cost of Purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

(b) Finished Goods & WIP: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

(c) Stores & Spares: Cost is determined on first in, first out basis.

NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

h) **Borrowing costs**

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. All other borrowing costs are expensed in the period in which they occur. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

i) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

j) Foreign currency transactions and translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's financial statements are presented in Indian rupee (INR), which is also the company's presentation and financial currency. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of contract. Exchange differences on such contracts except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change, any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

k) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l) Revenue recognition

With effect from 1 April 2018, the Company has adopted IND AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under IND AS 115, revenue is recognised on satisfaction of performance obligation at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has elected to apply the Cumulative catch up method in adopting IND AS 115. In accordance with the cumulative catch-up transition method,

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 has been disclosed in Note No. 41. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

A. Sale of Goods

Revenue is recognized on satisfaction of performance obligation at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer

B. Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the management estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

m) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Land & building (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same.

n) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

o) Cash flow statement

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

p) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition

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 cost 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

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

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

Debt Instruments

Amortised Cost

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**Fair Value through Other Comprehensive Income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair Value through Profit or Loss

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities**Initial Recognition**

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind. AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

q) Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

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 measurements directly or indirectly observable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r) **Employee benefits**

Defined contributions plan

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employees provident fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS) -19., 'Employee Benefits' The gratuity liability is covered through a policy taken by a trust established under the group gratuity scheme with Life Insurance Corporation of India (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

(i) **Short term Employee benefit**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) **Long term Employee benefits**

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

s) **Segment reporting**

An operating segment is a component of the Company that engages in business activities from which It may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The Company has two business segments i.e. manufacturing of Aluminium Extruded products and manufacturing of Transmission and Distribution Line as per the management. However, as per the Ind AS- 108 "Operating segments" specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

t) **Borrowings**

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

u) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

v) Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

a) Fair value hedges –

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

b) Cash flow hedges –

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(Amounts in ₹ (Lacs))

	31 March 2020	31 March 2019
20. Current Tax Liabilities (Net)		
Provision for Income Tax (Net of Advance)	39	16
	39	16
	31 March 2020	31 March 2019
21. Revenue From Operations		
Operating Revenue		
Manufacturing Sales	23056	25513
	23056	25513
	31 March 2020	31 March 2019
22. Other Income		
Interest from		
Bank Deposits	16	23
Loans and Deposits	22	17
Other Income		
Rental Income	77	5
Liabilities Written Back	14	23
Miscellaneous Income	25	42
	154	110
	31 March 2020	31 March 2019
23. Cost of Material Consumed		
Raw Material Consumed	17301	20392
	17301	20392
	31 March 2020	31 March 2019
24. Changes in Inventories		
Opening Stock		
Work-in-Progress	2164	1168
Finished Goods	125	274
	2289	1442
Closing Stock		
Work-in-Progress	2055	2164
Finished Goods	447	125
	2502	2289
	-213	-847
	31 March 2020	31 March 2019
25. Employee Benefit Expense		
Salaries, Wages and Bonus	1189	1147
Contribution to Provident and Other Funds	164	137
Staff Welfare	37	32
Refer Note No. 33	1390	1316

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

(Amounts in ₹ (Lacs))

	31 March 2020	31 March 2019
26. Finance costs		
Interest Expense on Borrowings	577	561
Other Borrowing Costs	97	138
	674	699
	31 March 2020	31 March 2019
27. Depreciation and Amortisation		
Depreciation and Amortization Expenses	511	431
	511	431
	31 March 2020	31 March 2019
28. Other Expenses		
Stores & Spares Consumed	170	206
Power & Fuel	1236	1251
Packing Expenses	284	357
Freight & Forwarding Charges	488	468
Rent	118	70
Rates and Taxes	13	14
Insurance	16	5
Repairs & Maintenance - Building	4	2
Repairs & Maintenance- Plant & Machinery	179	232
Professional Fees	40	23
Miscellaneous Expenses	461	435
	3009	3063
	31 March 2020	31 March 2019
29. Tax Expense		
(1) Current Tax		
Provision for Taxation	90	112
Less: MAT Entitlement	0	0
Income Tax for Earlier Years	10	2
Mat Credit entitlement written off	106	0
	206	114
(2) Deferred Tax	-38	48
	168	162
30. Earnings Per Equity Share		
<p>The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.</p>		
	31 March 2020	31 March 2019
Net Profit / (Loss) attributable to Equity Shareholders		
Profit / (Loss) after Tax (₹ in lacs)	370	403
Nominal value of Equity Share (₹)	1	1
Weighted-Average number of Equity Shares for Basic & Diluted EPS	80000000	80000000
Basic & Diluted Earnings Per Share (₹)	0.46	0.50