



## Independent Auditor's Report

To the Members of Sonar Casting Ltd.

### Report on the Audit of financial statements

#### Opinion

We have audited the accompanying financial statements of **Sonar Casting Ltd. ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Reporting of key audit matters as per SA 701 - 'Key Audit Matters' are not applicable to the Company as it is an unlisted company.

#### Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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





In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

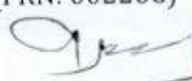
As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN: 00226C)

  
**CA Rajesh Jhalani**  
Partner  
M. No. 074809



Place: Lucknow  
Date: 10.05.2019



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements of **Sonar Casting Ltd.** for the year ended 31st March, 2019, we report that:

(i) In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information;

(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals as per information provided to us and as explained; no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable properties in its own name.

(ii) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and as explained, there was no material discrepancies noticed on such verification.

(iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a company, firm, LLP or other entity covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-paragraph (a) and (c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security provided by it.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under are not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and service tax and any other material statutory dues to the appropriate authorities to the extent these are applicable.

(b) According to the information and explanations given to us, in respect of statutory dues, no undisputed dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us, there are no disputed statutory dues outstanding at the year end.



- (viii) Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans / borrowings to the financial institution, bank, Government or a debenture holder.
- (ix) According to the information and explanations given to us, the Company has not raised money by way of public offer or term loan during the year. Accordingly, para (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to our information and explanations given to us and based on our examination of the records of the Company, no managerial remuneration has been paid.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has made preferential allotment of preference shares during the year and the requirement of section 42 of the Act have been complied with and the amount raised has been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, para (xv) of the Order is not applicable to the Company.
- (xvi) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For Mehrotra & Mehrotra

Chartered Accountants

(FRN: 00226C)

CA Rajesh Jhalani

Partner

M. No. 074809



Place: Lucknow

Date: 10.05.2019



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

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

We have audited the internal financial controls over financial reporting of Sonar Casting Ltd. ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that



transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

For **Mehrotra & Mehrotra**

Chartered Accountants

(FRN: 00226C)



**CA Rajesh Jhalani**

Partner

M. No. 074809



Place: Lucknow

Date: 10.05.2019



**SONAR CASTING LIMITED**  
**76, ELDECO GREENS, GOMTI NAGAR, LUCKNOW-226010**  
**CIN : U27100UP2019PLC113373**  
**Balance Sheet as at 31st March, 2019**

(Amount in Rs.)

	Particulars	Note No.	As at March 31, 2019
I	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	3	56,621,525
	(b) Capital work-in-progress	3A	562,429
			<b>57,183,954</b>
2	<b>Current assets</b>		
	(a) Financial assets		
	(i) Cash and cash equivalents	4	2,320,713
	(ii) Bank balance other than (i)	5	17,140,900
	(b) Other current assets		
			<b>19,461,613</b>
	<b>Total Assets</b>		<b>76,645,567</b>
II	<b>EQUITY AND LIABILITIES</b>		
1	<b>EQUITY</b>		
	(a) Equity Share Capital	6	10,000,000
	(b) Other Equity	7	66,557,130
			<b>76,557,130</b>
2	<b>LIABILITIES</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowing		-
	(ii) Other financial liabilities		-
	(b) Other non current liabilities		-
	(c) Deferred tax liabilities (net)	8	812
	(d) Provisions		
			<b>812</b>
3	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade payables and other payables	9	83,023
	(b) Other current liabilities	10	4,602
			<b>87,625</b>
	<b>Total Equity and Liabilities</b>		<b>76,645,567</b>

**Corporate Information**

**Significant Accounting Policies**

**Other disclosures**

The accompanying notes 1 to 15 are an integral part of the financial statements  
As per our report of even date attached

For Mehrotra & Mehrotra  
Chartered Accountants  
FRN: 000226C



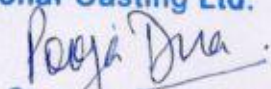
CA Rajesh Jhalani  
(Partner)  
M.No.074809

For and on behalf of Board of Directors

   
S. C. Agarwal      Aditya Munjhwala  
Director              Director  
DIN-02461954      DIN-01686189

Date : 10.05.2019  
Place : Lucknow

**For Sonar Casting Ltd.**

  
Pooja Dua  
Company Secretary  
M.No. A50996



**SONAR CASTING LIMITED**  
**76, ELDECO GREENS, GOMTI NAGAR, LUCKNOW-226010**  
**CIN : U27100UP2019PLC113373**  
**Statement of Profit and Loss for the year ended 31st March, 2019**

(Amount in Rs.)

	Particulars	Note No	Year Ended 31st March,19
I	Revenue From Operations		-
II	Other Income		-
III	<b>Total Income (I+II)</b>		-
IV	<b>EXPENSES</b>		
	Finance cost	12	8,611
	Depreciation and amortization expense	13	6,663
	Other expenses	14	926,784
	<b>Total expenses</b>		<b>942,058</b>
V	Profit/(loss) before exceptional items and tax (III-IV)		(942,058)
VI	Exceptional Items		-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>(942,058)</b>
VIII	<b>Tax expense:</b>		
	Current tax		-
	MAT Credit entitlement		-
	Deferred tax	15	812
			<b>(942,870)</b>
IX	<b>Profit (Loss) for the period (VII-VIII)</b>		
X	Other Comprehensive Income		-
	(Gain) / Loss arising on actuarial valuation arising on defined benefit obligation		-
	(Gain) / Loss arising on fair valuation of equity Instrument		-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-
XI	<b>Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(942,870)</b>
XII	Earnings per equity share		(0.94)
	(1) Basic		(0.94)
	(2) Diluted		(0.94)

**Corporate Information**

**Significant Accounting Policies**

**Other disclosures**

The accompanying notes 1 to 15 are an integral part of the financial statements  
As per our report of even date attached

For- Mehrotra & Mehrotra  
Chartered Accountants  
FRN 000226C

CA Rajesh Jhalani  
(Partner)  
M.No.074809



For and on behalf of Board of Directors

S. C. Agarwal  
Director  
DIN-02461954

Aditya Hunjunwala  
Director  
DIN-01686189

Date : 10.05.2019  
Place : Lucknow

For Sonar Casting Ltd.

Company Secretary

M.H.O. A50996



**SONAR CASTING LIMITED**  
**76, ELDECO GREENS, GOMTI NAGAR, LUCKNOW-226010**  
**Cash Flow Statement for the year ended 31st March, 2019**  
**CIN : U27100UP2019PLC113373**

(Amount in Rs.)

S.No.	Particulars	Year ended 31st March, 19	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit/(Loss) before tax and exceptional items</b>		<b>(942,058)</b>
	Adjustment to reconcile profit before exceptional items and extraordinary items and tax to net cash flow provided by operating activities:		
	Depreciation and amortization expense	6,663	
	Remeasurement of defined benefit obligation	-	6,663
	<b>Operating Profit before working capital changes</b>		<b>(935,395)</b>
	Adjustment to reconcile operating profit to cash flow provided by change in working capital		
	(Increase)/Decrease in trade and other receivables	-	
	(Increase) / Decrease in Inventories	-	
	(Increase) / Decrease in Current & Non current Assets	(17,140,900)	
	Increase / (Decrease) in trade payables & Others	83,023	
	Increase / (Decrease) in Current & Non current Liabilities	4,602	
	Increase / (Decrease) in Other Financial Liabilities	-	
	Increase / (Decrease) in Provisions	-	
			<b>(17,053,275)</b>
	<b>Cash Generated from Operations</b>		<b>(17,988,670)</b>
	Tax expense (excluding wealth tax)		
	<b>Cash flow before exceptional and extraordinary items</b>		<b>(17,988,670)</b>
	Exceptional items - Voluntary retirement scheme		
	<b>Net Cash generated From Operating Activities (A)</b>		<b>(17,988,670)</b>
<b>B.</b>	<b>Cash Flow from investing activities</b>		
	Purchase of fixed assets	(57,190,617)	
	Addition in CWIP	-	
	Interest income received	-	
	<b>Net Cash used in Investing Activities (B)</b>		<b>(57,190,617)</b>
<b>C.</b>	<b>Cash Flow From Financing activities</b>		
	Share Capital Issued	77,500,000	
	Proceeds of long term borrowings	-	
	Repayments of long term borrowings	-	
	Proceeds/(repayments) of short term borrowings	-	
	Finance cost paid	-	
	<b>Net Cash From Financing Activities (C)</b>		<b>77,500,000</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>2,320,713</b>
<b>D.</b>	<b>Opening cash and cash equivalents</b>		
<b>E.</b>	<b>Closing cash and cash equivalents for the purpose of cash flow statement(Refer Note No. 4)</b>		<b>2,320,713</b>
	<b>Increase in Cash &amp; Cash Equivalents (D-E)</b>		<b>2,320,713</b>

**Notes:**

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard on Statement of Cash Flows (Ind As -7).

2) Cash and cash equivalents at year end comprises:

Cash on hand

Balances with scheduled banks

- current accounts

2,320,713

2,320,713

**Supplementary Information**

- Restricted Cash Balance \*

\* amount not included in cash and cash equivalent

As per our report of even date attached

For- Mehrotra & Mehrotra

Chartered Accountants

FRN: 000226C



**CA Rajesh Jhalani**  
(Partner)  
M.No.074809

For and on behalf of Board of Directors

**S. C. Agarwal**  
Director  
DIN-02461954

**Aditya Ranjhanwala**  
Director  
DIN-01686189

Date : 10.05.2019

Place : Lucknow

**For Sonar Casting Ltd.**

**Company Secretary**

M.No. A50996



# Statement of change in Equity

Number Amount ( In Rs.)

## (a) Equity Capital

AT 31st March,18

At 31 March 2019

1000000

10000000

## (b) Other equity

Amount ( In Rs.)

Description	Capital Contribution	Retained Earning	Items of Other Comprehensive Income	Total
As at April 01, 2018	-	-	-	-
Change during the year	67,500,000	-	-	67,500,000
Profit for the period		(942,870)	-	(942,870)
Comprehensive Income			-	
Total	67,500,000	(942,870)	-	66,557,130
Transfer to retained	-	-	-	-
As at March 31, 2019	67,500,000	(942,870)		66,557,130

For Mehrotra & Mehrotra  
Chartered Accountants  
FRN: 000226C

CA Rajesh Jhalani  
(Partner)  
M.No.074809



For and on behalf of Board of Directors

S. C. Agarwal  
Director  
DIN-02461954

Aditya Jhunjunwala  
Director  
DIN-01686189

Date : 10.05.2019  
Place : Lucknow

For Sonar Casting Ltd.

Pooja Dna  
Company Secretary

Pooja Dna  
M'NO' A50996



**1. Corporate Information**

Sonar Casting Limited is a public limited company incorporated and domiciled in India. It was incorporated on 07<sup>th</sup> Feb, 2019 and its registered office is situated at 76, Eldeco Greens, Gomti Nagar, Lucknow, Uttar Pradesh – 226010.

The Company has proposed to set up a ductile iron foundry at Durgapur in west Bengal with capacity to produce approx. 24000 MT of DI manhole covers and DI pipe fittings per annum based on 300 days of working in a year.

**2. Significant Accounting Policies**

**2.1 Statement of Compliance with Ind AS**

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) for its accounting purposes and the figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

**2.2 Basis of Preparation of Financial Statements**

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value; and
- ii) Defined benefits plan - plan assets measured at fair value.
- iii) Fair value model adopted for lease hold land taken on Finance Lease.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**2.3 Use of Estimates**

The preparation of the Financial Statements in conformity with GAPP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Management believes that the estimates made in the preparation of the financial statements are prudent and reliable. Actual results might differ from the estimates. Difference between the actual results and estimates are recognized in the period in which results are known/material.





**i) Estimated useful life of Property, plant and equipment**

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

**ii) Recognition of deferred tax assets for carried forward tax losses and unused tax credit**

Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**iii) Estimation of Defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial year end. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the actuary considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**iv) Estimated fair value of unlisted securities**

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the discounted cash flow (DCF) model. The company uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2.4 Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)**

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Depreciation on Property, plant and equipment (PPE) is provided on written down value method as prescribed under Part C of Schedule II to the Companies Act, 2013. The additional depreciation, on increase in cost on account of revaluation, is transferred to Retained Earnings from Revaluation Reserve and is thus not charged to statement of Profit & Loss of the year.

Useful life of assets are considered on the base is of Schedule-II of Companies Act, 2013





Subsequent costs are included in the asset's carrying amount 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.

All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Each item of PPE individually costing Rs.5,000 or less is depreciated fully in the year of their put to use.

Depreciation/amortization on assets added, sold or discarded during the year is provided on pro-rata basis.

## **2.5 Intangible assets (Computer Software)**

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

Intangible assets: Computer software is amortized over a period of four years.

## **2.6 Revenue Recognition and Expenses**

i) Effective April 1 2018 the company adopted Ind AS 115, revenue from contracts with customer using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch up transition method, the comparatives have not been retrospectively adjusted. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for services and goods are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on supply and service contracts are recognized as the related performance obligation is completed.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

- ii) Insurance claims have been accounted for on cash basis looking in to the uncertainty and its collection as per past practice.
- iii) Interest Income is accounted for on time proportionate basis .

## **2.7 Expenses**

- (i) All expenses are accounted for on accrual basis.

## **2.8 Inventory**

- a) Cost of inventory comprises of purchase price, cost of conversion and other cost that have been incurred in bringing the inventories to their respective present location and condition. Interest costs are not included in value of inventory.





### **Inventories are valued as under:**

- a) Raw Materials and Finished Goods are carried at lower of cost and net realizable value.
- b) Stores & Spares are carried at cost.
- c) Goods in Process / WIP are carried at lower of cost and net realizable Value.

### **2.9 Fair value measurement**

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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All 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:

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

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

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.





At each reporting date, the management analyses the movements in the values of assets and liabilities, which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

## **2.10 Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

#### Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

#### Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present subsequent changes in fair value in OCI.





The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### De-recognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

#### Redeemable preference share at the company option at some future date :

The issuer has an unconditional right to avoid delivering cash or another financial instrument. An issuer's option to redeem the share for cash does not satisfy the definition of a financial liability and are recognised under Equity. Any dividend paid are recognised in equity.

## **2.11 Employees Benefits**

### **(i) Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

### **(ii) Post employment benefits**

#### **Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

#### **Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.





Actuarial gains and losses are recognized in the other comprehensive income

(iii) Long term employment benefits

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss for the year in which the related service is rendered.

## 2.12 Borrowing Costs

Borrowing costs attributable to the qualifying assets are capitalized up to the period such assets are ready for the intended use and commenced commercial production. All other borrowing cost is charged to the Statement of Profit & Loss in the period in which they are incurred.

## 2.13 Government Grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

The benefit of government loan at a below-market rate of interest is treated as a government grant. The Difference between the market rate of interest and actual rate of interest is treated as government grant.

## 2.14 Financial Derivatives and Commodity Hedging Transactions

Financial Derivatives and commodity hedging contracts are accounted for on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Statement of Profit & Loss, along with the underlying transactions.

## 2.15 Foreign Currency Transactions and Translations

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.





- b) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) In respect of monetary items which are covered by forward exchange contracts, the difference between the year end and the rate on the date of contract is recognized as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract.
- d) The exchange differences arising on settlement/translation are recognized in the Statement of Profit and Loss.

## 2.16 Taxes on Income

### (a) Current Tax

Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

### (b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

## 2.17 Impairment of Non financial Assets

- (i) Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
- (ii) An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount, costs of disposal and value in use.
- (iii) For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).





- (iv) Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

## **2.18 Leases**

Assets acquired as leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis. In case, risk and reward is not substantially retained by lessor, then it should be classified as finance lease.

## **2.19 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provision is recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.
- (ii) Provision is recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.
- (iii) Provisions are not recognized for future operating losses.
- (iv) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- (v) A contingent asset is not recognized in the financial statements.
- (vi) Provisions and contingent liabilities are reviewed at each balance sheet date.

## **2.20 Investment Property**

Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. Owner-occupied property is property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes. Investment properties are accounted for in the books at cost. However, fair value of such property is required to be disclosed only in accordance with Ind AS 40.

## **2.21 Earning Per Share**

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

## **2.22 Cash and Cash Equivalents**

Cash and cash equivalents Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.





For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management

## 2.23 Cash Flow Statement

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

**For Mehrotra & Mehrotra**  
Chartered Accountants  
FRN: 000226C



**CA. Rajesh Jhalani**  
Partner  
M.No.074809

Date : 10<sup>th</sup> May, 2019  
Place : Lucknow

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

A handwritten signature in blue ink.

**S. C. Agarwal**  
Director  
DIN-02461954

A handwritten signature in blue ink.

**Aditya Jhunjunwala**  
Director  
DIN-01686189

**For Sonar Casting Ltd.**

A handwritten signature in blue ink.  
**Company Secretary**

**Pooja Dua**  
M.N.O. - A50996.



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS***(Amount in Rs.)***Note 3 : Property, Plant and Equipment**

Particulars	Land (Lease hold)	Furniture & fixtures	Total
<b>Gross Block</b>			
Balance as at 1st April,18	-	-	-
Additions	56,432,488	195,700	56,628,188
Disposal/Deduction	-	-	-
<b>Balance as at 31st March,19</b>	<b>56,432,488</b>	<b>195,700</b>	<b>56,628,188</b>
<b>Accumulated depreciation</b>			
Balance as at 1st April,18	-	-	-
Depreciation for the year	-	6,663	6,663
Depreciation due to obsolescence	-	-	-
Disposal/Deduction	-	-	-
<b>Balance as at 31st March,19</b>	<b>-</b>	<b>6,663</b>	<b>6,663</b>

**Net Carrying amount  
Property, Plant and Equipment**

Net Carrying Amount	Land (Lease hold)	Furniture & fixtures	Total
As at 31st March,2019	56,432,488	189,037	56,621,525





**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**Note 3A Capital work in Progress (Building)**

*( Amount in Rs.)*

<b>Balance as at 01.04.18</b>	-
Addition	19,349
Capitalization	-
<b>Balance as at 31st March,19</b>	<b>19,349</b>

**Capital work in Progress (Tube well)**

*( Amount in Rs.)*

<b>Balance as at 01.04.18</b>	-
Addition	543,080
Capitalization	-
<b>Balance as at 31st March,19</b>	<b>543,080</b>

<b>Total Capital Work in Progress</b>	<b>562,429</b>
---------------------------------------	----------------





		(Amount in Rs.)	
		31st March, 19	
Note 4	<b>CASH AND CASH EQUIVALENT</b>		
	<b>Balances with Banks</b>		
	In current Account		
		Total	2,320,713
			2,320,713
Note 5	<b>Other current Assets</b>		
	Capital advances		17,120,900
	Security Deposit		20,000
		Total	17,140,900
Note 6	<b>Share Capital</b>		
	<b>Authorised</b>		
	Equity Share Capital	No. of shares	Amount
	Equity Shares of Rs. 10/- each	1,000,000	10,000,000
	<b>Issued capital</b>		
	Equity Share Capital		
	Equity Shares of Rs. 10/- each	1,000,000	10,000,000
	<b>Subscribed and paid up capital</b>		
	Equity Share Capital		
	Equity Shares of Rs. 10/- each	1,000,000	10,000,000
<b>Reconciliation of number of shares outstanding and the amount of share capital</b>			
<b>outstanding and the amount of Share capital</b>			
<b>i) Equity share capital</b>			
	Shares outstanding at the beginning of the year	No. of shares	Amount
	Shares issued during the year	-	-
	Shares bought back during the year	1,000,000	10,000,000
	Shares outstanding at the end of the year	-	-
		1,000,000	10,000,000
<b>ii) Rights, preferences and restrictions attached to the equity shares</b>			
The Company has only one class of Issued, subscribed and paid up equity shares having a par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.			
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.			
<b>iii) Details of the Shareholders holding more than 5% share in the Company</b>			
		31st March, 19	
<b>Particulars</b>		<b>No. of Shares held</b>	<b>Percentage of share holding</b>
Equity shares of Rs.10 each fully paid up			
M/s K M Sugar Mills Limited		1,000,000	100
(Including nominee shareholders)			





		<i>(Amount in Rs.)</i>	
		31st March,19	31st March,19
<b>Note 7</b>	<b><u>Other Equity</u></b>		
	<b>Surplus/(Deficit) in Statement of Profit &amp; Loss</b>		
	Balance as per last account		-
	Add: Profit/(Loss) for the current year		(942,870)
	<b>Closing balance</b>	<b>TOTAL (A)</b>	(942,870)
	<b>Capital Contribution</b>		
	<b>Preference Shares redeemable at the issuer's option</b>		
	Balance as per last account		-
	Addition during the year		67,500,000
	<b>Closing balance</b>	<b>TOTAL (B)</b>	67,500,000
		<b>TOTAL (A+B)</b>	66,557,130
<b>Note 8</b>	<b><u>Deferred Tax Liabilities /Assets</u></b>		
	Due to depreciation		812
	<b>Deferred Tax Assets</b>		
	Carried forward losses		-
	Expenses allowable for tax purpose when paid		-
	Others		-
	<b>Deferred Tax Liabilities (net)</b>	<b>Total</b>	812
<b>Note 9</b>	<b><u>Trade Payables</u></b>		
	(i) Total outstanding dues of Micro enterprises & Small Enterprises		-
	(ii) Other than Micro enterprises Small Enterprises (Other than acceptance) *		83,023
		<b>Total</b>	83,023
<b>Note 11</b>	<b><u>Other Current liabilities</u></b>		
	Statutory liabilities		4,602
		<b>Total</b>	4,602





SONAR CASTING LIMITED  
76, ELDECO GREENS, GOMTI NAGAR, LUCKNOW-226010  
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in Rs.)  
**31st March, 19**

**Note 12 Finance cost**

Interest paid  
Other finance cost

	5,863
	2,748
<b>Total</b>	<b>8,611</b>

**Note 13 Depreciation**

Tangible Assets

	6,663
<b>Total</b>	<b>6,663</b>

**Note 14 Other Expenses**

Audit Fee  
Commission & Brokerage  
Legal Exp.  
Preliminary Expenses  
Printing & Stationery

	20,000
	5,000
	760
	883,841
	17,183
<b>Total</b>	<b>926,784</b>





**Note 15 :Tax Reconciliation****Income tax expense:**

The major components of income tax expenses for the year ended March 31, 2019.

**(i) Profit or loss section**

Particulars	For the year ended March 31, 2019
Current tax expense	-
Deferred tax expense	812
<b>Total income tax expense recognised in statement of Profit &amp; Loss</b>	<b>812</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019.

	31-Mar-19
Accounting profit before tax from continuing operations	(942,058)
Accounting profit before tax from discontinuing operations	-
<b>Accounting profit before income tax</b>	<b>(942,058)</b>
At India's statutory income tax rate of 26%	(244,935)
Change in deferred Tax	812
Non taxable Income	
Non-deductible expenses for tax purposes:	(812)
Other non-deductible expenses	183,839
losses carry forward to next year	61,908
<b>Taxable amount</b>	<b>812</b>

	As at 01.04.2018	Provided during the Year	As at 31-Mar-19
<b>Deferred tax liability:</b>			
Related to Fixed Assets (Depreciation)	-	812	812
Revaluations of FVTOCI investments to fair value	-	-	-
	-	-	-
<b>Total deferred tax liability (A)</b>			<b>812</b>
<b>Deferred tax assets:</b>			
Carry forward Business Loss / Unabsorbed Depreciation	-	-	-
43B Disallowances etc.	-	-	-
<b>Total deferred tax assets (B)</b>			<b>-</b>
<b>Deferred Tax Liability (Net) (A - B)</b>			<b>812</b>

The Company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.





**Sonar Casting Limited**  
**CIN (U27100UP2019PLC113373)**

**Notes forming part of Statement of Profit & Loss and Balance Sheet:**

**15.1 Earnings per Share**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	31st March,19 (Amount in Rs.)
Profit attributable to equity holders of the Company:	
Profit attributable to equity holders for basic earnings	(9,42,870)
Profit attributable to equity holders adjusted for dilution effect	(9,42,870)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	10,00,000
<b>Earnings Per Share (Basic &amp; Diluted)</b>	<b>(0.94)</b>

**15.2 Amount of Contingent Liabilities not provided for - Nil**

**15.3 Commitments:**

Details of capital commitments at year end:

(Rs. In lakhs)

Particulars	31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	1215.50
Less : Advances paid against above	170.02
<b>Net Amount</b>	<b>1045.48</b>

**15.4** There is no amount due and payable to any enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, at the end of the financial Year.

**15.5** Foreign Exchange Earning/Payments - Nil

**15.6** Pursuant to compliance of Indian Accounting Standard (Ind AS 24) on related party disclosure, the relevant information is provided here below:





**Details of the related parties with whom transactions have taken place during the year:**

- i. **Key Management Persons (Group A)**
  - Shri Aditya Jhunhunwala - Director
  - Shri SC Aggarwal - Director
  - Shri Rajiv Gupta - Director
- ii. **Holding Company (B)**
  - K.M. Sugar Mills Limited
- iii. **Fellow Subsidiaries (Group C)**
  - KM Spirits And Allied Industries Limited

**(b) Details of transactions with the related parties during the year  
(Amount in Rs.)**

S.No.	Name of party	Group	Nature of Transaction	Amount
1	K.M. Sugar Mills Limited	B	Equity share issued	1,00,00,000
2.	K.M. Sugar Mills Limited	B	Preference share issued	6,75,00,000
3.	K.M. Sugar Mills Limited	B	Interest paid	5,863

- i. The transactions with related parties have been entered at an amount, which are not materially different from those on normal commercial terms.
  - ii. No amount has been written back/written off during the year in respect to due to/due from related parties.
  - iii. The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- 15.7 These accounts are prepared for the period from 07.02.2019 i.e. the date of incorporation to till 31.03.2019.
- 15.8 Since, this is the first year of operations, figures for previous financial year is not given in the financial statements.
- 15.9 All figures have been rounded off to nearest rupee.

As per our report of even date attached

**For Mehrotra & Mehrotra**

Chartered Accountants

FRN. 000226C

CA Rajesh Jhalani  
(Partner)

M.No.074809

Date : 10.05.2019

Place : Lucknow



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

S. C. Agarwal  
Director  
DIN-02461954

Aditya Jhunhunwala  
Director  
DIN-01686189

**For Sonar Casting Ltd.**

Company Secretary

Name:- Pooja Dua  
M.No:- A50996



**Sonar Casting Limited**

76, Eldeco Green,  
Gomti Nagar,  
Lucknow

CIN: U27100UP2019PLC113373

**Trial Balance**

1-Apr-2018 to 31-Mar-2019

Particulars	Sonar Casting Limited		
	1-Apr-2018 to 31-Mar-2019		
	Opening Balance	Transactions	Closing Balance
		Debit	Credit
<b>Capital Account</b>			
6% Redeemable Non Cum & Non Con Pref Shares			67500000.00
Equity Share			10000000.00
<b>Current Liabilities</b>			
Duties & Taxes			
TDS Payable (94 C)			4602.00
TDS Payable (Land Purchases)	521500.00	521500.00	4602.00
Sundry Creditors			
Pragati Gupta	883110.00	883841.00	731.00
Raj Kumar Daga		62292.00	62292.00
Audit fee Payable		20000.00	20000.00
Bengal Aerotropolis Projects Ltd.	52765370.00	52765370.00	
Deferred Tax Liability			
Francaise Commerce Pvt. Ltd.	26075000.00	26075000.00	
Ganguly & Company	543080.00	543080.00	
Just Imagine	170700.00	170700.00	
Matex Net Pvt. Ltd.	8850.00	8850.00	
Ranba Castings Ltd.	1000000.00	1000000.00	
SUBHA SANKAR CHATTERJEE	22500.00	22500.00	
<b>Fixed Assets</b>			
Capital Work in Progress (Building)	19349.00		19,349.00
Capital Work in Progress (Tubewell)	543080.00		543,080.00
Furniture & Fixtures	195700.00		195,700.00
Land (Leasehold)	56432488.00		56,432,488.00
PROVISION FOR DEPERATION		6663.02	6,663.02
<b>Current Assets</b>			
Loans & Advances (Asset)			
Security Deposit	20000.00		20000.00
Bank Accounts			
SBI A/C 38250968869	77458850.00	76188137.29	1270918.14
SBI A/C Durgapur 38281656470	1050000.00	205.43	1049794.57
APPLICATION MONEY RECEIVED	77503810.00	77503810.00	
Disa India Ltd.	17002500.00		17002500.00
INDIA POWER	138400.00	20000.00	118400.00
<b>Branch / Divisions</b>			
K.M.Sugar Mills Ltd.	5224928.00	5224928.00	
<b>Indirect Expenses</b>			
Audit fee	20000.00		20000.00
Bank Charges	2748.29		2748.29
Commission & Brokerage	5000.00		5000.00
Depreciation	6663.02		6663.02
Interest Paid to K M Sugar Mills	5863.00		5863.00
Legal Exp.	760.00		760.00
Preliminary Exp.	883841.00		883841.00
Printing & Stationery	17183.00		17183.00
<b>Grand Total</b>	<b>318495410.31</b>	<b>318495410.31</b>	

