

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS

The Board of Directors Star Metallics and Power Private Limited

1. We have audited the attached Special Purpose Ind AS Financial Statements of Star Metallics and Power Private Limited ("the Company") which comprise the Balance Sheet as at September 30, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the six months period then ended, and a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements have been prepared on the basis stated in Note 2.1(i) to the Special Purpose Ind AS Financial Statements.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

2. The preparation of the Special Purpose Ind AS Financial Statements is the responsibility of the Management of the Company in accordance with the basis stated in Note 2.1(i) to the Special Purpose Ind AS Financial Statements for the purpose set out in paragraph 5 below. The Management's responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Special Purpose Ind AS Financial Statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Special Purpose Ind AS Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Special Purpose Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

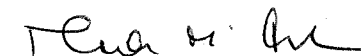
Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements are prepared, in material respects, in accordance with the basis set out in Note 2.1(i) to the Special Purpose Ind AS Financial Statements.

Basis of Accounting and Restriction on use

5. Without modifying our opinion, we draw attention to Note 2.1(i) to the Special Purpose Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Ind AS Financial Statements have been prepared for the purposes of filing with the regulatory authorities in relation to the Scheme of Amalgamation of the Company with The Sandur Manganese & Iron Ores Limited, the holding company and their respective shareholders, approved by the Board of Directors of the Company at their meeting held on February 14, 2018. The Special Purpose Ind AS Financial Statements should not be referred to or distributed or used for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
Partner
(Membership No. 47840)

Place: Bangalore
Date: December 13, 2018
MP/SMG/MS/2018

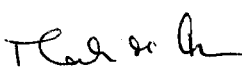
STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)
Special Purpose Balance Sheet as at 30 September, 2018
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

Particulars	Note No.	As at 30 September, 2018	As at 31 March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	14,083.24	14,306.37
(b) Capital work-in-progress		19.85	24.71
(c) Financial Assets - Other financial assets	6	34.19	34.19
(d) Deferred tax assets	7	37.92	29.38
(e) Other non-current assets	9	143.97	154.39
Total Non - Current Assets		14,319.17	14,549.04
Current assets			
(a) Financial assets			
(i) Investments	4	509.74	-
(ii) Trade receivables	5	138.13	817.08
(iii) Cash and bank balances	8	2,018.89	1,484.43
(iv) Other financial assets	6	68.57	62.38
(b) Other current assets	9	3.61	14.25
Total current assets		2,738.94	2,378.14
Total assets		17,058.11	16,927.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	9,337.97	9,337.97
(b) Other equity		7,338.76	7,119.54
Total equity		16,676.73	16,457.51
Liabilities			
Non-current liabilities			
(a) Provisions	13	1.87	1.87
Total Non - Current Liabilities		1.87	1.87
Current liabilities			
(a) Financial Liabilities - Trade payables	11	202.95	294.33
(b) Other current liabilities	12	166.99	165.56
(c) Provisions	13	9.57	7.91
Total Current Liabilities		379.51	467.80
Total Liabilities		381.38	469.67
Total Equity and Liabilities		17,058.11	16,927.18

See accompanying notes to the special purpose financial statements

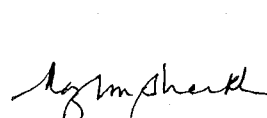
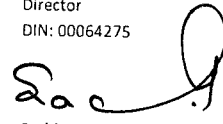
In terms of our report attached.
For DELOITTE HASKINS & SELLS
Chartered Accountants



For and on behalf of the Board of Directors


Monisha Parikh
Partner...



Place : Bengaluru
Date : December 13, 2018


Nazim Sheikh
Director
DIN: 00064275

Sachin Sanu
Chief Financial Officer


A G Suresh
Director
DIN: 00065014

V Murali
Company Secretary



Place : Bengaluru
Date : December 13, 2018

STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)
Special Purpose Statement of Profit and Loss for the period ended 30 September, 2018
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

Particulars	Note No.	For the period (from 1 April, 2018 to 30 September, 2018)	Year ended 31 March, 2018
I Revenue from Operations	14	510.00	1,020.00
II Other Income	15	53.09	160.30
III Total Income (I+II)		<u>563.09</u>	<u>1,180.30</u>
IV Expenses			
Employee benefits expense	16	53.80	109.37
Finance costs	17	-	0.03
Depreciation expense	18	255.37	506.61
Other expenses	19	34.70	123.33
Total expenses (IV)		<u>343.87</u>	<u>739.34</u>
V Profit before tax (III-IV)		219.22	440.96
VI Tax expense			
(1) Current tax		8.54	-
(2) Deferred tax (MAT credit entitlement)		(8.54)	-
		<u>-</u>	<u>-</u>
VII Profit for the period (V-VI)		<u>219.22</u>	<u>440.96</u>
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		-	1.22
		<u>-</u>	<u>1.22</u>
IX Total comprehensive income for the period (VII-VIII)		219.22	439.74
Earnings per equity share			
Basic (in Rs.)		0.23	0.47
Diluted (in Rs.)		0.23	0.47

See accompanying notes to the special purpose financial statements

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Monisha Parikh

Monisha Parikh
Partner



Place : Bengaluru
Date : **December 13, 2018**

For and on behalf of the Board of Directors

Nazim Sheikh

Nazim Sheikh
Director
DIN: 00064275

Sachin Sanu

Sachin Sanu
Chief Financial Officer

Place : Bengaluru
Date : **December 13, 2018**

A G Suresh

A G Suresh
Director
DIN: 00065014

V Murali

V Murali
Company Secretary



STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)
Special Purpose Cash Flow Statement for the period ended 30 September 2018
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

Particulars	For the period (from 1 April, 2018 to 30 September, 2018)	For the year ended 31 March, 2018
Net Profit before tax	219.22	440.96
- Depreciation	255.37	506.61
- Provision for current assets	-	3.65
- Finance costs	-	0.03
- Loans and advances written off	-	5.20
- Provisions/ Liabilities no longer required written back	-	(43.07)
- Profit on withdrawal / sale of fixed assets	-	(0.85)
- Capital work in progress written off	-	26.22
- Gain on investments carried at fair value through profit & loss	(9.74)	-
- Interest income	(42.19)	(42.05)
Operating profit before working capital changes	422.66	896.70
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets- non current	-	12.00
Trade receivables	678.94	(202.85)
Other financial assets	(25.83)	21.91
Other current assets	10.64	(1.18)
Adjustments for increase / (decrease) in operating liabilities:		
Other current liabilities	(1.41)	(99.60)
Trade payables	(91.38)	24.88
Provisions- Current	1.66	(4.49)
Provisions- Non current	-	(2.05)
Cash generated from operations	572.62	(251.38)
Net income tax paid	995.28	645.32
Net cash generated from operating activities	(21.02)	(41.25)
B. Cash flow from investing activities	(A) 974.26	604.07
Capital expenditure on fixed assets (including capital work in progress and advance on capital account)	(1.64)	(56.60)
Investment in mutual funds	(500.00)	-
Bank balances not considered as cash and bank balances	194.83	(18.86)
Interest received	41.64	42.79
Net cash used in investing activities	(265.17)	(32.67)
C. Cash flow from financing activities		
Interest payments	-	(0.03)
Net cash used in financing activities	-	(0.03)
Net increase in cash and bank balances (A+B+C)	709.09	571.37
Cash and bank balances at the beginning of the year	1,145.87	574.50
Cash and cash equivalents at the end of the period/year (Refer note below)	1,875.15	1,145.87
Reconciliation of cash and bank balances with Balance Sheet	729.28	571.37
Note:		
Cash and bank balances (Refer note 8)	2,018.89	1,484.43
Less: Deposits not considered as cash and bank balances	143.74	338.56
	1,875.15	1,145.87
See accompanying notes forming part of the special purpose financial statements		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Harish H. H.
Monisha Parikh
Partner



Place : Bengaluru
Date : December 13, 2018

For and on behalf of the Board of Directors

Nazim Sheikh
Nazim Sheikh
Director
DIN: 00064275
Sachin Sanu
Sachin Sanu
Chief Financial Officer

A G Suresh
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Company Secretary



Place : Bengaluru
Date : December 13, 2018

STAR METALLICS AND POWER PRIVATE LIMITED

(A subsidiary of The Sandur Manganese & Iron Ores Limited)

Statement of Changes In Equity for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

A Equity share capital

Particulars	Nos. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2017	9,33,79,705	9,337.97
Changes in equity share capital during the year	-	-
As at 31 March, 2018	9,33,79,705	9,337.97
Changes in equity share capital during the period	-	-
As at 30 September, 2018	9,33,79,705	9,337.97

B Other equity

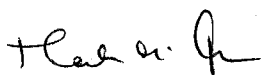
Particular	Reserves and Surplus		Total
	Retained Earnings #	Securities Premium Reserve *	
Balance as at April 1, 2017	(2,625.24)	9,305.04	6,679.80
Profit for the year	440.96	-	440.96
Other Comprehensive Income	(1.22)	-	(1.22)
Total Comprehensive Income for the year	439.74	-	439.74
Balance as at 31 March 2018	(2,185.50)	9,305.04	7,119.54
Profit for the period	219.22	-	219.22
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the period	219.22	-	219.22
Balance as at 30 September 2018	(1,966.28)	9,305.04	7,338.76

Retained earnings relates to undistributed profits to its shareholders

* Securities premium reserves relates to securities premium over face value for equity shares issued

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

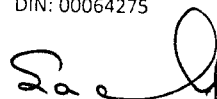
For and on behalf of the Board of Directors



Monisha Parikh
Partner.




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DIN: 00064275



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Chief Financial Officer



A G Suresh
Director
DIN: 00065014



V Murali
Company Secretary



Place : Bengaluru

Date : December 13, 2018

Place : Bengaluru

Date : December 13, 2018

STAR METALLICS AND POWER PRIVATE LIMITED

(A subsidiary of The Sandur Manganese & Iron Ores Limited)

Notes forming part of the special purpose financial statements

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

1 Corporate information

The Company is a subsidiary of The Sandur Manganese & Iron Ores Limited (SMIORE), a listed public limited company. The Company is engaged in the production of Ferroalloys and generation of power at its plant located at Vyasankere, near Hospet in Bellary District. The Company has entered into a facility lease agreement with its Holding Company w.e.f. 1 February, 2016, consequently it earns lease rentals towards the same.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

(i) Accounting Convention :

These special purpose financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. These special purpose financial statements have been prepared solely for the purpose of filing with the regulatory authorities in relation to the scheme of Amalgamation of the Company with The Sandur Manganese and Iron Ores Limited, the holding Company and their respective shareholders, approved by the Board of Directors of the Company at their meeting held on February 14, 2018. The appointed date is 1 April, 2018.

As per Ind AS 34 – Interim Financial Reporting, comparative information in respect of the preceding period for all amounts reported in the current period's financial statements need to be disclosed. The Company has disclosed comparatives as at and for the year ended March 31, 2018 considering that it prepares its financial statements for the financial year beginning April and ending March.

(ii) Basis of measurement:

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. This financial statements comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non current based on the operating cycle of less than twelve months all based on the criteria of realisation / settlement within twelve month period from the balance sheet date.

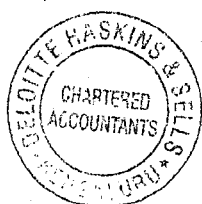
(iii) Functional and presentation currency Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

2.2 Use of estimates

The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements and these are reflected in the reported amounts of income and expenses during the year/period and the reported balances of assets and liabilities and disclosures relating to contingent liabilities, as at the date of the financial statements.

2.3 Property, plant and equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



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2.4 Depreciation

Depreciation amount for assets is the cost of an asset or the amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act.

2.5 Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.6 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

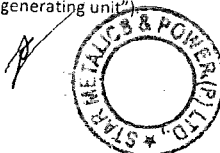
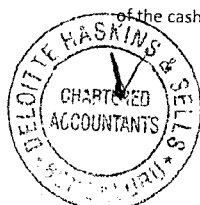
Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").



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STAR METALLICS AND POWER PRIVATE LIMITED
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2.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value.

The costs are, in general, ascertained as under:

Raw materials and stores and spares: Weighted average method based on actual cost.

Finished goods and Work-in-progress: Material cost on weighted average method plus labour and appropriate overheads, and where applicable, excise duty.

2.9 Revenue recognition

Revenue from sale of goods is recognised when goods are dispatched in accordance with the terms of sale and when significant risks and rewards are considered as transferred and are recorded net of sales returns, trade discount, rebates and sales tax collected but includes excise duty, where applicable.

Revenue from sale of power is recognised on accrual basis based on the power generated and supplied as per applicable rates from time to time and includes unbilled revenues accrued up to the end of the accounting year.

Revenue from leasing is recognised on accrual basis.

Revenue from conversion contracts is recognised at the time of dispatch of goods to the contractor.

2.10 Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

a) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive/ bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

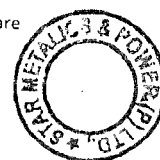
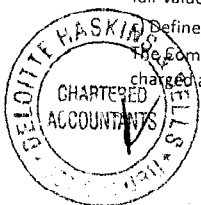
- (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (ii) in case of non-accumulating compensated absences, when the absences occur.

b) Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

Defined Contribution Plan:

The company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



STAR METALLICS AND POWER PRIVATE LIMITED
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d) Defined Benefit Plan:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss (under other comprehensive income) in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

2.12 Cash and bank balances

Cash and bank balances comprised of cash on hand and demand deposits with banks. Cash and bank balances are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Leases

A lease is classified as an Operating Lease, if it does not transfer substantially all the risks and rewards incidental to ownership. Lease rentals are charged to statement of profit and loss on straight-line basis over the lease term, estimated by the management.

2.15 Segment reporting

Segments are identified based on the reviews of the chief operating decision makers. The Company's single segment is Ferroalloys and Power.

2.16 Taxes on income

Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Deferred income tax liabilities are recognized for all taxable temporary differences.

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

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



STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)

2.17 Earnings per share

The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year/period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.19 Financial instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

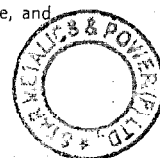
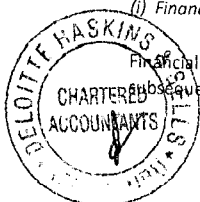
Cash and bank balances comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and bank balances include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.



STAR METALLICS AND POWER PRIVATE LIMITED

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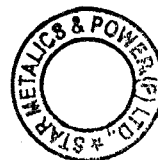
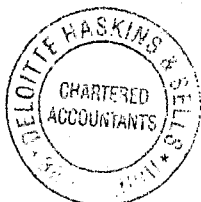
Notes to the special purpose financial statements for the period ended 30 September 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

3 Property, Plant and Equipment

Description of Assets	Freehold land	Buildings and roads	Plant and machinery	Vehicles	Computer systems	Office equipments	Furniture and fixtures	Total
I. Gross carrying amount								
Balance as at 1 April 2018	1,383.39	1,543.08	12,292.04	38.24	6.67	18.10	36.44	15,317.96
Additions	-	-	30.00	-	0.72	0.34	1.18	32.24
Balance as at 30 September 2018	1,383.39	1,543.08	12,322.04	38.24	7.39	18.44	37.62	15,350.20
II. Accumulated depreciation								
Balance as at 1 April 2018	-	136.09	840.52	8.78	3.48	10.10	12.62	1,011.59
Depreciation expense for the period	-	34.33	213.60	2.27	0.47	1.46	3.24	255.37
Balance as at 30 September 2018	-	170.42	1,054.12	11.05	3.95	11.56	15.86	1,266.96
III. Net carrying amount (I-II)	1,383.39	1,372.66	11,267.92	27.19	3.44	6.88	21.76	14,083.24

I. Gross carrying amount								
Balance as at 1 April 2017	1,383.39	1,537.64	12,196.96	24.99	4.48	18.10	34.95	15,200.51
Additions	-	5.44	98.13	13.25	2.19	-	1.49	120.50
Disposals	-	-	(3.05)	-	-	-	-	(3.05)
Balance as at 31 March 2018	1,383.39	1,543.08	12,292.04	38.24	6.67	18.10	36.44	15,317.96
II. Accumulated depreciation								
Balance as at 1 April 2017	-	67.95	419.96	3.88	2.61	5.16	6.29	505.85
Depreciation expense for the year	-	68.14	421.41	4.90	0.87	4.94	6.33	506.60
Eliminated on disposal of assets	-	-	(0.85)	-	-	-	-	(0.85)
Balance as at 31 March 2018	-	136.09	840.52	8.78	3.48	10.10	12.62	1,011.59
III. Net carrying amount (I-II)	1,383.39	1,406.99	11,451.53	29.46	3.19	8.00	23.82	14,306.37



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Notes to the special purpose financial statements for the period ended 30 September, 2018
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

	As at 30 September, 2018	As at 31 March, 2018
4 Investments		
Current		
Investments in Mutual Funds - Quoted		
Aditya Birla Mutual Fund - 3,872,636.723 units of Rs. 13.1627 each	509.74	
Cost of the investment Rs. 500.00 Lakh and Market value of investment of Rs. 509.74 Lakh		
5 Trade receivables		
Current		
Trade receivables		
(a) Unsecured, considered good	138.13	817.08
(b) Unsecured, considered doubtful	49.57	49.57
Less: Provision for expected credit loss	(49.57)	(49.57)
	138.13	817.08
Movements in provision for expected credit loss		
As at 1 April, 2018/1 April, 2017	(49.57)	(49.57)
Provision during the period/year		
As at 30 September, 2018/31 March, 2018	(49.57)	(49.57)
6 Other Financial Assets		
Non-current		
Security deposits - unsecured, considered good	34.19	34.19
	34.19	34.19
Current		
Security deposits - unsecured, considered good	14.19	34.38
Advance to suppliers		
Considered good	39.10	13.27
Considered doubtful	2.96	2.96
Less: Provision for doubtful advances	(2.96)	(2.96)
	39.10	13.27
Interest accrued but not due on bank deposits	15.28	14.73
	68.57	62.38
7 Deferred tax assets		
MAT credit entitlement	37.92	29.38
Reconciliation of effective tax rate:-	For the period (from 1 April, 2018 to 30 September, 2018)	Year ended 31 March, 2018
Profit before tax	219.22	440.96
Applicable tax rate	26.00%	25.75%
Income Tax expenses calculated at the applicable tax rate	57.00	113.55
Adjustment on account of:-		
Carry forward of business loss/depreciation as per return	(57.00)	(113.55)
Tax applicable as per section 115JB of Income Tax Act, 1961	8.54	
Income tax expenses recognised in statement of profit and loss	(48.45)	(113.55)
A+B	8.54	
8 Cash and bank balances		
Cash on hand	0.07	0.04
Balances with Banks		
In current accounts	345.63	345.74
Deposit accounts	1,529.45	800.09
Cash and bank balances as per statement of cash flows	1,875.15	1,145.87
Other Bank Balances		
Fixed Deposits with maturity greater than 3 months	143.74	338.56
	2,018.89	1,484.43



STAR METALLICS AND POWER PRIVATE LIMITED

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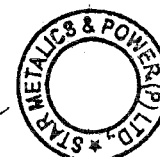
Notes to the special purpose financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

	As at 30 September, 2018	As at 31 March, 2018
9 Other current and non current assets		
Non-current		
Capital advances	0.11	23.01
Advance income tax and TDS (net of provision)	143.86	131.38
	<u>143.97</u>	<u>154.39</u>
Current		
Prepaid expenses	3.61	6.74
Balances with government authorities	3.65	11.16
Less: Provision for doubtful receivables	(3.65)	(3.65)
	<u>3.61</u>	<u>14.25</u>



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STAR METALLICS AND POWER PRIVATE LIMITED

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Notes to the special purpose financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

10 Share capital

Particulars	As at 30 September, 2018		As at 31 March, 2018	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
(a) Authorised Equity shares of Rs. 10 each with voting rights	10,00,00,000	10,000	10,00,00,000	10,000
(b) Issued, subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	9,33,79,705	9,337.97	9,33,79,705	9,337.97
	9,33,79,705	9,337.97	9,33,79,705	9,337.97

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening balance	Fresh issue	Bonus / other	Closing balance
Equity shares with voting rights				
As at 30 September, 2018				
- Number of shares	9,33,79,705	-	-	9,33,79,705
- Amount (in Rs. lakhs)	9,337.97	-	-	9,337.97
As at 31 March, 2018				
- Number of shares	9,33,79,705	-	-	9,33,79,705
- Amount (in Rs. lakhs)	9,337.97	-	-	9,337.97

(ii) Rights, preference and restriction attached to shares:

(iii) Details of shares held by each Shareholder holding more than 5% shares:

Name of Shareholder	As at 30 September, 2018		As at 31 March, 2018	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares with voting rights				
The Sandur Manganese & Iron Ores Limited, Holding Company	7,52,40,000	80.58	7,52,40,000	80.58
Euro Industrial Enterprises Private Limited	1,81,09,705	19.39	1,81,09,705	19.39

As at 30 September, 2018 As at 31 March, 2018

11 Trade payables

Due to micro and small enterprises *

Others

202.95 294.33

202.95 294.33

* Includes amount due beyond the applicable period of Rs. Nil (31 March, 2018: Rs. Nil) and no interest is paid or payable

12 Other current liabilities

Statutory remittances

Payables on purchase of fixed assets

Advances from customers

Security / other deposits received

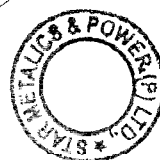
17.31 18.72

146.17 143.33

2.51 2.51

1.00 1.00

166.99 165.56



STAR METALLICS AND POWER PRIVATE LIMITED

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Notes to the special purpose financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

13 Provisions

Non-current

Provision for gratuity

Provision for compensated absences

As at
30 September, 2018

As at
31 March, 2018

1.03

1.03

0.84

0.84

1.87

1.87

Current

Provision for gratuity

Provision for compensated absences

7.03

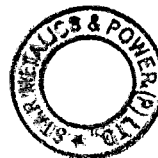
5.85

2.54

2.06

9.57

7.91



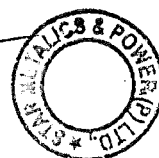
STAR METALLICS AND POWER PRIVATE LIMITED

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Notes to the special purpose financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

	For the period ended (from 1 April, 2018 to 30 September, 2018)	For the year ended 31 March, 2018
14 Revenue from Operations		
Other operating income		
Leasing income	510.00	1,020.00
	<u>510.00</u>	<u>1,020.00</u>
15 Other Income		
a) Interest income on:		
Bank deposits	41.21	40.10
Security deposits	0.98	1.94
	<u>42.19</u>	<u>42.05</u>
b) Other non-operating income		
Sale of scrap	1.16	74.22
Provisions / liabilities no longer required written back	-	43.07
Profit on withdrawal / sale of fixed assets	-	0.85
Gain on investments carried at fair value through profit & loss	9.74	-
Net foreign exchange gain	-	0.07
Miscellaneous income	-	0.04
	<u>10.90</u>	<u>118.25</u>
	<u>53.09</u>	<u>160.30</u>
16 Employee benefits expense		
Salaries and wages	49.57	103.91
Contribution to provident and other funds (refer note 21C)	1.69	3.03
Gratuity (refer note 21A)	1.17	0.45
Staff welfare expenses	1.37	1.98
	<u>53.80</u>	<u>109.38</u>
17 Finance costs		
Interest on delayed payment of income tax and other taxes	-	0.03
	<u>-</u>	<u>0.03</u>
18 Depreciation		
Depreciation of property, plant and equipment	255.37	506.61



STAR METALLICS AND POWER PRIVATE LIMITED

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Notes to the special purpose financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

19 Other expenses

Repairs and maintenance - Others
Insurance
Rates and taxes
(Net of recoveries Rs. 160.20 lakhs - 31 March, 2018 Rs. 248.40 lakhs)

Travelling and conveyance
Vehicle expenses
Legal and professional charges
Payments to auditors (Refer note 26)
Capital work in progress written off
Provision for current assets
Loans and advances written off
Expenditure on corporate social responsibility
Miscellaneous expenses
(Net of recoveries Rs. 1.54 lakhs, 31 March, 2018 Rs. 20.84 lakhs)

For the period ended
(from 1 April, 2018 to 30
September, 2018)

For the year ended
31 March, 2018

	0.07	0.03
	3.50	6.60
	14.57	22.53
	0.99	2.31
	0.80	1.81
	4.24	27.31
	5.50	8.13
	-	26.22
	-	3.65
	-	5.20
	0.15	11.91
	4.88	7.63
	34.70	123.33



STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)
Notes forming part of the financial statements
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

	As at 30 September, 2018	As at 31 March, 2018
20 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities (Claims against the company not acknowledged as debt)		
Customs duty	344.87	334.63
Differential rate relating to sale of power, including interest	238.75	228.87

21 Employee benefit plan:

A. Defined Benefit Plan - Unfunded:

The Company has provided for leave salary and gratuity liability of Rs. 0.48 lakhs and Rs. 1.17 lakhs respectively for the period ended September 30, 2018 based on its best estimates, as the same is not considered to be material.

For the year ended
31 March, 2018

Details of post retirement gratuity plan are as follows:

a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Obligations at the beginning of the year	5.21
Add: Current service cost	0.24
Add: Interest cost	0.21
Add/ (Less): Actuarial losses/(gains) on obligations	1.22
(Less): Benefits paid during the year	6.88
Obligations at the end of the year	

b) Reconciliation of opening and closing balances of the fair value of plan assets:

Fair Value of plan assets at the beginning of the year	
Add: Expected return on plan assets	
Add/(less): actuarial gains/(losses)	
Add: Contributions by employer	
(Less): Benefits paid	
Fair value of plan assets at the end of the year	

c) Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the balance sheet:

Present value of obligation	6.88
(Less): Fair value of plan assets	
Amount recognised in the balance sheet	
- Current	5.85
- Non-current	1.03
	6.88

d) Expenses recognised in the statement of profit and loss under "Gratuity" in note 16:

Current service cost	
Add: Interest cost	0.24
(Less): Expected return on plan assets	0.21
	0.45

e) Actuarial losses/(gains) recognised during the year

f) Principal actuarial assumptions:	1.22
Discount rate per annum	
Salary escalation rate	7.65%
Attrition rate	6.00%
Retirement age	6.00%
Mortality rate	60 years
	IALM (2006-08)
	UIT Table

g) Summary of defined benefit obligation / plan assets and experience adjustments:

	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	6.88	5.21	6.19	23.29	15.61
Plan assets	(6.88)	(5.21)	(6.19)	(23.29)	(15.61)
(Deficit) / surplus	1.22	0.91	21.26	(2.63)	(3.24)
Experience adjustments on plan liabilities - gain / (loss)					
Experience adjustments on plan assets - gain / (loss)					

B. Other long term benefit - Unfunded

As at 31 March, 2018

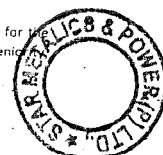
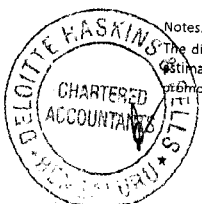
The defined benefit obligation which is provided for but not funded is as under

Liability for compensated absence at the year end	
- Current	2.06
- Non-current	0.84
	2.90

The actuarial valuation has been carried out using project unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation for the financial year ended 31 March, 2018

Notes:

The discount rate for defined benefit plan and other long term benefit is based on the prevailing market yields of Indian Government securities as at the balance sheet for the estimated term of obligations. The estimate of future salary increases considered for defined benefit plan and other long term benefit takes into account the inflation, seniority, promotion, increments and other relevant factors.



C. Defined Contribution Plan:

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 1.69 Lakhs (year ended 31 March, 2018 Rs. 3.03 Lakhs) for contribution to provident fund in note 16 in the statement of profit and loss (as part of contribution to provident fund). The contributions payable to the plan by the Company are at rates specified in the rules of the scheme.

The Company has made provident fund contributions at predetermined rates to the SMIORE Employees' Provident Fund Trust and to the Regional Provident Fund Commissioner towards employee pension scheme.

22 Segment reporting

The chief operating decision maker reviews the operations of the Company as a 'Ferro Alloys and Power' business, which is considered to be only reportable segment by the management. The operation are in India only.

23 Related Party Disclosures

A Names of related parties and description of relationship

Sl.No.	Description of relationship	Names of related parties
a	Ultimate holding company	Skand Private Limited
b	Holding company	The Sandur Manganese & Iron Ores Limited (SMIORE)
c	Key management personnel	A G Suresh - Director (Projects)

B Summary of transactions with related parties, during the year and year end balances are as follows

Sl.No.	Nature of Transactions / Balances outstanding	Holding Company	Key Management Personnel	Total
1	Salaries and wages: - A. G. Suresh	(-)	25.50 (60.96)	25.50 (60.96)
2	Sale of materials / stores and spares / power - on behalf of SMIORE (Refer note iii)	197.07 (228.62)	(-)	197.07 (228.62)
3	Leasing income - from SMIORE (Refer note iii)	510.00 (1,020.00)	(-)	510.00 (1,020.00)
4	Recovery of expense - from SMIORE	161.74 (269.24)	(-)	161.74 (269.24)
5	Liabilities written back - SMIORE	(0.76)	(-)	(-)
6	Amount receivable on behalf of SMIORE transferred to SMIORE as at period end	88.70 (88.65)	(-)	88.70 (88.65)

Previous year figures are in brackets.

Balances as at the year/period end:

7	Amount due as at year/period end:			
Sl. No.	Particulars	As at 30 September, 2018	As at 31 March, 2018	
1	from SMIORE	130.75	810.08	
2	to A.G.Suresh	2.28	1.70	

Notes:

(i) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

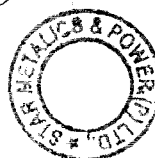
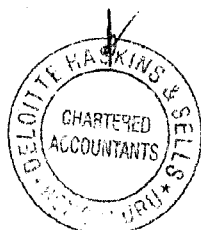
(ii) The above transactions are compiled from the date from which these parties became related.

(iii) Pursuant to the facility lease agreement entered into with SMIORE which is for a period of 3 years and cancellable in nature, the Company acts as an agent of SMIORE whereby, it raises invoices towards sale of power for and on behalf of SMIORE and also makes collections of the said receivables on behalf of SMIORE. The Company settles such collections with SMIORE after adjusting trade receivables towards leasing income and other dues from SMIORE.

(iv) There are no amounts written off /written back during the period with respect to debts due from or to related parties except as disclosed above.

24 Operating leases as Lessor:

The Company has entered into operating leases with its Holding Company for the period of 3 years in respect of assets at ferroalloys & power plant, office and residential premises. The leasing arrangement is cancellable and is renewable by mutual consent. During the period, the Company has received rental income of Rs. 510 lakhs (PY: Rs. 1,020 lakhs) which is disclosed under note 14. There is no contingent rent.



STAR METALLICS AND POWER PRIVATE LIMITED
(A subsidiary of The Sandur Manganese & Iron Ores Limited)
Notes forming part of the financial statements
(All amounts are in Rupees Lakhs except for share data or otherwise stated)

25 Earnings per share

Nominal value of equity share (in Rs.)	
Weighted average number of equity shares outstanding	
Profit after taxation considered for calculation of basic and diluted earnings per share (in Rs. lakhs)	
Earnings Per Share – Basic and Diluted (in Rs.)	

For the period ended 30 September, 2018
10
9,33,79,705
219.22
0.23

For the year ended 31 March, 2018
10
9,33,79,705
440.96
0.47

26 Payment to auditors

For Statutory audit
For Tax audit
For Other attest services
For Reimbursement of out of pocket expenses and levies
Total

For the period ended 30 September, 2018
2.00
0.50
3.00
5.50

For the year ended 31 March, 2018
4.00
1.00
3.00
8.13

- 27 The Company has adopted Ind AS 115 - Revenue from contract with customers and appendix B to Ind AS 21 - Foreign currency transactions and advance considerations, w.e.f 1 April, 2018 and the effect on adoption of the same is insignificant.



STAR METALLICS AND POWER PRIVATE LIMITED

(A subsidiary of The Sandur Manganese & Iron Ores Limited)

Notes to the financial statements for the period ended 30 September, 2018

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

28 Financial Instruments-Accounting Classification and fair values

A. Financial Instruments

A. Accounting Classification and Fair Values

30 September 2018		Carrying Amount			
		FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets:					
Other financial assets	Non-Current	-	-	34.19	34.19
Investment in mutual fund	Current	509.74	-	-	509.74
Trade receivables	Current	-	-	138.13	138.13
Cash and bank balances	Current	-	-	2,018.89	2,018.89
Other financial assets	Current	-	-	68.57	68.57
Total Financial Assets		509.74	-	2,259.78	2,769.52
30 September 2018		Carrying Amount			
		FVTPL	FVTOCI	Amortised Cost	Total
Financial Liabilities:					
Trade payables	Current	-	-	202.95	202.95
Total Financial Liabilities		-	-	202.95	202.95

31 March, 2018		Carrying Amount			
		FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets:					
Other financial assets	Non-Current	-	-	34.19	34.19
Trade receivables	Current	-	-	817.08	817.08
Cash and bank balances	Current	-	-	1,484.43	1,484.43
Other financial assets	Current	-	-	62.38	62.38
Total Financial Assets		-	-	2,398.08	2,398.08
31 March, 2018		Carrying Amount			
		FVTPL	FVTOCI	Amortised Cost	Total
Financial Liabilities:					
Trade payables	Current	-	-	294.33	294.33
Total Financial Liabilities		-	-	294.33	294.33



STAR METALLICS AND POWER PRIVATE LIMITED**(A subsidiary of The Sandur Manganese & Iron Ores Limited)****Notes to the financial statements for the year ended 30 September, 2018**

(All amounts are in Rupees Lakhs except for share data or otherwise stated)

29 Risk management framework

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to Credit and Liquidity risks arising from financial instruments:

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables:-

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Company has only one customer viz The Sandur Manganese and Iron Ores Limited. - as Holding Company in the current period and previous year.

Cash and bank balances

The Company held cash and bank balances of Rs. 2,018.89 lakhs at September 30, 2018 (31 March, 2018: Rs. 1,484.43 Lakhs).

B. LIQUIDITY RISKS:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

Maturities of Financial Liabilities:

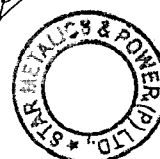
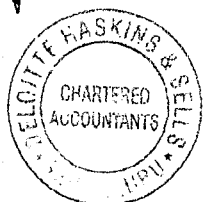
	30 September, 2018					31 March, 2018				
	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total
Trade Payables	202.95	-	-	-	202.95	294.33	-	-	-	294.33
Total	202.95	-	-	-	202.95	294.33	-	-	-	294.33

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

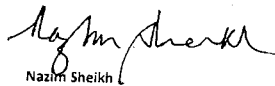
The Company does not have any current and non-current borrowings as at 30 September, 2018 and 31 March, 2018. The capital structure of the Company represents total equity which is as follows:

	30 September, 2018	31 March, 2018
Total Equity	16,676.73	16,457.51

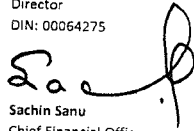


- 30 The Board of Directors of the Company at their meeting held on 14 February, 2018 have approved the Scheme of Amalgamation ("the draft Scheme") of the Company with The Sandur Manganese & Iron Ores Limited, the holding company and their respective shareholders with appointed day of 1 April, 2018. As per the draft Scheme, the assets and liabilities of the Company would be recorded at their carrying amounts as at the appointed date, in the books of the holding company.

Signature to Notes 1 to 30
For and on behalf of the Board of Directors



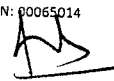
Nazim Sheikh
Director
DIN: 00064275



Sachin Sanu
Chief Financial Officer



A G Suresh
Director
DIN: 00065014



V Murali
Company Secretary

Place : Bengaluru

Date : December 13, 2018

