

# South West Pinnacle

EXPLORATION LIMITED



**14<sup>th</sup> ANNUAL REPORT**  
**2019-20**

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## Chairman & Managing Director's Message



The year gone by FY 2019-20 has been very eventful for us. We have ended the year FY 2019-20 with Revenues of INR 87.47 Crores and PAT of INR 3.60 Crores on consolidated basis. On standalone basis the revenue stood at INR 85.30 Crores and PAT at INR 5.85 Crore. Our performance this year could have been much improved but for the pandemic COVID -19 which hampered our plans severely affecting both our top and bottom lines.

COVID-19 has devastating effect on all economic activities globally as businesses and economies are somehow linked with each other in today's world. We in India are also feeling the pinch of it. Our operations came to a grinding halt in the month of March which took almost two months to restart, although some segments of our business come under essential services. The redeeming feature was, we could manage the affairs rather well during this crisis period and could restart the operations sooner than many others. While doing so we are adhering to the guidelines issued by Government of India and other agencies and keeping a close watch on the affairs.

In the FY 2019-20, we became the first company in India to be awarded integrated contract for seismic data acquisition and processing as well as exploration in Tangardih East and West Block in Odisha. Our current order book continues to be healthy enough and we expect to win new contracts and work orders in the tenders we have participated recently, this will further make our order book impressive and healthier thereby giving us a clear vision for coming years. We are confident of achieving growth of around 20 % (CAGR) over the next three years.

Recent announcements by the Central Government prohibiting the global players in tenders up to Rs. 200 Crores and opening up the coal and mining sectors for private players will further boost our business prospects. It is our endeavor to keep exploring new domains of business of similar nature and we keep tweaking and aligning our business models with policy announcements by the Government of the day. Our foray into

2D/ 3D seismic data acquisition and processing business is the result of Open Acreage Licensing Policy (OALP) announced by Ministry of Petroleum and Gas in October 2018 which is fetching good business to us now. Similarly in times to come Government's focus on CBM/CMM E&P will bring in good opportunities for us. It is important to mention here that our Government is continuing its' efforts on tax as well as financial reforms, this will further enhance 'ease of doing business' which in turn would contribute to our bottom line.

As a Socially Responsible Corporate, we have contributed in environment, infrastructure and skill Development. We have supported many sustainable development projects to benefit communities in areas we operate giving 'ease of living' to the citizens of that area. Our priorities have always been to give employment and business opportunities to local people.

Continuing the trend of paying dividend in our debut year of listing on National Stock Exchange (NSE) after migrating from SME platform Emerge last year, the board of directors have again recommended a dividend of 5% to the shareholders other than the promoters despite rather subdued results. It is always our endeavor to keep serving our shareholders, especially the minority shareholders in the best possible manner to maximize their wealth.

I appreciate and thank for the confidence and faith reposed by the shareholders, bankers and all other stakeholders in the Board and the Management team which has, in my view, geared up to take on more challenges. I can say with confidence that Company will improve its performance further in the coming years. This is possible only through tireless efforts, dedication and commitment of our team which has helped us reach where we are now and we sincerely look forward to their continued commitment in the journey ahead.

**Yours Sincerely,**  
**Vikas Jain**  
**Chairman & Managing Director**



# South West Pinnacle

EXPLORATION LIMITED

## Joint Managing Director's Message

The year 2019-20 was very eventful and challenging. The diversification into new business verticals / domains and the growth outlook for our existing business segments all auger well for the future of our company.

I am happy to share that our entry into the new domain of 2D/3D Seismic data collection and processing has been very encouraging. We bagged a 3D Seismic contract worth over Rs. 73 Crores from Oil India Limited during the year which is now on the verge of completion in a few months. We also got new integrated contracts in 2D seismic with drilling which we are successfully executing at present. Looking at the present scenario where our Government wants to reduce dependence on import of Crude oil, we feel good scope to get sizeable business of Seismic in future as players in the field are very limited. Apart, the recent announcements by our Central Government regarding opening up of coal and mining sector for private sector is a big boost to our business prospects.

Some of our recent order wins include orders from Atomic Minerals Directorate for Exploration & Research in the state of Odisha and Uttar Pradesh, Central Mine Planning & Design Institute Limited (CMPDI) for drilling and 2D seismic in Odisha and Chhattisgarh, Odisha Mining Corporation (OMC) and Geological survey of India (GSI) , in Telangana . Apart, your company has recently participated/ is participating in many fresh tenders across domains which will further strengthen our order book.

By the end of FY 2019-20 ,we have completed more than 18 lac meters of drilling . During the year we drilled over 4 lac meters in different domains like Coal & Mineral, CBM, Shale Gas, Aquifer mapping etc. Presently, we have 16 running operations across India.

Nationwide lock down due to COVID-19 has effected our operations adversely as they remained suspended during the period . But for the lock down due to pandemic, our performance would have been far superior than the present one. Redeeming feature was , we could somehow resume our most of the operations swiftly, no sooner the lock down was

lifted. Now all our operations are running smoothly following COVID-19. guidelines issued

Your Company remains committed to the highest standards of Operational Health, Safety, and Environment (OHSE). I am pleased to share that despite running 16 to 17 operations on an average across India there has been no Lost Time Injury (LTI) during FY 2019- 20 & your company maintained impeccable track record of safety. We would continue our efforts in imbuing and strengthening strong safety culture in the Company. We also engage our contractors and other stakeholders in this endeavour without which such an achievement would not have been possible.

Our one Drilling operation through our JV in Oman has recently been completed successfully . We are in the process of bagging few new orders with which we expect to utilize our resources well and do sizable business there in the times ahead.

Further, I am pleased to inform that with the recent amendment in MSME Act, done by the Government, your company has become entitled to be registered under the said Act and accordingly, it has now been registered as 'Medium' company.

As a policy we shall continue to maintain light asset model and would out source some of the activities in few of our domains as per need. Complimenting this, we currently have 34 operational rigs whom we are confident of effectively deploying across verticals to maximize our productivity. We are committed to create strong growth while retaining focus our margins and timely execution.

I would like to take this opportunity to thank all our stakeholders, my colleagues, clients, contractors and shareholders and look forward for their continuing support in the year ahead. . I would also like to thank all those who have supported and guided us during the year.

Yours Sincerely,  
Piyush Jain  
Jt. Managing Director  
Annual Report 2019-20 ❖ 2

## BOARD OF DIRECTORS



**Vikas Jain**  
Chairman & Managing Director

Vikas Jain, aged 45 years is the Promoter, Chairman & Managing Director of our Company. He has been director of our Company since November 27, 2006 and has been designated as Managing Director w.e.f April 1, 2007, reappointed as Managing Director w.e.f. April 1, 2010, (revised terms on November 1, 2011 and again reappointed w.e.f. November 1, 2016. He is the founder of the company. He has completed his Master of Business and Administration from Johnson & Wales University, Providence, Rhode Island. He is incharge of the administrative affairs of the company. He looks after business development, finance and formulation of overall strategy for growth and future prospects of the Company.



**Piyush Jain**  
Joint Managing Director

Piyush Jain, aged 38 years is the Promoter and Joint Managing Director of our Company. He is designated as Whole Time Director of our Company since November 1, 2011, reappointed w.e.f. November 1, 2016 and re-designated as Jt. Managing Director w.e.f. November 1, 2017. He has done his Postgraduate Diploma in Management & Entrepreneurship from Nottingham Test University, UK and Bachelor of Science in Business and Management Studies from University of Bradford. He takes care of entire operational responsibilities, procurement, HSE and Business Development of our Company



**Roger James Lord**  
Director

Roger James Lord aged 72 years is the Director of our Company. He has rich experience of more than 40 years in Drilling Industry. He started his career in Drilling Industry in Australia for carrying out drilling operations and he is associated with our Company from the date of inception, to assist the company in the drilling and exploration. He is registered NSW Driller issued with Class License 6, by Water Regulation Officer, Australia.

## BOARD OF DIRECTORS



**Sudha Maheshwari**  
Independent Director

Sudha Maheshwari aged 38 years is Independent Director of our Company. She has been appointed as Independent Director of our Company w.e.f. October 31, 2017. She has done her postgraduate qualification in Economics from the University of Warwick, United Kingdom. She had experience in Strategic and Operations Division, Government and regulatory affairs and CSR initiatives.



**Jitendra Kumar Mishra**  
Independent Director

Jitendra Kumar Mishra aged 49 years is the Independent Director of our Company. He is designated as Independent Director of our Company w.e.f. November 7, 2017. He is associate member of Institute of Chartered Accountant of India bearing Membership Number 058953 and qualified Cost & Management Accountant, with 17 years of experience in Finance, Funds Management, Business Restructuring, Accounting, Budgeting, Business Planning, Taxation (Direct and Indirect), Treasury operations and Risk Management with Core competencies.



**Rajendra Prasad Ritolia**  
Independent Director

Mr. Rajendra Prasad Ritolia, aged 71 years is the Independent Director of the Company. He is designated as Independent Director of our Company w.e.f. March 31, 2019. He has done his Post graduation in Mining from Leoben, Austria (under UNO scholarship) and post-graduate diploma in Management from AIMA. He has held the position of Former Chairman-cum-Managing Director of Central Coalfields Ltd, Ranchi, India and Former Managing Director, Tata Steel Ltd. He is recipient of several awards like Dewan Bahadur DD Thacker Gold Medal Award for outstanding contribution to Coal Mining Industry by MGMI Indira Gandhi Memorial National Award 2007 for Best PSU Chief Executive, Award of Excellence by Indian Mine Managers' Association & Lifetime Achievement Award by National Institute of Personnel Management.

**COMPANY NAME : SOUTH WEST PINNACLE EXPLORATION LIMITED**

**CIN : L13203HR2006PLC049480**

**REGISTERED AND CORPORATE OFFICE:**

SIDDHARTHA HOUSE, 4TH FLOOR, PLOT NO.6,  
SECTOR-44, GURUGRAM, HR 122003

**Registrar And Share Transfer Agent:**

**LINK INTIME INDIA PRIVATE LIMITED**

Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC,  
Near Savitri Market, Janakpuri, New Delhi - 110058

**Stock Exchange Details:**

**NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE)**

### **BOARD OF DIRECTORS**

Mr. Vikas Jain (DIN: 00049217)	Promoter & Chairman cum Managing Director
Mr. Piyush Jain (DIN:00049319)	Promoter & Joint Managing Director
Mr. Roger James Lord (DIN: 00952295)	Non-Executive Director
Mrs. Sudha Maheshwari (DIN: 06784093)	Non-Executive & Independent Director
Mr. Jitendra Kumar Mishra (DIN: 07983426)	Non-Executive & Independent Director
Mr. Rajendra Prasad Ritolia (DIN: 00119488)	Non-Executive & Independent Director

### **OTHER KEY MANAGERIAL PERSONNEL**

Mr. Dinesh Agarwal (PAN: ABIPA2523R)	Chief Financial Officer
Ms. Vaishali (PAN: AVOPB4837D)	Company Secretary & Compliance Officer

#### **STATUTORY AUDITORS:**

**Doogar & Associates**

13, Community Centre,  
East of Kailash,  
New Delhi-110065

#### **INTERNAL AUDITOR:**

**Mr. Yogesh Singla**  
Chartered Accountant

#### **INVESTOR RELATION MAIL ID:**

investors@southwestpinnacle.com

#### **SECRETARIAL AUDITORS:**

**KKS & Associates,**  
Company Secretaries,  
3<sup>RD</sup> Floor, 14 Rani Jhansi Road,  
New Delhi-110055

#### **BANKERS:**

HDFC Bank Ltd.,  
A-12, DLF Qutab Enclave,  
Phase I, Gurugram-122002

Axis Bank Ltd.  
Greenwood Plaza, Block B,  
Sector 45, Gurgaon-122009

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14<sup>th</sup> ANNUAL GENERAL MEETING of South West Pinnacle Exploration Limited will be held on Monday, the 28<sup>th</sup> September, 2020 at 03:00 P.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt :-
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To declare a Dividend for the financial year ended March 31, 2020 to non promoter shareholders of the company of Rs. 0.50 per Equity Share of Rs. 10/- each, fully paid-up.
3. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. Roger James Lord (DIN:00952295) who retires by rotation at the conclusion of this meeting, but does not seek reappointment.

### **SPECIAL BUSINESSES**

#### **4. Re-Appointment of Mr. Vikas Jain (DIN: 00049217) as Chairman & Managing Director of the Company**

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and Articles of Association of the company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Vikas Jain (DIN: 00049217) as Chairman & Managing Director of the company for a period of three years with effect from 20<sup>th</sup> November, 2020 on the monthly remuneration of Rs. 7,00,000 ( Rupees Seven Lac Only) and other terms and conditions as recommended by the nomination and remuneration committee and as set out in the Explanatory Statement annexed to the notice convening this meeting, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Vikas Jain.

**RESOLVED FURTHER THAT** Mr. Vikas Jain, Chairman & Managing Director shall also be entitled to Commission @ 0.50% on the turnover of the Company effective from the financial year 2019-20 provided however that, the total remuneration payable to him (including monthly remuneration and commission) shall be subject to the overall ceiling of Schedule V of the Act.

**RESOLVED FURTHER THAT** not with standing anything to the contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, remuneration by way of Salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits Section II of part II of Schedule V of Companies Act, 2013, whichever is lower, unless otherwise determined by the Board of Directors.”

**RESOLVED FURTHER THAT** the Board of directors and/or the company secretary be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**5. Re-Appointment of Mr. Piyush Jain (DIN: 00049319) as Joint Managing Director of the Company**

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and Articles of Association of the company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Piyush Jain (DIN: 00049319) as Joint Managing Director of the company for a period of three years with effect from 20<sup>th</sup> November, 2020 on the monthly remuneration of Rs. 5,00,000 (Rupees Five Lac Only) and other terms and conditions as recommended by the nomination and remuneration committee and as set out in the Explanatory Statement annexed to the notice convening this meeting, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Piyush Jain.

**RESOLVED FURTHER THAT** Mr. Piyush Jain, Joint Managing Director shall also be entitled to Commission @ 0.25% on the turnover of the Company, effective from the financial year 2019-20, provided however that, the total remuneration payable to him (including monthly remuneration and commission) shall be subject to the overall ceiling of Schedule V of the Act.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, remuneration by way of Salary, perquisites and other allowances or any combination thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits Section II of part II of Schedule V of Companies Act, 2013, whichever is lower, unless otherwise determined by the Board of Directors."

**RESOLVED FURTHER THAT** the Board of directors and/or the company secretary be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

**6. Re-Appointment of Mr. Jitendra Kumar Mishra (DIN: 07983426) as an Independent director of the Company.**

To consider and if thought fit to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Jitendra Kumar Mishra (DIN: 07983426), who was appointed as an Independent Director at the Extra Ordinary General Meeting of the company and who holds office up to 06<sup>th</sup> November 2020 and is eligible for reappointment and meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted declaration to that effect, be and is hereby reappointed as an Independent Director of the company (whose office shall not be liable to retire by rotation,) to hold office for a second term of three years commencing with effect from 07<sup>th</sup> November, 2020 to 06<sup>th</sup> November 2023.

**RESOLVED FURTHER THAT** the Board of Directors and/or company secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be considered necessary, proper or expedient, desirable to give effect to the above Resolution.”

**7. Re-Appointment of Mrs. Sudha Maheshwari (DIN: 06784093) as an Independent director of the Company.**

To consider and if thought fit to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mrs. Sudha Maheshwari (DIN: 06784093), who was appointed as an Independent Director at the Extra Ordinary General Meeting of the company and holds office up to 29<sup>th</sup> October 2020 and who is eligible for reappointment and meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted declaration to that effect, be and is hereby reappointed as an Independent Director of the company (whose office shall not be liable to retire by rotation,) to hold office for a second term of three years commencing with effect from 30<sup>th</sup> October, 2020 to 29<sup>th</sup> October 2023.

**RESOLVED FURTHER THAT** the Board of Directors and/or company secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be considered necessary, proper or expedient, desirable to give effect to the above Resolution.”

**By order of the Board  
For South West Pinnacle Exploration Limited**

**Vikas Jain  
Chairman & Managing Director  
DIN: 00049217**

**Place : Gurugram**

**Date: 22.07.2020**

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.southwestpinnacle.com](http://www.southwestpinnacle.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Institutional /Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [kksandassociates@gmail.com](mailto:kksandassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

9. The Register of Members and Share Transfer Books of the Company will remain close from Tuesday, September 22, 2020 to Monday, September 28, 2020 (both days inclusive) for the purpose of Annual General Meeting. The company has fixed Monday September 21, 2020 as record for the purpose to determine the shareholders who are entitled for Dividend subject to approval of shareholders in ensuing AGM.
10. The Board of Directors in their meeting held on June 22, 2020, have recommended Rs. 0.50/- per share on Equity shares of Face Value of Rs.10/- each as the Final dividend for financial year ended on 31 March, 2020 to non promoter shareholders of the company.
11. Subject to the provisions of Section 126 of the Act, if the Final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or before Tuesday, October 27, 2020 as under:  
  
to all Beneficial Owners in respect o shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours of Record Date i.e. Monday September 21, 2020;
12. As per Regulation 40 of SEBI Listing Regulations, as amended, the securities of Listed Companies can be transferred only in dematerialized form w.e.f 01 April 2019, except in case of request received for transmission or transposition of securities. All the share capital of the company are in dematerlised form only.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link in time India Pvt Ltd., Registrar & Share Transfer Agent / NSDL (National Securities Depositories Ltd.) and CDSL (Central Depositories and Services Ltd.)
14. As per the provision of Section 152 of the Companies Act, 2013, the Company has received declarations from all the Independent Director stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.
15. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) and Bank account details by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Under Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the intimation letter regarding updation of Bank account and PAN have been duly sent through the Company's Registrar and Share Transfer Agent i.e M/s **Link Intime India Private Limited**.
16. Non-Resident Indian Members are requested to inform Registrar and Transfer Agents: (a). Change in their local address in India for correspondence and e-mail ID for sending all e-communications. (b). Change in their residential status on return to India for permanent settlement. (c ). Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier, to enable Company to remit dividend to the said Bank Account directly.
17. Pursuant to the requirements of Corporate Governance under Regulation 27 of SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015 entered into with the Stock Exchange(s), the brief resumes of all the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board/Committees, shareholding and relationships between Directors inter-se, are provided in the Corporate governance report and Board Report forming part of the Annual Report.
18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.southwestpinnacle.com](http://www.southwestpinnacle.com), and website National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL
20. All the documents referred to in the accompanying Notice of AGM and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM upon log-in to NSDL evoting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
21. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Link In Time India Private Limited., Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 shall be transferred to the Investor Education Protection Fund.
22. At the thirteenth AGM held on September 14, 2019 the Members approved appointment of M/s Doogar & Associates Chartered Accountants (FRN:000561N) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 18<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 14<sup>th</sup> AGM for FY 2019-20.
23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
24. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or with depository participants. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
25. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or with depository participants.
26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

#### **VOTING THROUGH ELECTRONIC MEANS**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
- ii. The remote e-voting period commences on Friday, September 25, 2020 (9:00 a.m. IST) and ends on Sunday, September 27, 2020 (5:00 p.m. IST). During this period, Members holding shares, as on cut-off date i.e. September 21, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iii. The Board of Directors has appointed KKS & Associates (Membership No. FCS 8493), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### **EVEN (E Voting Event Number) USER ID PASSWORD/PIN**

- (i) The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process can be downloaded from the link <https://www.e-voting.nsdl.com> or [www.southwestpinnacle.com](http://www.southwestpinnacle.com)
- (ii) NSDL shall also be sending the User-ID and Password; to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email address, can use the details as provided above.

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

The remote e-voting period begins on September 25, 2020 at 09:00 A.M. and ends on September 27, 2020, at 05: 00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment e. a .pdf file Open the .pdf file.
  - (ii) The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

**If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?”( If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [kksandassociates@gmail.com](mailto:kksandassociates@gmail.com) with a copy marked to [investors@southwestpinnacle.com](mailto:investors@southwestpinnacle.com)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [at.evoting@nsdl.co.in](mailto:at.evoting@nsdl.co.in)

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

Please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and mark a copy to [investors@southwestpinnacle.com](mailto:investors@southwestpinnacle.com)

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

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

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VIDEO CONFRENCING (VC)/OTHER AUDIO VISUAL MEANS (OAVM) ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. 10 days in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@southwestpinnacle.com](mailto:investors@southwestpinnacle.com). These queries will be replied to by the company suitably by email or in the AGM.
6. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
7. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990.

**Other Instructions :**

1. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, September 21, 2020. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 21, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares as on the cut-off date (record date) of September 21, 2020, and not casting their vote electronically, may only cast their vote through evoting system during the AGM i.e [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**NOTICE**

3. Investors who become members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the voting eligibility cutoff date i.e. September 21, 2020 are requested to send the written / email communication to the Company's RTA at or NSDL at by mentioning their Folio No. / DPID and Client ID to obtain the Login-ID and Password for e-voting. The Management/RTA will do their best to accommodate and execute such requests so that the Shareholder can participate in the e-voting which commences on Friday 25 September, 2020 and ends on Sunday, 27 September, 2020.
4. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
5. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.southwestpinnacle.com](http://www.southwestpinnacle.com) and on the website of NSDL and communicated to the National Stock Exchange of India Limited where the shares of the Company are listed.

**By order of the Board  
For South West Pinnacle Exploration Limited**

**Vikas Jain  
Chairman & Managing Director  
DIN: 00049217**

**Place : Gurugram**

**Date: 22.07.2020**

**EXPLANATORY STATEMENT**

**(Pursuant to Section 102 (1) of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

**Item No 4.**

**Re-appointment of Mr. Vikas Jain (DIN : 00049217) as the Chairman & Managing Director of the company**

Mr. Vikas Jain (DIN : 00049217), was appointed as Chairman & Managing Director by the members to hold office upto April 19<sup>th</sup> November 2020. The Board is proposing his re-appointment for a period of Three (3) years and hence continuation of his employment as Executive Chairman & Managing Director requires the approval of members by way of as Special Resolution.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution approving re-appointment of Mr. Vikas Jain as Chairman & Managing Director of the Company for a further period of three years with effect from 20<sup>th</sup> November, 2020 to 19<sup>th</sup> November 2023. This is subject to the approval of shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of the Act. The details of remuneration payable to Mr. Vikas Jain and the material terms and conditions of the re-appointment are as follows:

- I) Basic / Consolidated Salary – Rs. 7,00,000/-per month, with suitable increase and revision from time to time, as approved by the Board/committee.
- II) Perquisites as detailed below –
  - i. Reimbursement of all medical expenses (including medical/hospitalization policy premium) incurred for self & family.
  - ii. Subscription upto two clubs, lifetime membership fee and subscription fee not be included.
  - iii. Car with driver for Company's business and also telephone at residence and mobile phone.
  - iv. Mr. Vikas Jain shall also be entitled to the following:
    - a) Reimbursement of traveling, entertainment and all other expenses incurred for the business of the company.
    - b) Reimbursement of leave travel expenses once in two years block for self and family.
    - c) Leave and encashment of leaves as per the rules of the Company.

**Other terms and conditions:-**

- a) The Managing Director shall be responsible for overall management and control of the operations of the company.
- b) The Managing Director shall perform his duties and exercise his powers subject to the supervision and control of the Board.
- c) The Managing Director shall use his best endeavors to promote the interest of the Company and shall not hold any other whole time employment / assignment of whatsoever nature.
- d) The Managing Director shall not be paid, any sitting fee for attending meetings of the Board/Committee thereof.
- e) In the event of any amendment or modifications of the Companies Act, 2013, if required, the remuneration and perquisites payable to Managing Director may be varied by the board.
- f) During the tenure of his term of office he shall not be liable to retire by rotation.”

Mr. Vikas Jain shall also be entitled to Commission @ 0.50% on the turnover of the Company.

A **brief profile** of Mr. Vikas Jain (DIN: 00049217), Chairman & Managing Director to be appointed is given below:

Mr. Vikas Jain is the Promoter, Chairman & Managing Director of South West Pinnacle Exploration Limited (SWPE). He is the founder of our company. He has been director on board since inception and the guiding force behind the strategic decision backed by industry experienced professionals to run the business. He has more than 15 years of experience in exploration and Mining sector.

He has completed his Masters in Business and Administration from Johnson & Wales University, USA. He looks after business development, finance, formulation of overall strategy for growth, future prospects and client relationships besides administrative affairs.

The Board commends the resolution as item no. 4 for approval of members as a special resolution.

None of the Directors and Key Managerial Personnel of the company and their relatives except Mr. Piyush Jain (Brother) and Mr. Vikas Jain himself is concerned or interested, financially or otherwise, in this resolution at the item no. 4 of accompanying notice.

**Item No 5.**

**Re-appointment of Mr. Piyush Jain (DIN : 00049319) as the Joint Managing Director of the company**

Mr. Piyush Jain (DIN : 00049319) was appointed as Joint Managing Director by the members to hold office upto 19<sup>th</sup> November 2020. The Board is proposing his re-appointment for a period of Three (3) years and hence continuation of his employment as Executive Joint Managing Director requires the approval of members by way of as Special Resolution.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution approving re-appointment of Mr. Piyush Jain as Joint Managing Director of the Company for a further period of three years with effect from 20<sup>th</sup> November, 2020 to 19<sup>th</sup> November 2023. This is subject to the approval of shareholders at this Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of the Act. The details of remuneration payable to Mr. Piyush Jain and the material terms and conditions of the re-appointment are as follows:

- I) Basic / Consolidated Salary – Rs. 5,00,000/-per month, with suitable increase and revision from time to time, as approved by the Board/committee.
- II) Perquisites as detailed below –
  - i. Reimbursement of all medical expenses (including medical/hospitalization policy premium) incurred for self & family.
  - ii. Subscription to two clubs, lifetime membership fee and subscription fee not be included.
  - iii. Car with driver for Company's business and also telephone at residence and mobile phone.
  - iv. Mr. Piyush Jain shall also be entitled to the following:
    - a) Reimbursement of traveling, entertainment and all other expenses incurred for the business of the company.
    - b) Reimbursement of leave travel expenses once in two years block for self and family.
    - c) Leave and encashment of leaves as per the rules of the Company.

Mr. Piyush Jain shall also be entitled to Commission @ 0.25% on the turnover of the Company.

**Other terms and conditions:-**

- a) The Joint Managing Director shall be responsible for Management and control of drilling operations, Business Development, Procurement, HSE and other related activities of the company.

The Joint Managing Director shall perform his duties and exercise his duties subject to the supervision and control of the Board and Chairman & Managing Director.

- b) The Joint Managing Director shall use his best endeavors to promote the interest of the Company and shall not hold any other whole time employment / assignment of whatsoever nature.
- d) The Joint Managing Director shall not be paid, any sitting fee for attending meetings of the Board/Committee thereof.
- e) In the event of any amendment or modifications of the Companies Act, 2013, if required, the remuneration and perquisites payable to Joint Managing Director may be varied by the board.
- f) During the tenure of his term of office he shall not be liable to retire by rotation.”

A brief profile of Mr. Piyush Jain (DIN: 00049319), Joint Managing Director to be appointed is given below:

Mr. Piyush Jain is the promoter & Joint Managing Director of South West Pinnacle Exploration Limited (SWPE). He has joined the board of our Company in the year 2009 and since then directly involved in developing, planning, scheduling and supervising the operations of the Company. He has more than 12 years of experience in exploration and Mining sector.

He has done his M.Sc. in Management & Entrepreneurship from Nottingham Trent University, UK and B.Sc. in Business & Management Studies from IILM, New Delhi affiliated to University of Bradford, UK. He oversees operations procurement, HSE and Business Development of our Company.

The Board commends the resolution as item no. 5 for approval of members as an special resolution.

None of the Directors and Key Managerial Personnel of the company and their relatives except Mr. Vikas Jain (Brother) and Mr. Piyush Jain himself is concerned or interested, financially or otherwise, in this resolution at the item no. 5 of accompanying notice.

#### **6. Re-appointment of Mr. Jitendra Kumar Mishra (DIN: 07983426) as an Independent director of the Company**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Jitendra Kumar Mishra (DIN: 07983426) as Independent Director, for a second term of three years from 07<sup>th</sup> November, 2020 to 06<sup>th</sup> November 2023, which is subjected to shareholder's approval in AGM. Further, Mr. Jitendra Kumar Mishra was appointed as Independent Director at the Extra Ordinary General Meeting of the company and holds office upto 06<sup>th</sup> November 2020. He is not liable to retire by rotation.

The Board suggested that based on the performance evaluation and recommendation of Nomination and remuneration committee, considers that given his background, experience and contribution, the continued association of Mr. Jitendra Kumar Mishra would be beneficial to the company and it is desirable to continue to avail his services as independent director.

The company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the company. The terms and conditions of his appointment shall be open for inspection by the members at the Registered Office of the company during the normal business hours on any working day till the conclusion of the AGM.

A brief profile of Jitendra Kumar Mishra (DIN: 07983426), Independent Directors to be appointed is given below:

Mr. Jitendra Kumar Mishra aged 48 years is a qualified Chartered Accountant and is a Fellow member of Institute of Chartered Accountants of India and qualified Cost & Management Accountant, with 19 years of experience in Finance, Funds Management, Business Restructuring, Accounting, Budgeting, Business Planning, Taxation (Direct and Indirect), Treasury operations and Risk Management. He has industry experience into Service Industry, Value Added Telecom Services, IT & Software Industry etc. and in the past has served reputed Cos. like - HUGES Communication, Mascon Global Ltd., HCL Technologies etc. in senior financial management roles

The Board recommends the resolution as item no. 6 for approval of members as a Special resolution.

Except, Mr. Jitendra Kumar Mishra being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

**7. Re-appointment of Mrs. Sudha Maheshwari (DIN: 06784093) as an Independent director of the Company**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mrs. Sudha Maheshwari (DIN: 06784093) as Independent Director, for a second term of three years from 30<sup>th</sup> October, 2020 to 29<sup>th</sup> October, 2023, which is subjected to shareholder's approval in AGM. Mrs. Sudha Maheshwari was appointed as Independent Director at the Extra Ordinary General Meeting of the company and holds office 29<sup>th</sup> October, 2020. She is not liable to retire by rotation.

The Board suggested that based on the performance evaluation and recommendation of Nomination and remuneration committee, considers that given her background, experience and contribution, the continued association of Mrs. Sudha Maheshwari would be beneficial to the company and it is desirable to continue to avail her services as independent director.

The company has received a declaration from her to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge his duties.

In the opinion of Board, she fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the company. The terms and conditions of her appointment shall be open for inspection by the members at the Registered Office of the company during the normal business hours on any working day till the conclusion of the AGM.

A brief profile of Mrs. Sudha Maheshwari (DIN: 06784093), Independent Director to be appointed is given below:

Sudha Maheshwari aged 38 years and completed her graduation and post graduation in Economics and MBA from St. Xavier's, Mumbai & University of Warwick, U.K. respectively. She has a varied experience in the fields of business strategy & operations, marketing activities, corporate & regulatory affairs and CSR initiatives. Apart from having served MNCs like Citibank, Deloitte, Phillip Morris, she has also been an entrepreneur in the field of E-commerce venture.

The Board recommends the resolution as item no. 7 for approval of members as a Special resolution.

Except, Mrs. Sudha Maheshwari being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

**By order of the Board  
For South West Pinnacle Exploration Limited**

**Vikas Jain  
Chairman & Managing Director  
DIN: 00049217**

**Place : Gurugram**

**Date: 22.07.2020**

## BOARD OF DIRECTORS' REPORT

To,

**The Members of South West Pinnacle Exploration Limited**

Your Directors are pleased to present the 14<sup>th</sup> Annual report on the business and operations together with the Company's audited financial statements and the auditors' report thereon for the financial year ended March 31, 2020. The financial highlights for the year are given below:

### FINANCIAL RESULTS:

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	8,363.40	8,261.81	8,580.06	8,502.98
Other Income	167.03	544.06	167.57	544.06
<b>Total Revenue</b>	<b>8,530.43</b>	<b>8,805.87</b>	<b>8,747.63</b>	<b>9,047.04</b>
Expenses	6671.32	6461.32	6971.33	6700.59
Finance cost	453.33	364.20	509.25	435.06
Depreciation	633.14	600.57	686.63	649.49
Share of Profit/loss of Joint Venture	-	-	-32.63	-
Exceptional Items	-	-	-	7.42
<b>Profit before tax</b>	<b>772.64</b>	<b>1,379.78</b>	<b>547.79</b>	<b>1,254.48</b>
Current tax	241.56	278.89	241.56	278.89
<b>Profit after current tax</b>	<b>531.08</b>	<b>1100.89</b>	<b>306.23</b>	<b>975.59</b>
Deferred tax	(23.31)	34.52	(23.31)	34.52
<b>Profit after tax</b>	<b>554.39</b>	<b>1,066.37</b>	<b>329.54</b>	<b>941.07</b>
<b>Earning per Share</b>	<b>1.99</b>	<b>3.82</b>	<b>1.17</b>	<b>3.62</b>

### DIVIDEND

In view of the profits for the year under review and keeping in view fund requirements of the Company, your Directors are pleased to recommend dividend of Rs. 0.50 per Equity Share of face value of Rs. 10/- each, fully paid-up, to non-promoters shareholders of the company.

## **OPERATION HIGHLIGHTS**

During the year under review, the Company has earned total revenue of Rs. 8530.43 Lakh as against 8,805.87 Lakh during the previous year. The year under review resulted in Net Profit of Rs. 554.39 Lakh as compared to Net Profit of Rs. 1,066.37 Lakh during the previous year. On consolidated basis, revenue for FY 2019-20 stood at is Rs. 8,747.63 Lakh as against Rs. 9,047.04 Lakh during previous year. The performance of the company was relatively subdued this year due to impact of COVID-19 on the operations.



Business Development of the Company is on the right path and the Company expects to increase its' business significantly in the following year and expects to earn handsome returns.

## **HUMAN RESOURCE DEVELOPMENT**

Human Resource strives the success and growth of a company. Your Company believes that human resources are the key resource and integral part the organization and endeavors to create a culture of openness and empowerment amongst its employees and provide them good carrier growth.

Your Company truly believes in trust, transparency & teamwork to improve employees' productivity at all levels and is committed to the welfare of the employees and their families by having performance review, recognition and reward system in place.

## **TRANSFER TO RESERVES**

The Company has transferred Rs. 583.51 Lakhs to the General reserves during the Financial Year ended on 31 March, 2020.

## **COMPANY'S AFFAIRS**

South West Pinnacle Exploration Limited is engaged mainly, in the business of providing end to end drilling, exploration and allied services to coal, ferrous, non-ferrous, atomic and base metal mining industries and water & unconventional energy industries & seismic services. The company is also engaged in doing aquifer mapping for Hydro-geological organizations in India for determining the quality and quantity of ground water in a particular area.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN MARCH 31, 2020 AND THE DATE OF REPORT**

Except as disclosed elsewhere in this Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the closing of the financial year of the Company i.e. 31<sup>st</sup> March, 2020 till the date of this report.

As required under Section 134(3) of the Act, the Board of Directors informs the members that during the financial year, there have been no material changes, except as disclosed elsewhere in the Annual Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Act, the audited consolidated financial statements are provided in the Annual Report. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its' subsidiaries, joint ventures and associate companies.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

### **Subsidiary Company**

The Company has one wholly owned subsidiary\* namely Pilot Pipelines Private Limited (Formerly known as Pilot Infrastructure Pvt. Ltd)

\* The company acquired the remaining 45% equity shares of Pilot Pipelines Private Limited w.e.f July 05, 2019.

### **Overseas Joint Ventures**

The company has one joint venture named as Alara Resources LLC in Muscat, Oman in which SWPE holds 35% Share (52,500 Equity shares).

### **Associate Company**

There are no associate companies at any time during the financial year 2019-2020.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing brief financial details of the Company's subsidiaries, associate companies and joint ventures for the financial year ended March 31, 2020 in Form AOC-1 is annexed to the financial statements of the Company as **Annexure-I**.

## **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the company during FY 2019-20.

## **INTER SE RELATIONSHIPS BETWEEN THE DIRECTORS**

There is no inter se relationship between Directors of the company except between Mr. Vikas Jain , Chairman & Managing Director who is elder brother of Mr. Piyush Jain , Joint Managing Director of the company.

## **SHARE CAPITAL**

There was following change in the Share Capital of the company during the FY 2019-20 :

- **Authorised Capital-** During the year under review there were changes in the authorised capital of the Company which was as follows:

The Company altered its authorized share capital from existing Rs. 28,00,00,000 (Rupees Twenty Eight Crores only) divided into 2,80,00,000 (Two Crore and Eighty Lakh) equity shares of Rs. 10/- (Rupees Ten) to Rs. 31,00,00,000 (Rupees Thirty One Crores only) divided into 3,10,00,000 (Three Crores and Ten Lakh) equity shares of Rs. 10/- (Rupees Ten) each by passing special resolution at 13<sup>th</sup> Annual General Meeting of the company held on 14<sup>th</sup> September 2019.

- **Paid Up Share Capital-**

The company altered its paid up share capital from Rs. 13,95,12,000 (Thirteen Crore Ninety Five Lac and Twelve Thousand Only) divided into 1,39,51,200 (One crore Thirty Nine Lac Fifty One Thousand and Two Hundred Only) to Rs. 27,90,24,000/- (Twenty Seven Crore Ninety Lacs and Twenty Four Thousand Only) divided into 2,79,02,400 (Two Crore Seventy Nine Lac Two Thousand and Four Hundred Only) Equity shares of the company having face value of Rs.10 (Ten) per Share after allotment of bonus shares on 8<sup>th</sup> April, 2019 in ratio of 1:1 to the shareholders of the company.

## **PUBLIC DEPOSITS**

The Company has not accepted any Public deposit during the year under review falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.





### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

In terms of Section 134 (3) (g), towards inclusion of the details of particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 & Rules made thereunder in this report, the same are given in the notes to the Financial Statements.

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

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor as appointed by the company monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



### **AUDITORS**

#### **(i) STATUTORY AUDITORS:**



Pursuant to the provisions of section 139 of the Act and the rules framed there under, the company at its AGM held on 14<sup>th</sup> September, 2019 appointed **M/s Doogar & Associates, Chartered Accountants (Firm registration No. 000561N)** as the statutory auditor of the company for a term of 5 (Five) consecutive years from the conclusion of the 13<sup>th</sup> annual general meeting upto the of conclusion of 18<sup>th</sup> annual general meeting of the company. Further, in accordance with the Companies Amendment Act, 2017 enforced w.e.f 7 May, 2018 by the Ministry of Corporate Affairs, the appointment of statutory auditor is not required to be ratified at every Annual General Meeting. Accordingly, no resolution

is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

There were no qualifications, reservation or adverse remark or disclaimer as reported by the statutory auditor of the Company.

#### **(ii) SECRETARIAL AUDITORS**

Section 204 of the Companies Act, 2013, inter-alia requires every listed company to annex with its' Board of Directors report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors has appointed M/s KKS & Associates, Company Secretaries (Prop. Mr. Krishna Kumar Singh), Practicing Company Secretary as the Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2019-20 and their report is annexed to this Board report. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Secretarial Auditor's Report, in the prescribed format, for the period ended March 31, 2020 is annexed to this Directors' Report as **Annexure-III** and forms part of the Board Report.

Further, Pursuant to regulation 24(A) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, the company is required to submit Annual Secretarial Compliance Report for the Year ended March 31, 2020. In compliance of abovesaid provisions, the company received Annual Secretarial Compliance Report for FY 2019-20 from M/s KKS & Associates, Company Secretaries dated 20.06.2020 and submitted the same to stock exchange within prescribed time

### (iii) INTERNAL AUDITORS

The board of Directors of the company in their meeting held on 14<sup>th</sup> August 2019, appointed Mr. Yogesh Singla, Chartered Accountant as the Internal Auditor of the Company for a period of three years commencing from FY 2019-20 to 2021-22.

He performed all the duties of internal auditor and conducted Audit of the Company for FY 2019-20. The Internal Audit report for Financial Year 2019-20 is reviewed by the audit committee and taken on note by the board of Directors of the company.



### QUALIFICATIONS IN AUDIT REPORTS

There is no qualification, disclaimer, reservation or adverse remark or disclaimer made either by the statutory auditors in his report or by the company secretary in practice (Secretarial Auditor) in secretarial audit report.

### COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD MEETINGS AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

### EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return in Form No. MGT-9 as per section 134 (3)(a) of the Companies Act, 2013 read with Rule 8 of Companies Act(Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 as on the financial year ended on 31.03.2020, is annexed herewith as **Annexure-II**. Link of the same is also available at the website of the company i.e. [www.southwestpinnacle.com](http://www.southwestpinnacle.com)

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is furnished.

Since the company is not engaged in manufacturing, the particulars in respect of conservation of energy, Research and development, Technology Absorption are not required to be given.

### FOREIGN EXCHANGE EARNINGS/ OUTGO:

Foreign Exchange Earnings and Outgoings	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Earnings in Foreign Currency	Rs. 11,48,063	Rs. 144,219,250
Expenditure in Foreign Currency	Rs. 21,78,78,153	Rs.58,447,514.93



## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as **Annexure-IV** to this Report.

### IMPACT OF COVID-19 ON OPERATIONS OF COMPANY

- a) The Company's operations suddenly stopped in March, 2020 due to lockdown in various parts of the country which got partially restarted in beginning of May 2020. This way pandemic has impacted our operations during March, April and May, 2020. Abrupt stoppage of Company's operations in March, when they were at peak, effected our top line by 12 to 15 Crores with corresponding reduction in bottom line.
- b) The Company could restart most of its' operations during the month of May 2020 adhering to the safety norms prescribed by Government of India and by the local authorities. With the comfortable order book position and active support of clients, we are confident of maintaining/ sustaining our operations smoothly in the times ahead.
- c) In the Financial year 2020-21, 1<sup>st</sup> quarter (April to June) & 2nd Quarter (July to September) profitability is also likely to remain impacted. As the situation is evolving, the company is keeping a close watch .We hope the business situation would normalize during 3<sup>rd</sup> and 4<sup>th</sup> quarter of current FY 20-21.
- d) Though the cash flow position is dynamic, with our existing limits and strict monitoring and control over expenditure, the company will be able to serve its' debt and other financial obligations. There are no liquidity concerns as we have sufficient unutilised banking limits available and we have also got assurance from our banker to extend additional financial support, if any such need arises during this period.
- e) As the situation is very dynamic, weekly review mechanism adopted by company to monitor accounts receivables, inventory and overheads has so far been very effective. Regular monitoring is also in place to control the capital expenditure to mitigate any impact on our asset management in COVID era.
- f) Our company is imparting services in exploratory drilling field and there is no impact on demand of our services due to COVID 19. In fact recent announcements by Govt of India restricting participation by global players in tenders upto 200 Crore and opening up of Coal and mining sector for private players has opened up new areas of opportunities which is expected to generate additional demand for companies like us.

### CORPORATE GOVERNANCE REPORT AND CERTIFICATE

The report on Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as integral part of this Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors had formed a committee on Corporate Social Responsibility (CSR) in accordance with provisions of Companies Act, 2013. The Committee consists of following members:

Mr. Vikas Jain (Chairman & Managing Director)

Mr. Piyush Jain (Joint Managing Director)

Mr. Jitendra Kumar Mishra (Independent Director)

The Annual report on CSR activities in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **“Annexure VI**.

### **BOARD OF DIRECTORS**

During the FY 2019-20, there is no change in the board of directors of the company.

### **INDEPENDENT DIRECTORS**

Mr. Jitendra Kumar Mishra, Mrs. Sudha Maheshwari and Mr. Rajendra Prasad Ritolia are present independent directors of the company.

The Board of Directors of the Company hereby confirms that all the Independent Directors duly appointed by the Company have given the declaration of independence as required pursuant to Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations stating that they meet the criteria of Independence as provided under Section 149(6) of the Act.



### **KEY MANAGERIAL PERSONAL (KMP)**

Mr. Vikas Jain Chairman & Managing Director, Mr. Piyush Jain Joint Managing Director, Mr. Dinesh Agarwal Chief Financial Officer and Ms. Vaishali Company Secretary and Compliance Officer are the Key Managerial Personals as per the provision of Section 2(51), of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **BOARD EVALUATION**



The board of directors has carried out an annual evaluation of its own performance, Board committees and the performance of the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual directors to the Board and committee meetings like preparing on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors of your Company met 10 times during the financial year ended March 31, 2020, the dates of the meetings are April 8, 2019; May 18, 2019; May 22, 2019; June 13, 2019; June 20, 2019; August 14, 2019; September 14, 2019; November 29, 2019; December 11, 2019 and February 12, 2020. The necessary quorum was present for all the meetings.

### Board Meeting



### MEETING OF INDEPENDENT DIRECTORS

During the financial year 2019-20, the meeting of Independent Director was held on 12<sup>th</sup> February 2020, to review the performance of Non Independent Directors.

The gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### SECRETARIAL STANDARD

The Institute of Company Secretaries of India has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

### BOARD COMMITTEES

Detailed composition of the mandatory Board Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

Presently, the Board has Four (4) Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee & Corporate Social Responsibility Committee, constitution of which is given below:

### AUDIT COMMITTEE

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The details of which are given in the Corporate Governance Report. The Committee met periodically during the year and had discussions with the auditors on internal control systems and internal audit report.

### NOMINATION & REMUNERATION COMMITTEE:

The role, terms of reference, authority and powers of the Nomination & Remuneration Committee are in conformity with Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The details of which are given in the Corporate Governance Report attached as **Annexure-V**.

### STAKEHOLDER RELATIONSHIP COMMITTEE:

The role, terms of reference, authority and powers of the Stakeholder Relationship Committee are in conformity with Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The details of which are given in the Corporate Governance Report attached as **Annexure-V**.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:



The role, terms of reference, authority and powers of the Corporate Social Responsibility Committee are in conformity with Section 135 of the Companies Act, 2013. The details of which are given in the Corporate Governance Report attached as **Annexure-V**.

### **FUTURE PROSPECTS**

The Management is very optimistically focusing on to exploit the opportunities available in exploration and mining sector in India and evaluating various business models for implementation in order to enhance to turnover of the company to escalate to new heights. The Board expects that the Company will continue to improve its overall performance and excel to enhance the profitability of the Company.

In the present economic scenario and growth momentum of Indian economy, via its strategy competency, operational efficiencies and successful implementation of its new business models.

### **DISCLOSURE REGARDING MAINTAINANCE OF COST RECORD**

The Company is not required to maintain the cost record as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### **PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS**

All pecuniary relationship or transactions of the non executive directors vis-a-vis the company, along with criteria for such payments and disclosures on the remuneration of directors along with their shareholding are disclosed Form MGT-9, which forms a part of this Report and Corporate Governance Report.

### **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES**

In compliance with the requirements of Section 177 of the Companies Act, 2013 and regulation 22 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Company has established a vigil mechanism in form of whistle Blower Policy for the Directors and Employees of the Company through which genuine concerns regarding various issues can be communicated. The Company had adopted a Code of conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern their actions.

Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company and should be brought to the attention of the concerned.

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

The Company is committed for providing and promoting a safe and healthy work environment for all its employees.

The Company has extreme intolerance towards anti-social behavior at the workplace and has adopted a 'Prevention of Sexual Harassment' Policy (POSH) that is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under for prevention and redressal of complaints of sexual harassment at workplace, along with a structured reporting and redressal mechanism. The company has complied with provision relating to the constitution of Internal Complaints Committee under the said Act.

The Company has not received any complaint on sexual harassment during Financial Year 2019-20.

### **REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

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

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature. In case of transactions which are unforeseen and in respect of which complete details are not available, the Audit Committee grants an omnibus approval to enter into such unforeseen transactions, provided the transaction value does not exceed Rs. 1 Crore (per transaction in a financial year). The Audit committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis. All transactions with related parties entered into during FY 2019-20 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the Rules made there under and the SEBI Regulations. There were no transactions which were material (considering the materiality thresholds prescribed under the Companies Act and Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. Accordingly, no disclosure is made in respect of the Related Party Transactions in the Form AOC-2 in terms of Section 134 of the Act and Rules framed there under.



**DISCLOSURE OF NOMINATION AND REMUNERATION POLICY**

The board on recommendation of Nomination and Remuneration Committee approved Remuneration Policy for Director, KMP and Senior Management Employee are also available at the website [www.southwestpinnacle.com](http://www.southwestpinnacle.com) of the Company.

**PARTICULARS EMPLOYEES PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sr. No.	Particulars	
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for financial year	Mr. Vikas Jain 38:1 Mr. Piyush Jain 25:1
(ii)	the percentage Increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	During the year there is no increase in the remuneration of Key Managerial Personnel except company secretary.  There is 20% increase in the salary of company secretary w.e.f 01 <sup>st</sup> February 2020.
(iii)	the percentage Increase in the median remuneration of employees in the financial year.	6.80%
(iv)	the number of permanent employees on the rolls of Company;	562 Employees as on March 31, 2020
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is no increase in the Managerial Remuneration for FY 2019-20. However there are some new joinings in the current year which led to overall increase in the salary of employees other than Managerial Personnel.
(vi)	Affirmation that their emuneration is as per the remuneration policy of the Company.	Remuneration paid during the FY 2019-20 is as per the Remuneration Policy of the Company.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Code of Conduct to regulate, monitor and report Insider trading is uploaded on the Company's **website: [www.southwestpinnacle.com](http://www.southwestpinnacle.com)**

### **COMPLIANCE WITH THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The company's equity shares continue to be listed on the National Stock Exchange of India (NSE) which has nationwide trading terminals. The company has paid the Annual Listing Fees to NSE for the Financial Year 2019-2020. All compliances with respect to the SEBI (Listing Obligating and Disclosure Requirements) Regulations 2015 have been duly made by the company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **E-VOTING**

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015. The instruction(s) for e-voting for ensuing Annual General Meeting is also provided with notice to shareholders of this Annual Report.



### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**ACKNOWLEDGEMENTS**

Your Directors place on record their warm appreciation of the assistance and cooperation extended by various Government Departments, Authorities, and Business Partners etc. Your Directors also place on record their deep appreciation of the support provided by the Bankers associated with the company.

Your company's employees are instrumental to your company achieving higher business goals. Your directors place on record their deep admiration of the commitment and contribution of your company's employees. Your support as shareholders is greatly valued. Your directors thank you and look forward to your continuance support.

**By order of the Board  
For South West Pinnacle Exploration Limited**

**Vikas Jain  
Chairman & Managing Director  
DIN: 00049217**

**Place : Gurugram**

**Date: 22.07.2020**

## ANNEXURE-I

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
Subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

**(Information in respect of each subsidiary to be presented with amounts in Rs)**

S.No.	Particulars	Details
1.	Name of the subsidiary	Pilot Pipelines Private Limited (Formerly known as Pilot Infrastructure Pvt. Ltd)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same i.e. 01.04.2019 to 31.03.2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	50,00,000
5.	Reserves & surplus	(29,709,621)
6.	Total assets	65,618,075
7.	Total Liabilities	65,618,075
8.	Investments	-
9.	Turnover	21,720,412
10.	Profit before taxation	(19,222,188)
11.	Provision for taxation	NIL
12.	Profit after taxation	(19,222,188)
13.	Proposed Dividend	-
14.	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations-**Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year-**Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: -

S.No.	Particulars	Details
1.	Name of Joint Venture	ALARA RESOURCES LLC, MUSCAT, OMAN
2.	Date on which Joint Venture was Associated or acquired	October 02, 2018
3.	Shares of Joint Venture held by the company on the year end	1
4.	Amount of Investment in Joint Venture	11,166,000/-
5.	Extent of Holding (in percentage)	35%
6.	Description of how there is significant influence	<b>JV agreement to participate in financial and operating policies</b>
7.	Reason why Joint Venture is not consolidated	NA
8.	Net Worth attributable to shareholding as per latest audited Balance Sheet	19,920,914/-
9.	Profit and Loss for the year I. Considered in Consolidation II. Not Considered in Consolidation	(3,262,974) (6,059,809)
10.	Name of Joint Venture which are yet to commence Operations	ALARA RESOURCES LLC, MUSCAT THE SULTANATE OF OMAN

- Names of associates or joint ventures which are yet to commence operations-- Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year-- Not Applicable

**By order of the Board  
For South West Pinnacle Exploration Limited**

Place : Gurugram  
Date: 22.07.2020

**Vikas Jain**  
Chairman & Managing Director  
DIN: 00049217

**Piyush Jain**  
Joint Managing Director  
DIN: 00049319

**ANNEXURE-II  
FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON  
31<sup>ST</sup> MARCH, 2020**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management & Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

I	CIN	L13203HR2006PLC049480
ii	Registration Date	27/11/2006
iii	Name of the Company	SOUTH WEST PINNACLE EXPLORATION LIMITED
iv	Category/Sub-category of the Company	Company Limited by shares Non-govt company
v	Address of the Registered office & contact details	Siddhartha House, 4th floor, Plot No.6, Sector-44, Gurugram 122003
vi	Whether listed company	Yes
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	Link Intime India Private Limited Add: 44, Community Centre, 2nd Floor, Near PVR Naraina, Phase-I Naraina Industrial Area, New Delhi-110028

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No	Name & Description of main product/services	NIC code of the product/services	% of total turnover of the company
1.	Drilling and other allied services	99543203	100%

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

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY	% OF SHARES HELD	APPLICABLE SECTION
1.	Pilot Pipelines Private Limited (Formerly known as Pilot Infrastructure Private Limited)	U11100DL2013PTC260028	Wholly owned Subsidiary	100*	2 (87)
2.	Alara Resources LLC' Oman	1095339	Joint Venture	35	2(6)

**\*Note:** M/s Pilot Pipelines Private Limited (Formerly known as Pilot Infrastructure Private Limited) has become the wholly owned subsidiary of the company w.e.f 05th July, 2019.

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

##### I.) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	9802400	-	9802400	70.26	19977101	-	19977101	71.59	1.33
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other.									
<b>SUB TOTAL:(A) (1)</b>	9802400	-	9802400	70.26	19977101	-	19977101	71.59	1.33
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	9802400	-	9802400	70.26	19977101	-	19977101	71.59	1.33

<b>B.PUBLIC SHAREHOLDING</b>	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	1704000	-	1704000	12.21	1020402	-	1020402	3.65	-8.56
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	118400	-	118400	0.85	208000	-	208000	0.74	0.11
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (1):</b>	<b>1822400</b>	<b>-</b>	<b>1822400</b>	<b>13.06</b>	<b>1228402</b>	<b>-</b>	<b>1228402</b>	<b>4.39</b>	<b>-8.67</b>
<b>(2) Non Institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	397810	-	397810	2.85	1798751	-	1798751	6.44	3.59
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ` 1 Lakh	843790	-	843790	6.05	1074867	-	1074867	3.85	-2.20
ii) Individual shareholders holding nominal share capital in excess of 1	635200	-	635200	4.55	2916956	-	2916956	10.45	5.90

c) Others (specify)									
Non Resident Indians	33600	-	33600	0.24	76991	-	76991	0.27	0.03
Trusts	171200		171200	1.22	329600		329600	1.18	-0.04
Clearing members	121600		121600	0.87	1124		1124	0.00	-0.86
HUF	123200		123200	0.88	498608		498608	1.78	0.90
<b>SUB TOTAL (B) (2):</b>	<b>2326400</b>	<b>-</b>	<b>2326400</b>	<b>16.67</b>	<b>6696897</b>	<b>-</b>	<b>6696897</b>	<b>24.00</b>	<b>7.33</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4148800</b>	<b>-</b>	<b>4148800</b>	<b>29.73</b>	<b>7925299</b>	<b>-</b>	<b>7925299</b>	<b>28.40</b>	<b>-1.33</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>13951200</b>	<b>-</b>	<b>13951200</b>	<b>100</b>	<b>27902400</b>	<b>-</b>	<b>27902400</b>	<b>100</b>	<b>-</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change on Shareholding during the year
		No. of Shares	% of total shares of the company	% of pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of pledged / encumbered to total shares	
1.	Vikas Jain	4250000	30.46	Nil	8795501	31.52	Nil	1.06
2.	Piyush Jain	2352400	16.86	Nil	4781600	17.14	Nil	0.28
3.	Gajraj Jain HUF	23,00,000	16.49	Nil	46,00,000	16.49	Nil	Nil
4.	Rachna Jain	4,30,000	3.08	Nil	8,60,000	3.08	Nil	Nil
5.	Ruchi Jain	4,30,000	3.08	Nil	8,60,000	3.08	Nil	Nil
6.	Kasvi Jain	10,000	0.07	Nil	20,000	0.07	Nil	Nil
7.	Vikas Jain HUF	30,000	0.22	Nil	60,000	0.22	Nil	Nil

**(iii) CHANGE IN PROMOTER'S SHAREHOLDING**

Sl. No.	Name of Promoter	Shareholding at the beginning of the year i.e. 01.04.2019		Date	Reason	Increase/ Decrease in Shares	Shareholding at the end of the year i.e. 31.03.2020	
		No. of shares	% of total Shares of the Company				No. of shares	% of total Shares of the Company
1.	Mr. Vikas Jain	42,50,000	30.46	01-04-2019 to 31-03-2020	Market Acquisition of Equity Share & Bonus Issue	4250000(Bonus) 295,501(Market Acquisition)	8795501	31.52
2.	Mr. Piyush Jain	2352400	16.86	01-04-2019 to 31-03-2020 Bonus 08.04.2020	Market Acquisition of Equity Share & Bonus Issue	2352400 (Bonus) 76800 (Market Acquisition)	4781600	17.14
3	Gajraj Jain HUF	23,00,000	16.49	08.04.2020	Bonus Issue (1:1)	23,00,000	46,00,000	16.49
4	Mrs. Rachna Jain	4,30,000	3.08	08.04.2020	Bonus Issue (1:1)	4,30,000	8,60,000	3.08
5	Mrs. Ruchi Jain	4,30,000	3.08	08.04.2020	Bonus Issue (1:1)	4,30,000	8,60,000	3.08
6.	Ms. Kasvi Jain	10,000	0.07	08.04.2020	Bonus Issue (1:1)	10,000	20,000	0.07
7	M/s. Vikas Jain HUF	30,000	0.22	08.04.2020	Bonus Issue (1:1)	30,000	60,000	0.22
<b>TOTAL</b>		<b>9802400</b>	<b>70.26</b>				<b>19977101</b>	<b>71.59</b>

**(iv) SHARE HOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDER OF GDRS & ADRS)**

S No.	Name of Shareholders	Shareholding at the beginning of the year as on 01.04.2019		Change in shareholding during the year		Shareholding at the end of the year as on 31.3.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DSP Natural Resources and New Energy Fund	5,92,000	4.24	428402	0.59	1020402	3.65
2.	Gogja Capital Services Limited	-	-	791157	2.83	791157	2.83
3.	Gurminder Pal Singh Arneja	3200	0.01	575253	2.06	578453	2.07
4.	Pantomath Stock Brokers Private Limited	238400	0.85	244660	0.88	483060	1.73
5.	Pantomath Sabrimala Aif Pantomath Sabrimala Sme Growth Fund Series I	164800	0.59	164800	0.59	329600	1.18
6.	Gurminder Pal Singh and Sons	-	-	250000	0.89	250000	0.89
7.	Tanuj Arneja	-	-	250000	0.89	250000	0.89
8.	Rikhav Securities Limited	-	-	202600	0.72	202600	0.72
9.	Jatin Arneja	43200	0.15	156800	0.56	200000	0.71
10.	Dharini Prijesh Kurani	-	-	173000	0.62	173000	0.62

## (v) SHAREHOLDING OF DIRECTORS &amp; KEY MANAGERIAL PERSONNEL:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vikas Jain				
	At the beginning of the year	4250000	30.46	4250000	30.46
	Increase in shareholding by Market Acquisition of Equity Share & Bonus Issue(1:1)	4250000 (Bonus) 295,501 (Market Acquisition)	1.06	4250000 (Bonus) 295,501 (Market Acquisition)	1.06
	<b>At the end of the year</b>	<b>8795501</b>	<b>31.52</b>	<b>8795501</b>	<b>31.52</b>
2.	Mr. Piyush Jain				
	At the beginning of the year	2352400	16.86	2352400	16.86
	Increase in shareholding by Market Acquisition of Equity Share & Bonus Issue(1:1)	2352400 (Bonus) 76800 (Market Acquisition)	0.28	2352400 (Bonus) 76800 (Market Acquisition)	0.28
	<b>At the end of the year</b>	<b>4781600</b>	<b>17.14</b>	<b>4781600</b>	<b>17.14</b>
3.	Mr. Dinesh Agarwal				
	At the beginning of the year	6400	0.02	6400	0.02
	Increase in shareholding by bonus issue (1:1)	6400	0.02	6400	0.02
	<b>At the end of the year</b>	<b>12,800</b>	<b>0.04</b>	<b>12,800</b>	<b>0.04</b>
4.	Ms. Vaishali				
	At the beginning of the year	-	-	-	-
		-	-	-	-
	Decrease in shareholding by selling shares in off market	-	-	-	-
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## VI. INDEBTEDNESS

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

in Rs. Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	262,052,286	42,397,649	Nil	304,449,935
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>262,052,286</b>	<b>42,397,649</b>	<b>Nil</b>	<b>304,449,935</b>
<b>Change in Indebtedness during the financial year</b>				
•Additions	2,258,559,621	159,596,061	Nil	2,418,155,682
•Reduction	2,104,566,170	132,975,206	Nil	2,237,541,376
<b>Net Change</b>	<b>153,993,451</b>	<b>26,620,855</b>	<b>Nil</b>	<b>180,614,306</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	416,045,737	69,018,504	Nil	485,064,241
ii) Interest due but not paid	-	-	Nil	-
iii) Interest accrued but not due	879,027	-	Nil	879,027
<b>Total (i+ii+iii)</b>	<b>416,924,764</b>	<b>69,018,504</b>	<b>Nil</b>	<b>485,943,268</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager:**

S.No	Particulars of Remuneration	Chairman & Managing Director	Joint Managing Director	Chief Financial Officer	Company Secretary
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	77,00,000	55,00,000	12,90,000	4,24,800
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	-as % of profit	4222847	2111437	-	-
	-others (specify)	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>11,922,847</b>	<b>7,611,437</b>	<b>12,90,000</b>	<b>4,24,800</b>

**B. Remuneration to other directors : -**

S No.	Name of the Directors	Fee for attending Board/ Committee meetings	Conveyance Charges	Others	Total
1.	Mr. Rajendra Prasad Ritolia	1,50,000	-	-	1,50,000
2.	Mr. Jitendra Kumar Mishra	2,05,000	-	-	2,05,000
3.	Mrs. Sudha Maheshwari	1,55,000	-	-	1,55,000

## VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
------	------------------------------	-------------------	--	----------------------------	------------------------------------

## A. COMPANY

Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil

## B. DIRECTORS

Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil

## C. OFFICERS IN DEFAULT

Penalty	Nil	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil	Nil

By order of the Board  
For South West Pinnacle Exploration Limited

Place : Gurugram  
Date: 22.07.2020

Vikas Jain  
Chairman & Managing Director  
DIN: 00049217

Piyush Jain  
Joint Managing Director  
DIN: 00049319

ANNEXURE-III

Form No. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**SOUTH WEST PINNACLE EXPLORATION LIMITED**  
Siddhartha House, 4th floor,  
Plot No.6, Sector-44, Gurgaon

In connection with issue of a Secretarial Audit Report pursuant to Sec 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of **South West Pinnacle Exploration Limited** (Company) for the Financial Year ended **31<sup>st</sup> March, 2020**, we wish to state as under:-

- 1) South West Pinnacle Exploration Limited is incorporated under the Companies Act, 1956 vide CIN- L13203HR2006PLC049480 issued by the Registrar of Companies, NCT of Delhi & Haryana.
- 2) We have verified the records maintained by the Company under the provisions of the Companies Act, 2013 (Act) from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 and report that the Company has complied with the various provisions of the said Act.
- 3) The Authorized Share Capital of the Company is Rs. 31,00,00,000/- (Thirty One Crores) divided into 3,10,00,000 (Three crore and Ten Lacs) Equity Shares of Rs. 10/- (Ten) each.
- 4) The Issued, subscribed and Paid up Capital of the Company is Rs. 27,90,24,000 (Twenty seven crore ninety lacs and twenty four thousand only) divided into 2,79,02,400 (Two Crore Seventy Nine Lacs Two Thousand and Four Hundred) Equity Shares of 10/- (Ten) each.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **South West Pinnacle Exploration Limited (CIN- L13203HR2006PLC049480)** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and representation letter given by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ('**Audit Period**'), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) and Companies Act, 1956 (to the extent applicable) the rules made there under including any re-enactment thereof;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder.
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- d. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulations 2015.
- e. SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018
- f. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.  
**Not Applicable**
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.  
**Not Applicable**
- h. The Securities and Exchange Board of India (Delisting of Equity Share) Regulations, 2009.  
**Not Applicable**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.  
**Not Applicable**
- V. Other laws applicable to the Company as per the representations made by the Management.
  - a. Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.
  - b. The Listing agreement entered into by the Company with NSE Limited read with SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings.

Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

**For KKS & Associates**  
Company Secretaries

**Krishna Kumar Singh**  
(Proprietor)  
FCS No: 8493  
COP No: 9760

**Place: New Delhi**

**Date: 22.07.2020**

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

ANNEXURE-A  
TO THE SECRETARIAL AUDIT REPORT

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

**For KKS & Associates**  
Company Secretaries

**Krishna Kumar Singh**  
**(Proprietor)**  
**FCS No: 8493**  
**COP No: 9760**

**Place: New Delhi**

**Date: 22.07.2020**

**ANNEXURE-IV****MANAGEMENT DISCUSSION AND ANALYSIS****INTRODUCTION**

India holds a fair advantage in production and conversion costs in exploration and mining of minerals specially in steel and alumina. Its' strategic location enables export opportunities to developed as well as fast-developing Asian markets.

India produces 95 minerals – 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals).

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth for the sector. Demand for iron and steel is set to continue given the strong growth expectations for the residential and commercial building industry.

Besides, India being third largest consumer of oil and gas and Government's efforts to reduce dependence on Imports will pave way for opening up of more and more avenues of exploration and production in oil and gas sector.

**OPPORTUNITIES:**

Your Company has significant scope for drilling & exploration in various sectors/verticals as summarized below:

**a.) Drilling and Exploration of Coal and Minerals :**

There is a significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub-surface deposits. India is the third largest producer of coal. Coal production in the country stood at 729.10 million tonnes (MT) in FY20 and reached 55.42 MT in FY21 (till April 2020).

India ranks fourth in terms of iron ore production globally. Production of iron ore in FY20 stood at 205.70 MT. India has around eight per cent of the world's iron ore deposits. India became the world's second largest crude steel producer in 2019 with production at 111.2 MT.

Production of aluminium stood at 3.65 MT in FY20. Aluminium export from the country reached US\$ 18.24 million in FY20 (till January 2020).

Infrastructure projects continue to provide lucrative business opportunities for steel, zinc, and aluminium producers. Government of India is giving lot of thrust to improve infrastructure across the country, which in turn will substantially increase the demand of cement and steel. This will drive growth in exploration and mining activities in near future.

Iron and steel make up a core component for the real estate sector too. Demand for these metals is set to continue given strong growth expectations for the residential and commercial building industry in the longer term.

Recent announcement made by Government of India that 500 blocks of minerals will be auctioned in a composite exploration cum mining cum production regime has opened new window of opportunity in the sector. Opening up of commercial Coal mining will give huge boost to coal exploration in the times ahead. In nutshell, India has vast scope of drilling & exploration in coal and mineral sector with availability of so many natural resources in abundance.

**b.) Oil & Gas Exploration:**

Oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to its energy demand, therefore, the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government has adopted several policies to fulfil the increasing demand. It has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries among others. Today, it attracts both domestic and foreign investment as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India. India has been the fourth-largest Liquefied Natural Gas (LNG) importer since 2011 after Japan, South Korea, and China.

As of May 01, 2020, India's oil refining capacity stood at 249.9 million metric tonnes (MMT), making it the second largest refiner in Asia. Private companies own about 35.36 per cent of the total refining capacity in FY20.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), the petroleum and natural gas sector attracted FDI worth US\$ 7.82 billion between April 2000 and March 2021. Such a scenario of oil and gas in India throws open lot of opportunities of exploration in the sector.

**c.) Aquifer mapping & Hydro geological services:**

Growing water scarcity is being recognized as an important problem facing India. Groundwater is an important natural resource to meet the water requirements of our country. Groundwater irrigation has been expanding at a very rapid pace in India since 1970s and now accounts for over 60 percent of the total area irrigated in the country.

Thus need was felt for scientific management of groundwater resources and the need has turned to urgency in the present times. The importance of groundwater for national development has deemed it necessary to be more specific; and hence “groundwater management” has become “aquifer management”. Central Ground Water Board (CGWB) has taken up National Project on Aquifer Management to formulate sustainable aquifer management plan. CGWB has accordingly, launched the aquifer mapping projects on pan India basis. Your company is also one of the beneficiaries of such projects. Our Prime Minister's office is closely monitoring the progress. Creation of Jal Shakti Mantralaya by our Government clearly defines its' priorities and is opening up opportunities for us.

**d.) Infrastructure projects:**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. India was ranked 44 out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. India ranked second in the 2019 Agility Emerging Markets Logistics Index.

The Government of India is giving lot of thrust to improve the infrastructure. For creation of infrastructure, steel and cement are the two most essential ingredients. Accordingly, the demand for steel and cement is bound to increase, which in turn will help in driving growth in exploration and mining activities.

Ambitious target of the government to become the five trillion USD economy in the next four years throws open ample opportunities in this segment. The connectivity of village panchayats through optical fiber network, smart city projects and many such initiatives will give us good business opportunities in the times ahead.

**e.) 2D/3D Seismic projects:**

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Crude Oil import rose sharply to US\$ 101.4 billion in 2019-20 from US\$ 70.72 billion in 2016-17. India retained its spot as the third largest consumer of oil in the world in 2019 with consumption of 5.16 million barrels per day (mbpd) of oil in 2019 compared to 4.56 mbpd in 2016.

To decrease dependence on imports of crude oil, Government of India has now started promoting oil and gas exploration through Seismic technology. The Ministry of Petroleum and Natural Gases, Government of India, has announced the Open Acreage Licensing Policy (OALP) in Oct, 2018 and has awarded various blocks to players in the field viz. Indian Oil Corporation, Cairns India, ONGC, BPCL etc.

The objective of OALP is to increase India's indigenous oil and gas production by maximizing the potential of undiscovered hydrocarbon resources in India thus reduce dependence on imports and save the colossal foreign exchange for better purposes.

OALP is part of the strategy to make India a business and investor friendly destination and cut import dependence by 10% and to double existing oil production to about 150-155 million metric tons by 2022.

The Government has already awarded sizable blocks to Oil India, Cairns India, ONGC, IOC, and BPCL and many more are in the offing in near future. Based on the plans of the Government and limited players in the field, we have strong conviction that in next five to ten years there will be huge scope for such services.

In fact Coal India through CMPDI is aggressively inviting tenders for 2D and 3D seismic data acquisition and processing in coal blocks. South West Pinnacle is the first company in India to be awarded integrated contract for seismic as well as drilling in Tangardih Block in the state of Odisha.

#### THREATS:

- a) Pandemic COVID-19 has posed a major threat and has made severe disruption in business environment across. The situation continues to be fluid and it is difficult to predict how much time will it take to restore the normalcy. We feel that its' major impact will subside by end of current calendar year.
- b) In the wake of COVID 19 pandemic, Government of India and state governments and the Local authorities have issued various guidelines with regard to sanitization, social distancing, wearing of face masks etc. This has led to increase in our input cost till such time the treat of pandemic is over.
- c) The strained relations of India with China in recent time has put a question mark on the continuity of some of our regular supplies hitherto sourced from China. The search for alternate sources is on, yet matching of price and quality may be a daunting task.
- d) Variation in raw material prices sometimes affects the profitability of a particular project.
- e) Despite reduction in crude prices internationally, recent major increase in taxation on diesel has led to substantial increase in its' prices which has a bearing on our profitability.
- f) Many a times environmental clearances take time longer than expected thus may delay the project implementation schedule adversely. Advisory of GOI to State Governments for facilitating such clearances on fast track mode is a welcome step and we hope that such a step would mitigate this threat to a large extent.
- g) Being in tendering business, stiff competition is inherent, which may sometimes affect the bottom line in some projects.
- h) In operational sites at remote locations, sometimes we face local unrest which may cause delay in execution of projects.
- i) Any change in Government policy with regard to environment and mining/exploration laws may have an impact on the company's operations.

#### OUTLOOK:

The outlook of your company is quite positive. There are various encouraging policy announcements made by the Government & other related agencies in the recent past which made the outlook even brighter as summarized below:

- a) Recent announcement by the Central Government to open up 500 coal blocks for private sector will give big boost to drilling and exploration business in India and your company would also be a beneficiary of this announcement.
- b) Banning of international players from participation in tenders upto Rs. 200 Crores by the Government makes our outlook even brighter.

- c) Reserve Bank of India has, of late, announced reduction in CRR and also made many such announcements to make the credit availability cheaper/ easier to the borrowers, we as borrower are also benefitted with this announcement.
- d) Recent change in definition of MSME enterprises by the Government, has paved way for your company to be registered as a MSME company. All the benefits available to such companies would now be available to us too making our outlook even more positive.
- e) Impetus to explore the coal, oil and gas through Seismic technology is certainly a welcome step to boost the exploration business in the times ahead.
- f) With creation of Jal Shakti Mantralaya, the indications are clear that the Government of India will continue to focus on conservation and preservation of the water, the aquifer mapping projects would continue to get more and more significance in near to medium term.
- g) Government focus on infrastructure development would always lead to garnering good business for companies like us.

**RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied.

The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**By order of the Board  
For South West Pinnacle Exploration Limited**

**Vikas Jain  
Chairman & Managing Director  
DIN: 00049217**

**Place : Gurugram  
Date: 22.07.2020**

**ANNEXURE-V**

**REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance Report FY 2019-20, which forms a part of Board's Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). This report is for compliance with the Listing Regulations.



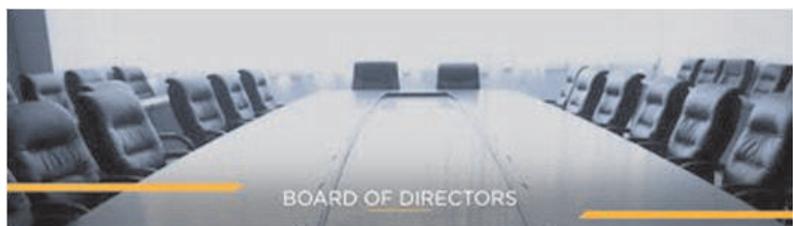
**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

South West Pinnacle Exploration Limited believes, in principles of transparency, fairness, accountability and creation of sustainable long term value for all its stakeholders including members, customers, partners, employees and the society at large. Corporate Governance is crucial to the very existence of a company, as it builds trust and confidence, which eventually leads to a more stable and sustained resource flows and long-term partnership with its investors and other stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors and non-executive directors. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation(2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance Details of board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

**COMPOSITION OF BOARD OF DIRECTORS:**

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 & Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time.



- (i) Presently the Board of Directors of the company consists of Six Directors with an optimum combination of Executive, Non Executive and Independent Directors. The Board meets regularly and is responsible for the proper direction and management of the Company. The company takes the proper disclosure from all the Directors including Independent Directors as laid down in Act.
- (ii) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

None of the Directors are related to each other except Mr. Vikas Jain, Chairman & Managing Director who is elder brother of Mr. Piyush Jain, Joint Managing Director of company.

- (iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- (iv) Ten board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:
- April 8, 2019; May 18, 2019; May 22, 2019; June 13, 2019; June 20, 2019; August 14, 2019; September 14, 2019; November 29, 2019; December 11, 2019 and February 12, 2020. The necessary quorum was present for all the meetings.
- (v) The company holds the board meeting in compliance with law and detailed agenda and notes thereon are sent to all the directors seven days in advance from the date of Board Meeting. The Managing Director apprised the Board on the overall performance of the Company at every Board Meeting. The Board reviews the performance of the Company and sets the strategy for future. The Board takes on record the actions taken by the company on all its decisions periodically.
- (vi) The composition of the Board, number of meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorship and Chairmanship/Membership of committees in other companies as on 31 March, 2020 in respect of each Director is given herein below:

Name of Director	Category	Number of Board Meeting attended during FY 2019-20	Attendance of last AGM held on 14 <sup>th</sup> Sep 2019	Number of Directors hip held in other public companies	Number of committee position held in other public companies	Directorship in other listed entity	No. of Shares held
Mr. Vikas Jain (Chairman & Managing Director)	Executive Non-Independent	Ten	Yes	-	-	-	8795501
Mr. Piyush Jain (Joint Managing Director)	Executive Non-Independent	Eight	Yes	-	-	-	4781600
Mr. Rojer James Lord	Non Executive	One	No	-	-	-	-
Mr. Rajendra Prasad Ritolia	Independent & Non Executive	Seven	Yes	Seven	Two (Member of Audit Committee)	-	-
Mr. Jitendra Kumar Mishra	Independent & Non Executive	Seven	Yes	One	One (Member of Audit Committee)	Chandra Prabhu International Limited	-
Mrs. Sudha Maheshwari	Independent & Non Executive	Five	Yes	-	-	-	-

### 3. COMMITTEES OF THE BOARD

#### I) AUDIT COMMITTEE:

The Audit Committee of the company consisted of two Non-Executive Independent Directors and one whole time director. The Chairman of the committee is an independent Director having financial and accounting Knowledge.

During the financial year the composition of Audit Committee and attendance details are shown below:



Name of the Director	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Jitendra Kumar Mishra	Chairman	5	5
Mrs. Sudha Maheshwari	Member	5	4
Mr. Vikas Jain	Member	5	5

#### Meeting / Attendance

During the financial year ended 31 March, 2020, the Audit Committee of the company met **five** times. The dates of the meetings were **May 22, 2019; August 14, 2019; September 14, 2019; December 11, 2019 and February 12, 2020.**

- The requisite quorum was present at all meetings.
- The Company Secretary functions as the Secretary of the Committee.
- The Minutes of the Meetings of the Audit Committee are discussed and taken note of by the Board of Directors.
- The Chairman of the Audit Committee was present at the 13<sup>TH</sup> Annual General Meeting of the Company held on September 14, 2019 to answer member queries.

#### Terms of Reference:

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI (Listing Obligation & Disclosure requirements) Regulations, 2015, the Board of director have approved terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the required Regulation 18 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Regulation 18(2) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

#### Extract of Terms of Reference:-

- Review of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

## II) NOMINATION AND REMUNARATION COMMITTEE:

The Company through its Board of Directors has constituted Nomination and Remuneration Committee (hereinafter referred as "NRC") in terms of Regulation 19 (1) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The terms of reference of Nomination and Remuneration Committee include the matters specified under Regulation 19 (4) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 as well as in Section 178 of the Companies Act, 2013.

The Remuneration Committee consists of two non-executive Directors and one non executive women director during the financial year 2019-20 the composition of the Nomination and remuneration committee is as under:

Name of the Director	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Jitendra Kumar Mishra	Chairman	4	4
Mrs. Sudha Maheshwari	Member	4	3
Mr. Roger James Lord*	Member	4	1

\* The Nomination and remuneration committee were reconstituted by the board of directors on 21<sup>st</sup> July 2020 and appointed Mr. Vikas Jain, Chairman & Managing Director as the member of committee in place of Mr. Roger James Lord who shows his inability to attend the meetings and to continue as a member of committee in future.

At present, the composition of the Nomination and remuneration committee is as under :

Mr. Jitendra Kumar Mishra, Chairman  
Mrs. Sudha Maheshwari, Member  
Mr. Vikas Jain, Member

### Meeting / Attendance

During the financial year ended 31 March, 2020, the Nomination and Remuneration Committee of the company met **four times**. The dates of the meetings were **May 22, 2019; September 14, 2019; December 11, 2019 and February 12, 2020**.

### Terms of Reference:

The terms of reference of the Remuneration Committee includes fixation of salary, perquisites etc of Managing/Executive Directors and for recommending the amount of commission payable to Executive Directors.

The broad terms of reference of the nomination and remuneration committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

As per Regulation 19(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman of the NRC shall be present at the Annual General Meeting (AGM) to answer shareholders' queries. The Company Secretary functions as the Secretary of the Committee.

The NRC reviews the remuneration payable to the MD/WTD/KMP and Commission payable to the Non- Executive Directors and recommends it to the Board.

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

**DIRECTORS REMUNERATION AND POLICY:**
**Remuneration of Managing Director/Whole Time Directors**

The NRC has formulated a Policy on Appointment, Training, Evaluation and Remuneration of Directors and Senior Management Personnel (SMP) :

1. At the time of appointment or re-appointment of the Managing Director/Executive Director/ Whole Time Director, such remuneration shall be paid as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director /Executive Director / Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
3. The remuneration of the Managing Director/Executive Director/Whole Time Director are broadly divided into Basic Salary, Allowances, perquisites, amenities, retirement benefits and commission (subject to availability of profits).
4. In determining the remuneration, the Nomination and Remuneration Committee shall ensure/ consider the following:
  - a. The relationship of remuneration and performance benchmark is clear.
  - b. Responsibility required to be shouldered by the Managing Director/ Executive Director/Whole Time Directors, the industry benchmarks and the current trends.

**A) Remuneration of Senior Management Employees:**

The Board, on the recommendations of the Nomination and Remuneration Committee approves the remuneration payable to the KMP and Senior Management Personnel. The structure of remuneration payable to KMP and Senior Management Personnel will be in accordance with the compensation framework adopted for employees by the Company.

**Details of the Remuneration for the year ended March 31, 2020:**

Name of Director	Category	Salary	Commission	Total Remuneration
Mr. Vikas Jain	Chairman & Managing Director	77,00,000	4222847	11922847
Mr. Piyush Jain	Joint Managing Director	55,00,000	2111437	7611437

**B) Remuneration of Non Executive Directors**

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission, if any, subject to approval of the members.

**Details of the Remuneration for the year ended March 31, 2020:**

Name of Director	Category	Sitting Fee Details
Mr. Rajendra Prasad Ritolia	Independent Director	150000
Mr. Jitendra Kumar Mishra	Independent Director	205000
Mrs. SudhaMaheshwari	Independent Director	155000

**III) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The broad terms of reference of the stakeholders' relationship committee are as under Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities / notice / annual reports, etc. and all other securities-holders related matters consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.



During the financial year the composition of Stakeholders Relationship Committee consists of two non executive Independent Director and one executive Director.

Name of the Director	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Jitendra Kumar Mishra	Chairman	4	4
Mr. Vikas Jain	Member	4	4
Mr. Piyush Jain	Member	4	4

The stakeholders' relationship committee is constituted in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 read with section 178 of the Companies Act 2013.

The Committee deals with the following matters:-

- Noting of transfer/transmission of shares
- Review of dematerialized /rematerialised shares and all other related matters
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of annual report, dividend, demat/rematerialisation requests
- All other matters related to shares/debentures.

The Shareholders grievance committee met **four times during the year**. The dates of the meetings were **May 22, 2019; September 14, 2019; December 11, 2019 and February 12, 2020**. All the members of the committee were present in these meetings.

**a. Name, designation and address of Compliance Officer:**

Ms. Vaishali  
Company Secretary  
South West Pinnacle Exploration Limited  
4th Floor, Siddhartha House  
Plot No-06, Sector 44, Gurgaon-122001

**b. Stakeholders Grievance Redressal:**

During the year ended March 31, 2020, No Shareholders' Complaints were received. There were no outstanding complaints at the end of the year.

The details of shareholders complaints are as follows:-

Number of shareholders complaints received	Number of shareholders complaints resolved	Number of shareholders complaints pending
NIL	NIL	NIL

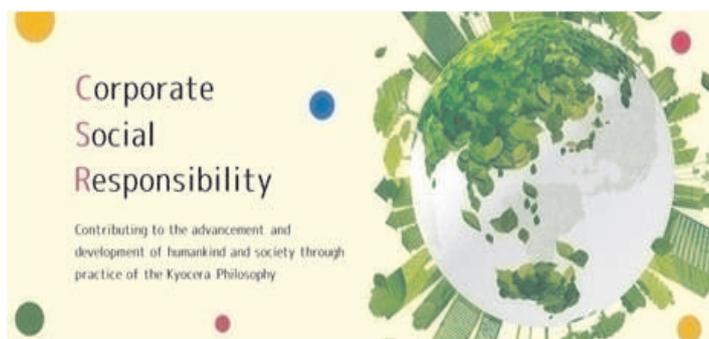
**INDEPENDENT DIRECTORS MEETING:**

As per Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, as well as pursuant to Section 149(8) of the Companies Act, 2013 read with Schedule IV and in accordance with the Policy on Appointment, Training, Evaluation and Remuneration of Directors and Senior Management Personnel, the Independent Directors have, at their meeting held on **February 12, 2020**. The board discussed and considered the following items:-

- (a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
- (b) Reviewed the performance of the Chairperson taking into account the views of Executive Directors (EDs) and Non Executive Directors (NEDs) and
- (c) Assessed the quality, quantity and timelines of flow of information between the Company Management.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company through its Board of Directors has constituted Corporate Social Responsibility Committee (hereinafter referred as "CSR") in compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2015.



Name of the Director	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Jitendra Kumar Mishra	Chairman	4	4
Mr. Vikas Jain	Member	4	4
Mr. Piyush Jain	Member	4	4

### Meeting / Attendance

During the financial year ended 31 March, 2020, the Corporate Social Responsibility Committee of the company met **four times**. The dates of the meetings were **May 22, 2019; September 14, 2019; December 11, 2019 and February 12, 2020**.

### Terms of Reference:

The broad terms of reference of the Corporate Social Responsibility committee are as under:

- Formulate and recommend to board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy;
- Monitor the CSR policy.

### DETAILS ON GENERAL BODY MEETINGS

#### (A) Details of last three Annual General Meetings of the company

Financial Year	Date	Time	Venue
2017	25 <sup>th</sup> September 2017	11:00 AM	Siddhartha House Plot No-06, Sector-44 Gurgaon 122003
2018	14 <sup>th</sup> September 2018	02:30 PM	The Palms Town & Country Club B-Block, Sushant Lok, Phase-1, Gurgaon Haryana 1220001
2019	14 <sup>th</sup> September 2019	03:00 PM	The Palms Town & Country Club B-Block, Sushant Lok, Phase-1, Gurgaon Haryana 1220001

#### (B) Extra-Ordinary General Meeting:-

No extraordinary general meeting of the members was held during FY 2020.

#### (c) Special Resolution:- No

#### (D) \*Postal Ballot :- Yes

During the last three years under review, the Company has passed one special resolution through Postal Ballot for Migration of the Company From SME Platform of National Stock Exchange Of India Limited To Main Board Of National Stock Exchange Of India Limited in accordance to the procedure prescribed in Section 110 of the Companies Act, 2013 Act read with the Companies (Management and Administration) Rules, 2014.

The resolution was passed as special resolution and details of voting pattern are as follows:-

Number of Members		No. of vote cast in favour of resolution	% of total vote cast
Promoter and Promoter Group	2	9650400	100
Public	27	910400	100
<b>Total</b>	<b>34</b>	<b>10560800</b>	<b>100</b>

M/s. KKS & Associates (Prop. Mr. Krishna Kumar Singh), Practicing Company Secretaries (FCS No. 8493, C.P. No. 9760) were appointed as the Scrutinizer for conducting the Postal Ballot.

**Procedure of Postal Ballot:**

- i. Appointment of Scrutinizer who is not in the employment of the Company.
- ii. Notice of postal ballot along with the explanatory statement to shareholders by following modes:
  - a. By registered post or speed post or,
  - b. Through electronic means like registered email
  - c. Through courier service for facilitating the communication of the assent or dissent of the shareholder to the resolution within period of (30) thirty days.
- iii. Advertisement in one English newspaper and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the company is situated.
- iv. Notice should also be placed on the website of the Company.
- v. Declaration of results by the Scrutinizer after following due process.



**MEANS OF COMMUNICATION:**

The means of communication between the Company and the shareholders are transparent and investor friendly. The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are published regularly in the newspapers i.e **Financial Express (English) and Hari Bhoomi (Hindi)** and also updated on website of the Company. All price sensitive information is intimated at the earliest to the Stock Exchanges.

Annual Report containing inter-alia, Board Report, Auditor's Report, Audited Financial Statement etc circulated to members and other entitled thereto. The Annual Report is also available on the website of the company at [www.southwestpinnacle.com](http://www.southwestpinnacle.com)

**i) Website:**

The Company's website [www.southwestpinnacle.com](http://www.southwestpinnacle.com) contains an exclusive head “Investor” where shareholder information is available. Quarterly and Annual Financial results, annual report, notice of AGM, Shareholding Pattern, Corporate Governance report etc. are also available on the website. Exclusive email address for investors is [investors@southwestpinnacle.com](mailto:investors@southwestpinnacle.com) designated email address exclusively for investors/shareholders servicing.

**ii) Annual Report**

Annual Report for FY 2018-19 containing inter alia, Audited Financial Statements, Boards' Report, Management Discussion and Analysis and Corporate Governance Report etc. was sent to all Members through courier/post, who had not registered their email address and via email to all shareholders who have provided their email addresses. Annual Reports are also hosted on the website of the Company.

**iii) Press Release/Investor Presentations**

The Company participates in various investor conferences and analyst meets and make presentation thereat. Press Releases, Investors presentation are submitted to the stock exchanges as well as are hosted on the website of the Company.

**GENERAL SHAREHOLDER INFORMATION:-**

**i) Annual General Meeting for FY 2020**

Date: September 28, 2020

Time: 3.00 P.M.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

**ii) Financial Calendar**

Year ending: March 31, 2020

AGM Date : September 28, 2020

Dividend Payment: The final dividend, if approved, shall be paid/credited on within 30 days of approval as laid down in act.

**iii) Date of Book Closure / Record Date : As mentioned in the Notice of this AGM**

**iv) Listing on Stock Exchanges:**

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

**v) Symbol NSE: SOUTHWEST**

Listing Fees as applicable have been paid.

**vi) ISIN: INE980Y01015**

**vii) Corporate Identity Number (CIN) of the Company:**

L1320HR2006PLC049480

**viii) Market Price Data:**

High, Low (based on daily closing prices) and number of equity shares traded during each month in the FY 2020 on NSE:



Month	High (Rs.)	Low(Rs.)
Apr-19	60	26.5
May-19	29.90	24.05
June-19	29.50	19.30
July-19	24.90	18.00
August-19	19.50	14.05
September-19	15.75	13.10
October-19	17.75	12.70
November-19	18.95	15.80
December-19	21.20	17.00
January-20	20.65	16.60
February-20	21.50	14.80
March-20	17.50	9.50

#### Registrar and Share Transfer Agents for equity shares

The Company has appointed **Link In Time India Private Limited** as its Registrar and Share Transfer Agents and accordingly, all physical transfers, transmissions, transpositions, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialization/ rematerialization are being processed(if any) in periodical cycles. The work related to dematerialization/rematerialization is handled by Link in Time through connectivity with NSDL and CDSL.

#### **LINK INTIME INDIA PRIVATE LIMITED**

**Noble heights, 1st floor, PlotNo. 2  
C-1 block Isc, Near Savitri Market  
Janakpuri, New Delhi-110058**

#### Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. The 100 percent shares of the company are in dematerialized form only. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

**A) Distribution of Shareholding as on 31<sup>st</sup> March 2020:**

No. of Shares held	Shareholders		No. of Shares	
	Number	% of Total	Number	% of Total
Up to 500	221	34	19719	0.0707
501 –1000	23	3.5385	18434	0.0661
1001-2000	20	3.0769	31071	0.1114
2001-3000	12	1.8462	32820	0.1176
3001-4000	218	33.5385	700302	2.5098
4001-5000	6	0.9231	27554	0.0988
5001-10000	59	9.0769	429124	1.5379
10001 and above	91	14	26643376	95.4878

**B) Shareholding Pattern as on 31 March, 2020 :**

Category	No. of Shares	% of shareholding
Clearing Members	1124	0.004
Other Bodies Corporate	1798751	6.4466
Hindu Undivided Family	498608	1.787
Mutual Funds	1020402	3.657
Non Resident Indians	56500	0.2025
Non Resident (Non Repatriable)	20491	0.0734
Public	3991823	14.3064
Promoters	15317101	54.8953
Trusts	329600	1.1813
Promoters – HUF	4660000	16.7011
Foreign Portfolio Investors (Corporate)	208000	0.7455

**Dematerialization of shares and liquidity:**

The Company's shares are traded in dematerialized form on National Stock Exchange of India (NSE). The Company representing 100 percent of the Company's equity share capital are dematerialized form as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE980Y01015**.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**Address for correspondence:**

Shareholder Correspondence may be addressed to:

To the Company  
 Secretarial Department  
 South West Pinnacle Exploration Limited  
 Siddhartha House, 4th Floor, Plot No.- 06,  
 Sector-44, Gurgaon-122003  
 Ph. : +91-124 4235400, 4235401  
 Fax. : +91-11-124 4235402  
 Email: [secretariat@southwestpinnacle.com](mailto:secretariat@southwestpinnacle.com)  
[investor@southwestpinnacle.com](mailto:investor@southwestpinnacle.com)  
 Website: [www.southwestpinnacle.com](http://www.southwestpinnacle.com)

**OTHER DISCLOSURES:**

**I. RELATED PARTY TRANSACTION:**

There have been no significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding related party transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The Board's approved policy for related party transactions is uploaded on the website of the Company.

**II. COMPLIANCES:**

**DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGE(S) OR SECURITIES ANDEXCHANGE BOARD OF INDIA (SEBI) OR ANY OTHER STATUTORY AUTHORITY OR ANY MATTERS RELATED TO CAPITAL MARKETS.**

There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during the last three years.

**III. WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the company.

**IV. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT**



During the year, the Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the company to obtain a certificate from either the auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in the said Clause and annex the certificate so obtained with the Directors' Report. The Company has obtained a certificate from KKS & Associates, practicing company secretary to this effect and the same are annexed to the Directors' Report.

## V. DISCLOSURE OF ACCOUNTING TREATMENT

The company has followed the Accounting standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, in the preparation of the financial statements.

## VI. DISCLOSURE OF RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.



## OTHER DISCLOSURES

### CODE OF PRACTICE AND PROCEDURE AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Code of practice and procedure for fair disclosures of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by its employees and other connected persons is approved by Board of Directors of the Company.

#### INSIDER TRADING CODE

The Company had adopted a "Code of Conduct for insider trading" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 dated 1st April 2019. The code is applicable to promoters and promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said regulation. The Company has also formulated 'Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive Information' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and this code is displayed on the Company's website viz., [www.southwestpinnacle.com](http://www.southwestpinnacle.com)

#### FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Board members are provided with necessary documents, reports to enable them to familiarize with Company's procedures, its mission and vision etc. Periodic presentation at Board/Committee meetings are made on business and performance of the Company. The details of such familiarization programmes for independent directors. At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained in this regard. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board/ Committee meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for directors are available on the Company's weblink viz., [www.southwestpinnacle.com](http://www.southwestpinnacle.com)

### PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS

All pecuniary relationships or transactions of the Non-Executive Directors of the Company, along with criteria for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Form MGT-9 which forms a part of this Report.

### **INTER SE RELATIONSHIPS BETWEEN DIRECTORS**

There are no relationships between directors inter se except Mr. Vikas Jain, Chairman & Managing Director who is elder brother of Mr. Piyush Jain, Joint Managing Director of the Company.

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market.

### **RECOMMENDATIONS OF COMMITTEES OF THE BOARD**

There were no instances during the financial year 2019-20, wherein the Board had not accepted recommendations made by any committee of the Board.

### **CEO/CFO CERTIFICATE**

In term of regulation 17(8) of the Listing Regulations, the Managing Director and CEO and the CFO made a certification to the board of Directors in the prescribed format for the year at the review, which has been reviewed by the audit Committee and taken on record by the Board. The same is attached as **Annexure VII**

### **CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from M/s KKS & Associates, Practicing Company Secretaries confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations attached as **Annexure IX**.

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

Pursuant to Regulation 16(1)© of the Listing Regulations, the Company has formulated a policy for determining a “material” subsidiary, the details of which is available on the website of the Company at [www.southwestpinnacle.com](http://www.southwestpinnacle.com).

### **CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Krishna Kumar Singh, Proprietor of M/s KKS and Associates, Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority attached as **Annexure X**.

### **CHART SETTING OUT THE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS**

The board of Directors along with Nomination and Remuneration Committee (NRC), identifies the right candidate with right qualities, skills and practical expertise/competencies required for the effective functioning of individual member to possess and also the board as whole. The Committee focus on the qualification and expertise of the person, the positive attributes, standard of integrity, ethical behavior and independent judgment of the person in selecting a new Board member. In addition to the above, in case of Independent Directors, the Committee shall satisfy itself with regard to the independence of the directors to enable the Board to discharge its functions and duties effectively. The same are in line with the relevant provisions of the Listing Regulations. The NRC has identified the following core skills, expertise and competencies for the effective functioning of the Company which is currently available with the board:

#### **a. Finance & Accounting Competence**

Exposure in handling Financial Management of a Large Organization along with understanding Financial Statements

**b. Leadership quality in running Large Enterprises**

Expertise in Leading well-governed Large Organisation with an understanding of organizational Structure and its environment, risk management and emerging Local & global trends

**c. Expertise in understanding of changing regulatory framework**

Expertise in handling large public companies with high governance standard and understanding of changing regulatory framework

**d. Exposure in setting the business Strategies**

Ability to build up Long term Business strategies to bring growth in business consistently, profitability, competitively and in a sustainable manner in a diverse business environments and changing economic conditions

Expertise/Skill of individual directors are highlighted below:

Name of Directors	Area of Expertise				
	Finance & Accounting	Leadership quality	Latest technology	Regulatory framework	Business Strategies
Mr. Vikas Jain	✓	✓	✓	✓	✓
Mr. Piyush Jain	✓	✓	✓	✓	✓
Mr. Roger James Lord	✓	✓	✓	✓	✓
Mr. Rajendra Prasad Ritolia	✓	✓	✓	✓	✓
Mr. Jitendra Kumar Mishra	✓	✓	✓	✓	✓
Ms. Sudha Maheshwari	✓	✓	✓	✓	✓

**UN-MODIFIED OPINION IN AUDITORS REPORT**

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

**COMPLIANCES OF NON –MANDATORY & DISCRETIONARY REQUIREMENTS ASPER SCHEDULE II PART E OF THE SEBI LISTING REGULATIONS**

The quarterly and half yearly financial performance are published in the newspaper and are also posted on the website of the Company and hence, not being sent to the Shareholders. The internal auditor of the Company makes presentation to Audit Committee on their reports.

The Company Financial Statements for the year 2019-20 does not contain any audit qualification. The Company's audited Financial Statements are accompanied with unmodified opinion from Statutory Auditor of the Company.

**AUDITORS' REMUNERATION**

The total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part of are as follows:

**STATUTORY AUDITOR:**

- a) Name of Auditor: Doogar & Associates
- b) Statutory Audit Fees: Rs. 3,20,000

**NETWORK ENTITY (AUDIT FEES): NIL**

**SUBSIDIARY AUDITOR'S AUDIT FEES:**

- a) Name of Auditor: Pradeep Kumar Goyal & Associates
- b) Statutory Audit Fees: Rs. 50,000

**UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT**

During the year under review, the Company has not raised any proceeds by way of preferential issue or qualified institutional placement.

**ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and applicable Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. She is also designated as Compliance Officer.

**CODE OF CONDUCT**

The Board has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code for the financial year ended 31 March, 2020. A declaration to this effect for part of the report. The code required Directors and Senior Management Team members to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code of conduct is displayed on the Company's Website : [www.southwestpinnacle.com](http://www.southwestpinnacle.com)



**Declaration –Code of Conduct**

In accordance with the regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all the Board members and senior management personnel for the financial year ended 31 March, 2020 affirmed compliance with the code of conduct laid down by the Board of Directors for them.

**By order of the Board  
For South West Pinnacle Exploration Limited**

Place : Gurugram  
Date: 22.07.2020

**Vikas Jain**  
Chairman & Managing Director  
DIN: 00049217

**Piyush Jain**  
Joint Managing Director  
DIN: 00049319

## ANNEXURE-VI

## CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

[As per Section 135 of the Companies Act, 2013 read with Rule 8 of Companies (CSR Policy) Rules 2014]

Sr. No.	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	The CSR Policy of the company is to promote Rural Development, Empowering women, Promote Education, Eradication of Hunger & Poverty, Ensuring environmental sustainability, Rural Development Projects, Promote Sports in rural areas in line with the business operations of the company since the company executes projects in different states all over India in remote areas.
2	The Composition of the CSR	Mr. Jitendra Kumar Mishra Mr. Vikas Jain Mr. Piyush Jain
3	Average net profit of the Company for last three financial years.	Rs. 120,315,432/-
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	Rs. 24,06,308/-
5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	Rs. 24,06,753/-  Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. No	CSR project Or activity Identified.	Sector In Which The Project Is Covered	Projects or Programs (1) Local area or Other (2) Specify the State And District Where projects or Programs Was Undertaken	Amount Outlay (budget) project or Programs Wise	Amount spent on the projects Or programs Sub-heads: (1) Direct expenditure on projects Or programs (2) Overheads:	Cumulative expenditure upto to the Reporting Period	Amount spent: Direct or through implementing agency *
1	Rural Education and Sports, Women Empowerment Environment Sustainability, Slum Area Development, Eradicating Hunger & poverty	Rural & Slum Area Development Projects	In the states of Telangana, Odisha , Uttar Pradesh, Jharkhand, Gujarat and Rajasthan	Rs. 24,10,000/-	Rs. 24,06,753/-	Rs. 24,06,753/-	Direct
	<b>TOTAL</b>				<b>24,06,753/-</b>	<b>24,06,753/-</b>	

We hereby state and submit that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

By order of the Board  
For South West Pinnacle Exploration Limited

Place : Gurugram  
Date: 22.07.2020

Vikas Jain  
Chairman & Managing Director  
DIN: 00049217

Piyush Jain  
Joint Managing Director  
DIN: 00049319

ANNEXURE-VII

CEO AND CFO CERTIFICATE

To,

The Board of Directors  
South West Pinnacle Exploration Limited  
Siddhartha House, 4<sup>th</sup> floor, Plot No.6,  
Sector-44, Gurugram HR 122003

**Subject: Certificate to the Board pursuant to Regulation 17(8) and 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Mr. Vikas Jain, Chairman & Managing Director, and Mr. Dinesh Agarwal, Chief Financial Officer of South West Pinnacle Exploration Limited, to the best of our knowledge, information and belief, certify that:

1. We have reviewed Financial statements and the Cash Flow Statement of the Company for the Year ended March 31, 2020 and to the best of our knowledge, information and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls system pertaining to financial reporting for the Company, and we have :
  - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with standards.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):-
  - a) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

- b. There were no significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
5. We affirm that we have neither denied nor will deny any personal , access to the audit committee of the Company (in case of matters involving any misconduct) and we will provide protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices in the event of any such eventually.
  6. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year.

**FOR SOUTH WEST PINNACLE EXPLORATION LIMITED**

**Place: Gurugram**  
**Date: 22.07.2020**

**Vikas Jain**  
**Managing Director**  
**DIN: 00049217**

**Dinesh Agarwal**  
**Chief Financial Officer**

**ANNEXURE-VIII****DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**FOR SOUTH WEST PINNACLE EXPLORATION LIMITED**

**Vikas Jain**  
**Chairman & Managing Director**  
**DIN: 00049217**

**Place : Gurugram**  
**Date: 22.07.2020**

## ANNEXURE-IX

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON  
CORPORATE GOVERNANCE**

To,  
The Members  
South West Pinnacle Exploration Limited.

We have examined the compliance of the conditions of Corporate Governance by South West Pinnacle Exploration Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to spread of COVID-19 pandemic, we certify that the company has complied with the conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) entered by the Company with the stock exchange.

We state that no shareholder grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholder's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KKS & Associates**  
Company Secretaries

**Krishna Kumar Singh**  
(Proprietor)  
FCS No: 8493  
COP No: 9760

**Place: New Delhi**  
**Date: 22.07.2020**

**ANNEXURE-X**

**CERTIFICATE FOR NON- DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To,  
The Members,  
South West Pinnacle Exploration Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **South West Pinnacle Exploration Limited** having **CIN: L1320HR2006PLC049480** and having registered office at Siddhartha House 4th Floor, Plot No-6, Sector-44 Gurugram-122003 (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. No	Name of Director	DIN	Designation
1.	Mr. Vikas Jain	00049217	Chairman & Managing Director
2.	Mr. Piyush Jain	00049319	Jt. Managing Director
3.	Mr. Roger James Lord	00952295	Non Executive Director
4.	Ms. Sudha Maheshwari	06784093	Independent Director
5.	Mr. Jitendra Kumar Mishra	07983426	Independent Director
6.	Mr. Rajendra Prasad Ritolia	00119488	Independent Director

Our verification of the information relating to the directors available in the official web site of MCA. Our verification of the disclosures/ declarations/ confirmations provided by the said directors to the company and other relevant information, explanation and representations provided by the company, its officers and agents.

We wish to state that the management of the company is responsible to ensure the eligibility of a person for appointment/ continuation as a director on the board of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness of the corporate governance processes followed by the management of the company

**For KKS & Associates**  
Company Secretaries

**Krishna Kumar Singh**  
(Proprietor)

FCS No: 8493

COP No: 9760

Place: New Delhi

Date: 22.07.2020



**STANDALONE  
FINANCIAL  
STATEMENTS**

## Independent Auditor's Report

### **On the Standalone Financial Statements of South West Pinnacle Exploration Limited**

To  
The Members of  
South West Pinnacle Exploration Limited.

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

#### **Opinion**

We have audited the standalone financial statements of South West Pinnacle Exploration Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basic Option**

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

#### **Key Audit Matters**

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<b>Tax Litigations</b>	
<p>The Company is subject to number of significant tax litigations. The total contingent liabilities as of March 31, 2020, in relation to tax matters are INR 216.94 Lakhs (amount paid under protest is INR 41.22 Lakhs).</p> <p>Due to complexity of cases, significant amount</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of identification of tax litigations and related contingent liabilities and tested the operating effectiveness of management's key controls over recognition and disclosures of tax provisions and contingencies.</li> </ul>
<p>involved and time scales for resolution, significant judgement and estimates are required by the management to assess the impact of these litigations on the financial positions, results of operations and cash flows and thus there is a risk that such litigations may not be adequately provided for or disclosed in the standalone financial statements.</p> <p>Accordingly, tax litigations have been identified as a key audit matter in our audit of the standalone financial statements (as described in note 46 of the standalone financial statements)</p>	<ul style="list-style-type: none"> <li>• Obtained the details of the tax litigations of the Company and discussed with the management to understand the detail of the underlying matters and basis for management's judgement and estimates on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>• Obtained confirmation, where appropriate, from relevant third party legal counsel. Evaluated the objectivity, competence and relevant experience of third party legal counsel.</li> <li>• Assessed the relevant disclosures made within the standalone financial statements.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors 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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) 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.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to standalone financial statements 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 the requirements of section 197 of the act, as amended. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 46 to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

*For Doogar & Associates*  
Chartered Accountants  
Firm Registration No. 000561N

**Vardhman Doogar**  
Partner  
Membership No. 517347

**UDIN:** 20517347AAAAHB7165

**Place:** Gurugram  
**Date:** June 22, 2020

### Annexure “A” to the Independent Auditor's Report

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements“ section of our report to the members of South West Pinnacle Exploration Limited of even date)

- i. In respect of the Company’s fixed assets: -
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, 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 title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
  - a. The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company interest.
  - b. The schedule of repayment of principal has been stipulated and repayments of principal amounts have been regular as per stipulations.
  - c. There is no overdue amount remaining outstanding as at the year-end.
- 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 the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. Undisputed statutory dues including Provident Fund, Employees“ State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Value Added Tax, Goods and Services Tax, Cess and Other Statutory Dues have generally been regularly deposited with the appropriate authorities though there has been a delay in a few cases.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees“ State Insurance, Income-Tax, Service Tax, Sales Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they become payable. Details of the dues of Income Tax, Duty of Custom, Duty of Excise, Goods & Services Tax and Value Added Tax which have not been deposited (along with amount deposited under protest) by the Company on account of any dispute are given below-

Sl. No.	Nature of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates (FY.)	Amount (Rs. in Lakhs)	
					Gross	Amount deposited under protest
1.	Income Tax Act, 1961	Income Tax	ITAT	2011-12	5,09,370	5,09,370
2.	Income Tax Act, 1961	Income Tax	CIT(Appeal)	2013-14	92,31,180	13,85,000
3.	Income Tax Act, 1961	Income Tax	CIT(Appeal)	2015-16	91,97,987	18,39,600
4.	Value Added Tax	Sales Tax	Appellate boards	2010-11 to 2014-15	4,50,243	30,017

- viii. In our opinion, on the basis of audit procedures and according to the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to financial institutions and banks. The company has neither taken any loan from the government nor having any outstanding debentures during the year
- ix. On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- 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. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 is not applicable
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all 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 standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

*For Doogar & Associates*  
Chartered Accountants  
Firm Registration No. 000561N

**Vardhman Doogar**  
Partner  
Membership No. 517347

**UDIN:** 20517347AAAAHB7165

**Place:** Gurugram  
**Date:** June 22, 2020

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

(Referred to in paragraph 2 under Report on Other Legal and Regulatory Requirements section of our report to the members of South West Pinnacle Exploration Limited of even date)

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

We have audited the internal financial controls over financial reporting of South West Pinnacle Exploration Limited as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 ("the Guidance Note"). 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 the 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 (hereinafter referred to as "the Act").

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements 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 over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting with Reference to Standalone Financial Statements**

A company's internal financial controls over financial reporting with reference to standalone financial statements are a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For Doogar & Associates*

Chartered Accountants

Firm Registration No. 000561N

**Vardhman Doogar**

Partner

Membership No. 517347

**UDIN:** 20517347AAAAHB7165

**Place:** Gurugram

**Date:** June 22, 2020

## BALANCE SHEET AS AT 31ST MARCH, 2020

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	557,677,325	354,735,275	509,074,048
Investment property	3	46,933,817	51,860,573	57,304,500
Right-of-use assets	4	19,852,278	23,605,860	27,359,444
Financial assets				
- Investments	5	31,553,771	30,253,282	17,887,999
- Other financial assets	6	21,994,117	17,553,219	16,331,348
Other non-current assets	7	355,427	1,251,262	605,960
<b>Total non-current assets</b>		<b>678,366,735</b>	<b>479,259,471</b>	<b>628,563,299</b>
<b>Current assets</b>				
Inventories	8	303,003,892	275,403,879	246,180,523
Financial assets				
- Trade receivables	9	555,498,612	463,824,618	390,946,137
- Cash and cash equivalents	10	4,656,067	30,837,389	2,166,361
- Bank balances other than above	11	37,825,080	35,682,528	18,459,580
- Loans	12	38,102,693	7,070,014	-
- Other financial assets	13	11,716,542	19,230,133	29,556,967
Current tax Assets (net)	14	1,123,793	-	-
Other current assets	15	48,015,315	39,370,723	18,996,481
<b>Total current assets</b>		<b>999,941,994</b>	<b>871,419,284</b>	<b>706,306,049</b>
<b>Total assets</b>		<b>1,678,308,729</b>	<b>1,350,678,755</b>	<b>1,334,869,348</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	279,024,000	139,512,000	139,512,000
Other equity	17	591,350,826	677,222,043	566,889,580
<b>Total equity</b>		<b>870,374,826</b>	<b>816,734,043</b>	<b>706,401,580</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	18	108,506,962	30,560,381	72,938,463
- Lease liability	39	19,505,008	22,636,065	25,327,617
- Other financial liabilities	19	353,053	322,989	295,484
Provisions	20	2,637,347	7,214,492	12,618,004
Deferred tax liabilities (net)	21	39,435,442	38,184,533	36,152,085
Other non-current liabilities	22	2,547,336	2,652,381	2,757,425
<b>Total non-current liabilities</b>		<b>172,985,148</b>	<b>101,570,841</b>	<b>150,089,078</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	23	251,747,472	220,156,222	302,966,902
- Trade payables	24			
total outstanding dues of micro & small enterprises		5,292,857	-	-
total outstanding dues of other than micro & small enterprises		207,610,949	113,343,957	63,850,990
- Lease liability	39	3,131,057	2,691,552	2,031,827
- Other financial liabilities	25	149,721,971	75,068,919	78,108,506
Provisions	26	9,559,494	7,619,804	2,926,552
Current tax liabilities (Net)	27	-	6,261,916	11,133,253
Other current liabilities	28	7,884,955	7,231,501	17,360,660
<b>Total current liabilities</b>		<b>634,948,755</b>	<b>432,373,871</b>	<b>478,378,690</b>
<b>Total equity and liabilities</b>		<b>1,678,308,729</b>	<b>1,350,678,755</b>	<b>1,334,869,348</b>

**Significant Accounting Policies**

See accompanying notes to the standalone financial statements

1  
2 to 51

As per our report of even date attached

**For Doogar & Associates**Chartered Accountants  
FRN No. 000561N**Vardhman Doogar**Partner  
Membership No. 517347

Place: Gurugram

Date: 22nd June 2020

**For and on behalf of the Board of Directors****Vikas Jain**Chairman & Managing Director  
DIN : 00049217**Piyush Jain**Jt. Managing Director  
DIN : 00049319**Dinesh Agarwal**

Chief Financial Officer

**Vaishali**Company Secretary  
M.No.55248

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

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from operations	29	836,339,677	826,181,423
Other income	30	16,703,172	54,405,682
<b>Total Income</b>		<b>853,042,849</b>	<b>880,587,105</b>
<b>Expenses</b>			
Cost of materials consumed	31	125,653,281	192,611,755
Operating expenses	32	313,351,521	241,107,265
Employee benefits expense	33	173,135,730	155,423,485
Finance costs	34	45,333,390	36,420,144
Depreciation and amortisation expense	35	63,313,920	60,056,593
Other expenses	36	54,990,894	56,989,945
<b>Total expenses</b>		<b>775,778,736</b>	<b>742,609,187</b>
<b>Profit/ (loss) before tax</b>		<b>77,264,113</b>	<b>137,977,918</b>
<b>Tax expense</b>			
Current tax	41	24,155,647	27,888,777
Deferred tax	41	(2,331,236)	3,451,824
<b>Total tax expense</b>		<b>21,824,411</b>	<b>31,340,601</b>
<b>Profit for the year</b>		<b>55,439,702</b>	<b>106,637,317</b>
<b>Other comprehensive Income</b>			
Items that will not be reclassified to profit or loss		4,031,336	4,888,638
Income tax relating to items that will not be reclassified to profit or loss		(969,276)	(1,193,493)
<b>Other comprehensive Income</b>		<b>3,062,060</b>	<b>3,695,145</b>
<b>Total Comprehensive Income for the year</b>		<b>58,501,762</b>	<b>110,332,462</b>
<b>Earnings per equity share of face value of Rs. 10 each</b>			
a) Basic (Rs.)	37	1.99	3.82
b) Diluted (Rs.)	37	1.99	3.82

**Significant Accounting Policies**

See accompanying notes to the standalone financial statements

1  
2 to 51

As per our report of even date attached

**For Doogar & Associates**Chartered Accountants  
FRN No. 000561N**Vardhman Doogar**Partner  
Membership No. 517347

Place: Gurugram

Date: 22nd June 2020

**For and on behalf of the Board of Directors****Vikas Jain**  
Chairman & Managing Director  
DIN : 00049217**Dinesh Agarwal**  
Chief Financial Officer**Piyush Jain**  
Jt. Managing Director  
DIN : 00049319**Vaishali**  
Company Secretary  
M.No.55248

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts in INR, unless otherwise stated)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash flow from Operating Activities :</b>		
Net Profit before tax	77,264,113	137,977,918
Adjustment for		
(Profit)/Loss on sale of property, plant and equipment	9,867,522	(17,007,818)
Unrealised exchange profit/(loss)	(1,145,237)	(8,090,473)
Rental Income	(12,533,335)	(12,008,335)
Depreciation and amortisation expenses	63,313,920	60,056,593
Finance cost	45,333,390	36,420,144
Interest received	(2,659,014)	(2,229,320)
Permanent decline in Investment in foreign subsidiary	-	2,858,072
<b>Operating profit before working capital changes</b>	<b>179,441,359</b>	<b>197,976,781</b>
(Increase)/Decrease in trade receivables	(91,673,995)	(72,878,481)
(Increase)/Decrease in financial assets	7,577,192	10,273,738
(Increase)/Decrease in non financial assets	(7,748,757)	(21,019,544)
(Increase)/Decrease in inventories	(27,600,013)	(29,223,356)
Increase/(Decrease) in trade payables	100,705,086	57,583,440
Increase/(Decrease) in financial liabilities	(2,086,385)	(12,197,760)
Increase/(Decrease) in non financial liabilities	548,410	(10,234,202)
Increase/(Decrease) in provisions	1,205,892	1,921,023
<b>Cash generated from operations</b>	<b>160,368,789</b>	<b>122,201,640</b>
Less : Tax paid	(28,928,488)	(35,372,983)
<b>Net cash from operating activities</b>	<b>131,440,301</b>	<b>86,828,657</b>
<b>B. Cash flow from investing activities</b>		
Interest income	2,659,014	2,229,320
Payments for purchase of property, plant and equipment	(282,027,475)	(24,793,227)
Proceeds from sale of property, plant and equipment	14,584,321	145,280,736
Investment in fixed deposits (net)	(2,322,281)	(13,398,818)
Proceeds from rent	8,208,564	7,015,428
Loans repaid/(given) by/to joint venture	7,070,014	(7,070,014)
Loans given to subsidiary	(38,102,693)	-
Payment for acquiring share in joint venture	-	(11,166,000)
Payment for acquiring share in subsidiary	(112,500)	-
Investment in mutual fund	(1,000,000)	(1,800,000)
<b>Net cash from investing activities</b>	<b>(291,043,036)</b>	<b>96,297,425</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) from/of long term borrowings (net)	149,023,056	(37,542,405)
Proceeds/(Repayment) from/of short term borrowings (net)	31,591,250	(82,810,680)
Dividend paid (Including dividend distribution tax)	(4,860,979)	-
Payment of interest	(42,331,915)	(34,101,971)
<b>Net cash from financing activities</b>	<b>133,421,412</b>	<b>(154,455,056)</b>
<b>Net cash flows during the year (A+B+C)</b>	<b>(26,181,323)</b>	<b>28,671,026</b>
Cash and cash equivalents (Opening balance)	30,837,389	2,166,361
Cash and cash equivalents (Closing balance)	4,656,067	30,837,389

**Note :**

The Cash Flow Statement has been prepared under the indirect method as set in the Ind AS-7 "Cash Flow Statement".

**Significant Accounting Policies**

See accompanying notes to the standalone financial statements

As per our report of even date attached

**For Doogar & Associates**Chartered Accountants  
FRN No. 000561N**Vardhman Doogar**Partner  
Membership No. 517347Place: Gurugram  
Date: 22nd June 2020**For and on behalf of the Board of Directors****Vikas Jain**  
Chairman & Managing Director  
DIN : 00049217**Piyush Jain**  
Jt. Managing Director  
DIN : 00049319**Dinesh Agarwal**  
Chief Financial Officer**Vaishali**  
Company Secretary  
M.No.55248

**NOTE-1: SIGNIFICANT ACCOUNTING POLICIES**

**A. GENERAL INFORMATION**

South West Pinnacle Exploration Limited (“the Company”), which was originally incorporated on Twenty seventh day of November Two thousand six under the Companies Act, 1956 as South West Pinnacle Exploration Private Limited, have been converted into Public Limited Company under Section 18 of the Companies Act, 2013 on 17.11.2017, hence the name of the company is changed to South West Pinnacle Exploration Limited. Company got listed with National Stock Exchange-Emerge (SME Growth Platform) vide NSE Approval Letter No. NSE/LIST/34544 dated January 23, 2018.

The Company is an ISO 9001:2015 certified, providing end to end drilling, exploration and allied services to coal, ferrous, non-ferrous, atomic and base metal mining industries and water & unconventional energy industries. Company also provides consultancy for geological field services and allied services and has an in-house team of geoscientists for providing integrated exploration services including geophysical logging, surface geophysical & topographic surveys.

The Company has added new domain of aquifer mapping for Hydro-geological organisations in India for determining the quantity and quality of groundwater in a particular area, viz., water level, productivity and concentration of various chemicals in groundwater. This helps in identifying zones for groundwater development, groundwater recharge, rainwater harvesting etc. Apart, the company has recently forayed into new domain of 2D/3D Seismic Data Acquisition and Processing, which has great potential due to growing needs of energy resources in our country and Government of India is supporting this cause in a big way.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2020 are the first financial statements, which have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standard) Rules, 2015. Refer Note no 48 for information on how the Company adopted Ind-AS.

**b) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**All other assets are classified as non-current.**

**A liability is current when:**

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**All other liabilities are classified as non-current.**

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c) Use of estimates and judgements**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the balances of assets and liabilities, disclosures of contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expenses for the periods presented. The Company has a policy to review these estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

**d) Revenue recognition**

Revenue in the Statement of Profit and Loss of the company arising in the course of activities which includes rendering of services, sale of Goods and use by others of resources of the enterprise yielding interest and rentals, have been recognized as per Ind-AS 115 on "Revenue from contract with customers.

**(i) Rendering of Services**

Service income is recognized as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of GST, wherever applicable.

Revenue is recognized with reference to the performance of each service in a particular month as per terms of contract with the clients upon fulfillment of performance obligations. Such revenues are under fixed price contracts, where there is no uncertainty towards measurement or collectability of consideration.

Uncompleted services as on the year/ quarter end are classified as Unbilled Revenue. Such revenue is one which has been earned in the current accounting period by fulfilling performance obligations but in respect of which no enforceable claim has become due to the company during the said period.

Revenues are shown net of returns, GST, discounts and allowances as applicable.

**(ii) Goods**

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/s / Goods & Service Tax etc.

**(iii) Other income**

Other income comprises interest income on deposits, dividend income and gains / (losses) on disposal of investments. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

**e) Employee Benefits Expense**

**Short Term Employee Benefits obligation**

All employee benefits payable wholly within twelve months of rendering the service are classified as 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 recognized as an expense during the period when the employees render the services. These benefits include compensated absences and performance incentives.

**Other long-term Employee Benefit obligations**

The liabilities for earned leave which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured on the basis of independent actuarial valuation certificate as the present value of the expected future payments to be made in respect of service provided by the employees up to the end of the reporting period.

### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

### Defined Benefit Plans

The Company pays gratuity to the eligible employees in accordance with the payment of Gratuity act, 1972. The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are calculated at the end of the reporting period by actuaries using the projected unit credit method. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

## f) Property, Plant and Equipment

### (i) Measurement

Items of Property, plant and equipment, are measured at cost (which includes capitalized borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

### (ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as on 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### (iii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that it will increase the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing Property, plants and equipment, including day to day repair and maintenance and cost of replacing parts are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

### (iv) Derecognition

An item of Property, plant and equipment is derecognized upon its disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the same (calculated as the difference between the net disposal proceeds and its carrying amount) is recognized in the Statement of Profit and Loss in the period the item is derecognized.

### (v) Depreciation

Depreciation is calculated on cost of items of Property, plant and equipment less their estimated residual value using Written down value method over the useful lives of assets and is recognized in the Statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation for assets purchased / sold during the period is proportionately charged. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(vi) **Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

(vii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

**g) Investment Properties**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment property recognized as at 1 April 2018, measured as per the previous GAAP and use that carrying value as the deemed cost of such Investment property.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and loss.

Investment properties are depreciated using Written down value method over their estimated useful life.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the Investment property being valued

**h) Impairment of Non-financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognized in the Statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**i) Investment in Subsidiaries and Joint venture**

Investment in Subsidiaries and Joint ventures are shown at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. Upon disposal of investment, the difference between the net disposal proceeds and the carrying amount is credited or charged to the Statement of Profit and Loss.

**j) Leasehold Improvements**

Leasehold Improvements are carried at historical cost. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on leasehold improvements are provided using straight line method based on management estimate of useful life of the assets. Gains or losses arising from de-recognition of leasehold improvements are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

**k) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet and in the Statement of Cash flows comprise of cash in hand and balance with banks in current accounts.

**l) Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

**m) Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets etc.

**n) Inventories**

Company's inventory are the assets in the form of materials or supplies to be consumed in the rendering of services and accounting policies adopted in measuring inventories, including the cost formula used are below as per IND-AS-2 on "Inventories": -

**(i) Measurement of inventories**

Inventories are valued at lower of cost or net realizable value.

**Cost of inventories**

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the company from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

**(ii) Cost formulas**

The cost of inventories been assigned by using the first-in, first-out (FIFO) formula to reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location. This formula assumes that the items of inventory which were purchased or produced first are consumed or sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.

**o) Provisions and Contingent Liabilities**

Provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure 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 estimate.

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

**p) Dividend Distribution**

The Company recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorized and the distribution of the same is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**q) Tax Expense**

Income tax expense represents the sum of the tax currently payable and deferred tax. Current tax and deferred tax is recognized in the Profit and Loss except when it relates to items that are recognized in Other Comprehensive Income.

**Current tax**

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

**Deferred tax**

Deferred tax is recognized using the Balance Sheet approach. It represents temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a Deferred tax asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**r) Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognized at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

**s) Foreign Exchange Transaction and translation**

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates prevalent on the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates prevalent on the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

**t) Leases**

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

**Company as a Lessee**

The Company's leased asset classes primarily comprise of lease for building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of some consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially reaped all of the economic benefits from use of the asset over the period of the lease and (iii) the Company has the right to direct the mode of use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognizes lease liabilities to make lease payments and Right-of-use assets representing the right to use the underlying assets as below :-

**Right-of-use assets**

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

### **Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The Company's lease liabilities are included in other current and non-current financial liabilities.

### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### **Company as a Lessor**

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### **u) Financial Instruments**

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

#### **(i) Financial Assets**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

#### **Initial recognition and measurement**

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

### Financial assets at amortized cost

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

**Business Model Test:** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;

**Cash flow characteristics test:** The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category general applies to trade and other receivables.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

### Financial assets designated at fair value through Other Comprehensive Income (OCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the right and obligations that the Company has retained.

### **Impairment of financial assets**

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company follows “simplified approach” for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables without significant financial element;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 –Leases

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

### **(ii) Financial liabilities:**

#### **Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

#### **Financial liabilities at Fair value through profit or loss**

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **Financial liabilities at Amortized cost**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

#### **Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### **Offsetting of financial instruments**

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **v) Earning per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**w) 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 ordinary 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:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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.

**x) Standards issued but not effective**

There are no standards that are issued but not yet effective as on March 31, 2020.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts in INR, unless otherwise stated)

**A. Equity share capital**

Balance as at 1st April, 2018	Movement during the year 2018-19	Balance as at 31st March, 2019	Movement during the year 2019-20	Balance as at 31st March, 2020
139,512,000	-	139,512,000	139,512,000	279,024,000

**B. Other equity**

Particulars	Reserves & Surplus			Other comprehensive Income - Reserve	Total
	General Reserve	Security Premium Reserve	Retained Earnings		
<b>Balance as at 1st April, 2018</b>	197,755,511	284,723,629	80,886,499	3,523,942	566,889,581
Profit for the year	-	-	106,637,317	-	106,637,317
Other comprehensive income/(loss) for the year (net of income tax)	-	-	1,889,261	1,805,884	3,695,145
<b>Balance as at 31st March, 2019</b>	197,755,511	284,723,629	189,413,077	5,329,826	677,222,043
Profit for the year	-	-	55,439,702	-	55,439,702
Other comprehensive income/(loss) for the year (net of income tax)	-	-	2,911,669	150,391	3,062,060
Applied for bonus issue	-	(139,512,000)	-	-	(139,512,000)
Dividend	-	-	(4,032,000)	-	(4,032,000)
Tax on dividend	-	-	(828,979)	-	(828,979)
<b>Balance as at 31st March, 2020</b>	197,755,511	145,211,629	242,903,469	5,480,217	591,350,826

**Significant Accounting Policies**

See accompanying notes to the standalone financial statements

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2 to 51

As per our report of even date attached

**For Doogar & Associates**  
Chartered Accountants  
FRN No. 000561N

**Vardhman Doogar**  
Partner  
Membership No. 517347

 Place: Gurugram  
Date: 22nd June 2020

For and on behalf of the Board of Directors

**Vikas Jain**  
Chairman & Managing Director  
DIN : 00049217

**Piyush Jain**  
Jt. Managing Director  
DIN : 00049319

**Dinesh Agarwal**  
Chief Financial Officer

**Vaishali**  
Company Secretary  
M.No.55248

**NOTES TO STANDALONE FINANCIAL STATEMENT**

(All amounts in INR, unless otherwise stated)

**Note 2. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Plant & Equipment	Furniture & Fixtures	Office Equipment	Computers & Computer System	Vehicles	Electric Installations & Equipments	Leasehold Improvements	Total
<b>Gross carrying Amount</b>								
As at 1st April 2018	828,027,835	6,556,515	2,749,320	6,314,573	40,143,940	6,465,671	8,815,108	899,072,963
Additions	13,754,857	407,349	-	847,925	9,368,334	414,762	-	24,793,227
Disposals/ Adjustments	146,626,784	-	-	-	5,814,781	-	-	152,441,565
<b>As at 31st March 2019</b>	<b>695,155,908</b>	<b>6,963,864</b>	<b>2,749,320</b>	<b>7,162,498</b>	<b>43,697,493</b>	<b>6,880,433</b>	<b>8,815,108</b>	<b>771,424,625</b>
Additions	268,361,580	315,942	-	1,455,863	10,396,979	1,497,111	-	282,027,475
Disposals/ Adjustments	31,329,903	-	-	-	8,016,717	-	-	39,346,620
<b>As at 31st March 2020</b>	<b>932,187,585</b>	<b>7,279,806</b>	<b>2,749,320</b>	<b>8,618,361</b>	<b>46,077,755</b>	<b>8,377,544</b>	<b>8,815,108</b>	<b>1,014,105,480</b>
<b>Accumulated depreciation</b>								
As at 1st April 2018	337,170,523	5,346,813	2,318,528	5,181,901	32,908,055	5,223,011	1,850,084	389,998,915
Depreciation for the year	44,668,816	422,405	190,053	902,333	3,387,345	417,502	870,628	50,859,082
Disposal/Reversal	19,204,695	-	-	-	4,963,952	-	-	24,168,647
<b>As at 31st March 2019</b>	<b>362,634,644</b>	<b>5,769,218</b>	<b>2,508,581</b>	<b>6,084,234</b>	<b>31,331,448</b>	<b>5,640,513</b>	<b>2,720,712</b>	<b>416,689,350</b>
Depreciation for the year	45,488,623	355,746	53,984	1,008,042	6,317,579	538,980	870,628	54,633,582
Disposal/Reversal	7,278,896	-	-	-	7,615,881	-	-	14,894,777
<b>As at 31st March 2020</b>	<b>400,844,371</b>	<b>6,124,964</b>	<b>2,562,565</b>	<b>7,092,276</b>	<b>30,033,146</b>	<b>6,179,493</b>	<b>3,591,340</b>	<b>456,428,155</b>
<b>Net Carrying Amount</b>								
Net block as at 1st April 2018	490,857,312	1,209,702	430,793	1,132,672	7,235,885	1,242,660	6,965,024	509,074,048
Net block as at 31st March 2019	332,521,264	1,194,646	240,740	1,078,264	12,366,045	1,239,920	6,094,396	354,735,275
Net block as at 31st March 2020	531,343,214	1,154,842	186,756	1,526,085	16,044,609	2,198,051	5,223,768	557,677,325

Refer Note 18 on Non-Current Borrowing for detail of Hypothecation

**NOTES TO STANDALONE FINANCIAL STATEMENT**

(All amounts in INR, unless otherwise stated)

**Note 3 : INVESTMENT PROPERTY (At cost)**

Particulars	Investment Property	Total
<b><u>Gross carrying Amount</u></b>		
As at 1st April 2018	74,382,169	74,382,169
Additions	-	-
Disposals/Adjustments	-	-
<b>As at 31st March 2019</b>	<b>74,382,169</b>	<b>74,382,169</b>
Additions	-	-
Disposals/Adjustments	-	-
<b>As at 31st March 2020</b>	<b>74,382,169</b>	<b>74,382,169</b>
<b><u>Accumulated depreciation</u></b>		
As at 1st April 2018	17,077,669	17,077,669
Depreciation for the year	5,443,927	5,443,927
Disposal/Reversal	-	-
<b>As at 31st March 2019</b>	<b>22,521,596</b>	<b>22,521,596</b>
Depreciation for the year	4,926,756	4,926,756
Disposal/Reversal	-	-
<b>As at 31st March 2020</b>	<b>27,448,352</b>	<b>27,448,352</b>
<b><u>Net Carrying Amount</u></b>		
Net block as at 1st April 2018	57,304,500	57,304,500
Net block as at 31st March 2019	51,860,573	51,860,573
Net block as at 31st March 2020	46,933,817	46,933,817

**Statement of profit and loss for Investment property**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Amount recognised in profit or loss for Investment</b>		
Rental income derived from investment properties	12,008,335	12,008,335
Direct operating expenses (including repairs and maintenance) generating rental income	687,683	399,870
<b>Profit arising from investment properties before</b>	<b>11,320,652</b>	<b>11,608,465</b>
Less: Depreciation for the year	4,926,756	5,443,927
<b>Profit arising from investment properties</b>	<b>6,393,896</b>	<b>6,164,538</b>

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Company. Therefore, the Company was unable to obtain independent valuation for its investment property as at March 31, 2020.

**Notes to the Financial Statements for the year ended March 31, 2020**

(All amounts in INR, unless otherwise stated)

**4. RIGHT OF USE ASSET**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Opening Balance	23,605,860	27,359,444	-
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	27,359,444
Amortization during the year	3,753,582	3,753,584	-
<b>Total</b>	<b>19,852,278</b>	<b>23,605,860</b>	<b>27,359,444</b>

**5. NON-CURRENT INVESTMENT**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial assets carried at cost</b>			
Investment in equity instruments (Unquoted)			
(a) Investment in Subsidiaries			
i) 100% shares in Pilot Pipelines Private Limited (55% shares as on 31.03.18 and 31.03.19) <sup>(a)</sup>	4,237,500	4,125,000	4,125,000
ii) 100% shares in South West International DWC LLC <sup>(b)</sup> (3,00,000 shares of AED 1 each)	-	-	2,858,072
b) Investment in Joint Venture <sup>(ba)</sup> 35% shares in Alara Resources LLC	11,166,000	11,166,000	-
<b>Financial assets measured at fair value through other comprehensive income</b>			
Investment in Mutual Funds 930 Units (830 as on 31.03.19 and 650 units as on 31.03.18)	16,150,271	14,962,282	10,904,927
<b>Total</b>	<b>31,553,771</b>	<b>30,253,282</b>	<b>17,887,999</b>

- (a) The company holds 5,00,000 shares of Rs.10/- each (2,75,000 shares as on 31.03.19 and 31.03.18) of Pilot Pipelines Private Limited (Formerly known as Pilot Infra Private Limited) which is an Indian Subsidiary with CIN No. U11100DL2013PTC260028 and having registered office in New Delhi.
- (b) South West International DWC LLC, a Foreign Subsidiary in Dubai, UAE, has been de-registered vide certificate no. 3837 with effect from 18.12.2018. Due to permanent decline in value, carrying amount of investment is reduced to recognise the decline. Indicators of the value of an investment are obtained by reference to its market value, the subsidiary's assets and results and the expected cash flows from the investment. At the time of de-registration, value of investment was Rs. 35,04,423/- due to exchange fluctuation & other misc. expenses.
- (ba) The company holds 52,500 shares for OMR 60,000 (52,500 shares as on 31.03.19) of Alara Resources LLC, a Foreign Jointly Controlled Entity with Company Registration no. 1095339 and having registered office in Muscat, The Sultanate of Oman.

**6. OTHER FINANCIAL ASSET (NON-CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Security Deposit	824,553	888,154	835,058
Advance recoverable in cash or in kind	662,206	662,206	662,206
Fixed Deposits with banks more than twelve months maturity*	1,423,559	1,243,831	5,067,963
Other receivables	19,083,799	14,759,028	9,766,121
<b>Total</b>	<b>21,994,117</b>	<b>17,553,219</b>	<b>16,331,348</b>

\*These represent margin money deposited in Bank against Non-fund based facilities availed by the Company.

**NOTES TO ACCOUNTS**
**7. OTHER NON-CURRENT ASSETS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Deposits with Statutory and Government authorities	72,400	69,000	109,000
Prepaid Expense	283,027	349,622	416,218
Earnest Money Deposit	-	-	-
Capital Advance	-	832,640	80,742
<b>Total</b>	<b>355,427</b>	<b>1,251,262</b>	<b>605,960</b>

**8. INVENTORIES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Stores, Spares & Diesel ((a) & (b))	303,003,892	275,403,879	246,180,523
<b>Total</b>	<b>303,003,892</b>	<b>275,403,879</b>	<b>246,180,523</b>

**Note :**

- Inventories are valued at Cost or Net realizable value whichever is lower
- Refer Note 23 on Current Borrowing for detail of Hypothecation

**9. TRADE RECEIVABLES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(Unsecured, Considered Good)			
i) Trade receivables Considered good - Unsecured	374,299,413	316,700,597	275,961,242
ii) Receivables for Unbilled Revenue	124,593,784	114,111,006	78,304,969
iii) Retentions -Unsecured*	56,605,415	33,013,015	36,679,926
iv) Trade receivables Considered good -Secured	-	-	-
v) Trade Receivables which have significant increase in Credit Risk	-	-	-
<b>Total</b>	<b>555,498,612</b>	<b>463,824,618</b>	<b>390,946,137</b>

\*Retentions represent some small portion of billing retained which are paid upon satisfaction of conditions specified in the contract for payment of such amounts or until defects, if any, have been rectified and are expected to be realised within twelve months after the reporting date.

Refer Note 23 on Current Borrowing for detail of Hypothecation

**10. CASH AND CASHEQUIVALENTS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on hand			
a) At Corporate Office	9,525	10,534	415,873
b) At Projects	3,036,886	641,839	479,263
Balances with Bank (In Current Accounts)	1,609,656	30,185,016	1,271,225
<b>Total</b>	<b>4,656,067</b>	<b>30,837,389</b>	<b>2,166,361</b>

**11. BANK BALANCES OTHER THAN ABOVE**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other bank balances			
Earmarked balances with banks*	37,825,080	35,682,528	18,459,580
<b>Total</b>	<b>37,825,080</b>	<b>35,682,528</b>	<b>18,459,580</b>

\*These represent margin money deposited in Bank against Non-fund based facilities availed by the Company.

**12. LOANS (CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial assets at amortized cost</b> (Unsecured and considered good), unless otherwise stated			
Loans to related parties	38,102,693	7,070,014	-
<b>Total</b>	<b>38,102,693</b>	<b>7,070,014</b>	<b>-</b>

**13. OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Security Deposit	753,270	555,200	4,157,233
Earnest Money Receivable	9,199,000	17,480,500	8,534,500
Advance recoverable in cash or in kind	257,232	473,799	352,479
Advance against Expenses	876,004	374,882	302,276
Advance to staff	631,036	345,752	337,129
Other Receivables	-	-	15,873,350
<b>Total</b>	<b>11,716,542</b>	<b>19,230,133</b>	<b>29,556,967</b>

**14. CURRENT TAX ASSET (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance payment of income tax (net of provision)	1,123,793	-	-
<b>Total</b>	<b>1,123,793</b>	<b>-</b>	<b>-</b>

**15. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good</b>			
Advance to suppliers	7,548,478	4,211,535	7,080,805
Prepaid Expenses	3,894,399	3,152,559	3,158,743
Balance with Government Authorities	13,602,998	9,037,189	5,167,182
Accrued Expenses	22,969,440	22,969,440	-
Others	-	-	3,589,751
<b>Total</b>	<b>48,015,315</b>	<b>39,370,723</b>	<b>18,996,481</b>

**16. EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Capital</b>						
Equity shares of Rs. 10/- each	31,000,000	310,000,000	31,000,000	310,000,000	31,000,000	310,000,000
<b>Issued , Subscribed &amp; Paid up Capital</b>						
Equity shares of Rs. 10/- each	27,902,400	279,024,000	13,951,200	139,512,000	13,951,200	139,512,000

a) The details of Shareholders holding more than 5% shares (Equity shares of Rs.10/- Each) :

Shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Vikas jain	8,795,501	31.52%	4,250,000	30.46%	3,810,000	27.31%
Piyush jain	4,781,600	17.14%	2,352,400	16.86%	2,290,000	16.41%
Gajraj jain (HUF)	4,600,000	16.49%	2,300,000	16.49%	2,300,000	16.49%
HSBC small cap equity fund	-	0.00%	1,112,000	7.97%	1,027,200	7.36%

b) The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Equity Shares at the beginning of the year	13,951,200	13,951,200	4,650,000
Add : Shares issued	13,951,200	-	9,301,200
Less : Shares bought back	-	-	-
<b>Equity Shares at the end of the year</b>	<b>27,902,400</b>	<b>13,951,200</b>	<b>13,951,200</b>

c) Rights, preference and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

d) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	No. of Shares	No. of Shares	No. of Shares
<b>Cummulative Bonus share issued</b>	18,601,200	4,650,000	4,650,000

## 17. OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
General Reserve	197,755,511	197,755,511	197,755,511
Security Premium	145,211,629	284,723,629	284,723,629
Retained Earnings	242,903,469	189,413,077	80,886,499
Other Comprehensive Income	5,480,217	5,329,826	3,523,942
<b>Total</b>	<b>591,350,826</b>	<b>677,222,043</b>	<b>566,889,581</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>General Reserve</b>		
Balance at the beginning of the year	197,755,511	197,755,511
Add : Depreciation adjustment	-	-
Less : Appropriations- Bonus issue	-	-
<b>Balance at the close of the year : A</b>	<b>197,755,511</b>	<b>197,755,511</b>
<b>Security Premium</b>		
Balance at the beginning of the year	284,723,629	284,723,629
Less : Applied for Bonus Issue	(139,512,000)	-
<b>Balance at the close of the year : B</b>	<b>145,211,629</b>	<b>284,723,629</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	189,413,077	80,886,499
Add: Profit for the year	55,439,702	106,637,317
<b>Less</b>		
Actuarial gain on account of rereasurement of defined benefit plan	2,911,669	1,889,261
Payment of Dividend	(4,032,000)	-
Dividend distribution tax	(828,979)	-
<b>Balance at the close of the year : C</b>	<b>242,903,469</b>	<b>189,413,077</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	5,329,826	3,523,942
Gain on account of fair valuation of mutual fund	150,391	1,805,884
<b>Balance at the close of the year : D</b>	<b>5,480,217</b>	<b>5,329,826</b>
<b>Total : A+B+C+D</b>	<b>591,350,826</b>	<b>677,222,043</b>

\*As the Company has migrated from SME Platform to the Main Board of NSE w.e.f. April 18, 2019, the Company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules issued thereunder (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018.

**General Reserve :** The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, item included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Securities Premium** : Securities Premium Reserve was created consequent to issue of shares at a premium. The reserves can be utilised in accordance with section 52 of Companies Act, 2013.

**Retained Earning** : Retained earnings represents the undistributed profits of the company.

**Other Comprehensive Income** : Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

## 18. BORROWINGS (NON CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Secured - at amortised cost</b>			
<b>Terms Loans</b>			
From Bank <sup>(a)</sup>	91,193,713	20,962,033	41,920,535
From Non Banking Finance Companies <sup>(b)</sup>	17,313,249	9,598,348	31,017,928
<b>Total</b>	<b>108,506,962</b>	<b>30,560,381</b>	<b>72,938,463</b>

- a. Term loans from HDFC bank, ICICI bank, IndusInd and Yes bank, as mentioned above, are secured by hypothecation of Vehicles, Rigs, Mud Pumps, Compressor. commercial vehicles & Excavators funded by them and further secured by personal guarantees of directors. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note "Other financial liabilities-Current".
- b. Term loans from SREI Equipment Finance Limited and Tata Capital Financial Services Limited, as mentioned above, are secured by hypothecation of Rigs, Logging unit & Misc. assets funded by them and further secured by personal guarantee of promoter directors. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable within 12 months, have been disclosed as "Current maturities of Long term debt" under the note "Other financial liabilities-Current".

Terms of Repayment of Term Loans (including Current maturities of Non Current Borrowings) :

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Interest rate terms	Linked with the lending rate declared by the financial institution from time to		
Frequency of principal repayments	Monthly		
Next one year	-	-	-
One to five years	108,506,962	30,560,381	72,938,463
<b>Total</b>	<b>108,506,962</b>	<b>30,560,381</b>	<b>72,938,463</b>

There is no default as on balance sheet date in repayment of loans and servicing of interest.

## 19. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial liabilities at amortized cost</b>			
Security Deposit	353,053	322,989	295,484
<b>Total</b>	<b>353,053</b>	<b>322,989</b>	<b>295,484</b>

## 20. PROVISIONS - NON CURRENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
a) Gratuity (Refer Note-42)	1,858,480	4,767,392	11,295,662
b) Leave Encashment (Refer Note-42)	778,867	2,447,100	1,322,342
<b>Total</b>	<b>2,637,347</b>	<b>7,214,492</b>	<b>12,618,004</b>

**21. DEFERRED TAX LIABILITIES (NET)\***

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred tax liabilities	51,449,765	53,515,191	51,651,267
Deferred tax assets	(12,014,323)	(12,717,790)	(15,499,183)
<b>Net deferred tax liabilities/(Assets)</b>	<b>39,435,442</b>	<b>40,797,401</b>	<b>36,152,084</b>
<b>Movement during the year</b>			
Opening Balance	40,797,402	36,152,085	25,101,273
Charge / (Credit) to statement of Profit & Loss	(2,331,236)	3,451,824	9,519,718
Charge / (Credit) to Other Comprehensive Income	969,276	1,193,493	1,531,094
Closing Balance	<b>39,435,442</b>	<b>40,797,402</b>	<b>36,152,085</b>
<b>Total Deferred Tax Liability</b>	<b>39,435,442</b>	<b>40,797,402</b>	<b>36,152,085</b>
Less : MAT credit entitlement as at end of the year	-	(2,612,869)	-
<b>Total</b>	<b>39,435,442</b>	<b>38,184,533</b>	<b>36,152,085</b>

\*Refer Note-41

**22. OTHER NON-CURRENT LIABILITIES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance rental income	2,547,336	2,652,381	2,757,425
<b>Total</b>	<b>2,547,336</b>	<b>2,652,381</b>	<b>2,757,425</b>

**23. BORROWINGS - CURRENT**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Loans repayable on demand (at amortised cost)</b>			
<b>Secured Loan</b>			
<b>From banks<sup>(a)</sup></b>			
Cash credit, Working capital demand loan and Drop line overdraft facility	145,618,137	137,758,573	94,743,643
Bill Discounted from Banks	37,110,831	40,000,000	40,000,000
<b>Unsecured Loan</b>			
From Related parties	14,271,393	36,066,159	151,757,908
From Other - Inter corporate loans	54,747,111	6,331,490	16,465,351
<b>Total</b>	<b>251,747,472</b>	<b>220,156,222</b>	<b>302,966,902</b>

- (a) Cash credit, Working capital demand loan, Drop line overdraft and Bill discounting facilities of HDFC Bank limited are secured by hypothecation of company's entire stock, book debts and other receivables, security deposits and retention money with clients and further secured by personal guarantees of promoter directors and collateral owners and equitable mortgage of immovable properties situated in Gurugram (Haryana) and Ranchi (Jharkhand) and Rig machines.

**24. TRADE PAYABLES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total outstanding dues of Micro Enterprises and Small Enterprises*	5,292,857	-	-
Total outstanding dues of other than Micro Enterprises and Small Enterprises*	207,610,949	113,343,957	63,850,990
<b>Total</b>	<b>212,903,806</b>	<b>113,343,957</b>	<b>63,850,990</b>

\*Refer Note No.40

**25. OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial liabilities at amortized cost</b>			
Current maturities of Non current borrowings (Refer note no. 18(a) & (b))	124,809,808	53,733,333	48,897,656
Expenses payable	16,703,716	14,269,573	11,917,090
Interest accrued but not due on borrowings	879,027	-	-
Capital Creditors	850,038	120,411	2,555,737
Security Deposit	387,188	-	-
Other Payables	6,092,194	6,945,602	14,738,023
<b>Total</b>	<b>149,721,971</b>	<b>75,068,919</b>	<b>78,108,506</b>

**26. PROVISIONS - CURRENT**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Provision for Employee Benefits</b>			
a) Gratuity (Refer Note-42)	9,190,265	7,619,804	2,926,552
b) Leave Encashment (Refer Note-42)	369,229	-	-
<b>Total</b>	<b>9,559,494</b>	<b>7,619,804</b>	<b>2,926,552</b>

**27. CURRENT TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current tax liabilities (net of advance tax and TDS receivable)	-	6,261,916	11,133,253
<b>Total</b>	<b>-</b>	<b>6,261,916</b>	<b>11,133,253</b>

Refer Note-41

**28. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory liabilities*	7,747,910	7,126,456	16,564,615
Others	137,045	105,045	796,045
<b>Total</b>	<b>7,884,955</b>	<b>7,231,501</b>	<b>17,360,660</b>

\*Statutory liabilities includes contribution to Provident fund and Employee state insurance corporation, Tax deducted/collected at source, Goods and service tax etc.

**29. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Sale of Products</b>		
Scrap & Other Sales	2,061,686	4,142,748
<b>Sale of Services</b>		
Billed Revenue		
From Exploration & Other Services <sup>(a)</sup>	709,684,207	707,927,669
Unbilled Revenue		
From Exploration Services <sup>(b)</sup>	124,593,784	114,111,006
<b>Total Revenue From Operation</b>	<b>836,339,677</b>	<b>826,181,423</b>

(a) Includes revenue from leasing services amount to Rs. 1,07,66,333 (PY Rs.72,00,000/-)

(b) It is part of revenue earned in current accounting period for which the regular billing could not be completed by the cut off date of 31st March, 2020 due to certain technical and other reasons beyond our control.

**NOTES TO ACCOUNTS**
**30. OTHER INCOME**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Interest Income</b>		
From Fixed Deposits	2,659,014	2,229,320
<b>Other Non-operating Income</b>		
Net gain on foreign currency transaction & traslation	1,145,237	8,090,473
Gain on sale of assets	-	17,007,818
Recovery of Bad Debts/Actionable Claims*	-	7,763,158
Rental income	12,533,335	12,008,335
Miscellaneous income	365,586	7,306,578
<b>Total (A+B)</b>	<b>16,703,172</b>	<b>54,405,682</b>

\*Actionable claims include amount to be recovered from clients in respect to liquidated damages during performance of work wherein the ability to assess the ultimate collection with reasonable certainty is not lacking at the time of raising the claim.

**31. COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening Inventory	275,403,877	246,180,523
Add: Purchases during the year	153,253,294	221,835,109
Less: Closing Inventory	(303,003,890)	(275,403,877)
<b>Total</b>	<b>125,653,281</b>	<b>192,611,755</b>

**32. OPERATING EXPENSES**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Hire Charges	27,636,799	31,979,028
Repairs- Machines and vehicles	4,586,032	6,802,671
Site Preparation, Running & Maintenance Cost	2,257,245	6,844,505
Goods & Machines Movement Charges	10,817,607	17,112,184
Local Conveyance, Boarding & Lodging Expenses	846,251	1,045,196
Electricity Charges	379,578	696,325
Work delay charges & Other Deductions	2,732,330	19,189
Postage & Telegram	159,433	154,387
Printing & Stationary	447,299	479,931
Cost of Sub-Contract Work & Technical Fees	247,629,042	159,043,084
Fooding Cost	14,994,957	16,695,721
Others	864,948	235,044
<b>Total</b>	<b>313,351,521</b>	<b>241,107,265</b>

**33. EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages	161,105,173	145,040,876
Contribution to Provident and other funds (Refer Note 42)	11,008,761	9,452,040
Staff welfare expenses	1,021,796	930,569
<b>Total</b>	<b>173,135,730</b>	<b>155,423,485</b>

**34. FINANCE COST**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense	42,156,072	34,181,898
Other borrowing costs	3,177,318	2,238,246
<b>Total</b>	<b>45,333,390</b>	<b>36,420,144</b>

**35. DEPRECIATION & AMORTIZATION EXPENSES**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of Property, plant and equipment	54,633,582	50,859,082
Depreciation of Investment Property	4,926,756	5,443,927
Amortisation of Right of use assets	3,753,582	3,753,584
<b>Total</b>	<b>63,313,920</b>	<b>60,056,593</b>

**36. OTHER EXPENSES**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Business Development Expenses	4,626,504	4,825,426
Legal, Professional & Consultancy Charges	19,272,846	11,803,253
Insurance Charges	3,609,460	3,005,361
Rentals	2,312,378	1,832,200
Cost of travel & Local Conveyance	4,416,847	10,950,304
Capital loss	9,867,522	-
Bank Charges	656,781	379,029
Expenditure on CSR Activities	2,406,753	1,878,800
Communication Expenses	941,251	1,136,744
Electricity & Water Charges	525,711	583,062
Interest on Taxes, Demands & Penalties	147,010	6,205,292
Web Server Hire Charges & Other IT Cost	234,564	642,450
Repair & Maintenance	923,610	1,364,280
Security Expenses	720,000	725,000
Expenses Related to Investment Property	687,683	399,870
Payment to Auditors*	320,000	320,000
Courier Charges	303,541	124,334
Printing & Stationary Expenses	775,455	724,249
Deferred Revenue Expenditure Written off	-	4,750,997
Bad Debts Written Off	786,919	-
Reduction in carrying amount of long term investments	-	3,504,423
Miscellaneous Expenses	1,456,059	1,834,871
<b>Total</b>	<b>54,990,894</b>	<b>56,989,945</b>

**\*PAYMENT TO AUDITORS :**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Audit Fees	250,000	250,000
Limited Review & Other Services Fees	70,000	70,000
<b>Total</b>	<b>320,000</b>	<b>320,000</b>

**37. EARNING PER SHARE (EPS)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit attributable to the equity holders of the Company (A)	55,439,702	106,637,317
Weighted average number of equity shares (B)	27,902,400	27,902,400
Basic Earning per share (Rs)* (A/B)	1.99	3.82
Diluted earnings per share (Rs)(A/B)	1.99	3.82
Face Value per equity share (Rs.)	10.00	10.00

**38. CONTINGENT LIABILITIES AND COMMITMENTS:**
**A. Contingent Liabilities (to the extent not provided for)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>i) Guarantees</b>		
Bank Gaurantees	202,466,795	122,544,449
Corporate Gaurantee for Subsidiary*	2,528,176	11,622,753
<b>Total</b>	<b>204,994,971</b>	<b>134,167,202</b>

\* Gaurantee given for machine finance, amount financed Rs.3,58,26,950/- (Previous year Rs.3,58,26,950).

**NOTES TO ACCOUNTS**
**ii) Other contingently Contingent liability**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Letter of Credits	-	48,483,086
Income Tax	18,938,537	15,204,567
VAT/WCT/Entry Tax	2,755,431	2,551,264
<b>Total</b>	<b>21,693,968</b>	<b>66,238,917</b>

**Details of demands outstanding**
**Rs. in Lacs**

Nature of statute	Nature of The dues	Amount as at 31st March, 2020	Period to which the amount relates	Forum where dispute is pending	Amount as at 31st March, 2019
Income Tax Act, 1961	Income Tax	5.09	A.Y. 2012-2013	The Commission of Income tax (Appeal)-8, New Delhi	-
Income Tax Act, 1961	Income Tax	92.31	A.Y. 2014-2015	Income tax-Order F. No. ACIT/CIR-24(1) 2016-17 Date 01.03.2017 Under Appeal	78.46
Income Tax Act, 1961	Income Tax	91.98	A.Y. 2017-2018	Appeal to the Commissioner of Income-tax (Appeals) CIT (A), Delhi- 8, Ack No. 409791771170119 dt 17.01.2019	73.58
Entry Tax	Entry Tax	18.24	01.04.2008 to 30.06.2018	Odisha Entry Tax, Order No.-1266 dt. 27.02.2017., Under Appeal Case No-AA-716, CU-II (ET) 16-17 ORDER	21.31
Entry Tax	Entry Tax	4.81	01.04.2010 to 31.03.2015	Odisha Entry Tax, Order No.-2835 dt. 31.03.2017., Under Appeal Case No- 141800000000013 dt. 23.03.2018	-
VAT/WCT	VAT	4.50	01.04.2010 to 31.03.2015	Odisha Entry Tax, Order No.-2835 dt. 31.03.2017., Under Appeal Case No- 141800000000013 dt. 23.03.2018	4.2

**B. Commitments**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Uncalled liability on shares and other investments partly paid</b>		
Investment in Carpediem Capital Partners Fund (Total Capital Commitment Rs.1,00,00,000)	700,000	1,700,000
<b>Total</b>	<b>700,000</b>	<b>1,700,000</b>

**39. Lease liability**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ("Ind AS 116") which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The Company has adopted Ind AS-116 "Leases" effective 1st April, 2018 as notified by the Ministry of Corporate Affairs (MCA) and has applied the Standard to its leases. This has resulted in recognising Right-of-Use assets and corresponding Lease Liabilities. This Standard has been applied on the accounting for Corporate office taken on lease by the Company at 4th Floor, Siddhartha House, Plot No.-06, Sector-44, Gurugram-122003, Haryana from M/s Kingdom Hotel & Resorts Private Limited from 17.06.2016 to

**I) The movement in Lease liabilities during the year**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Opening Balance	25,327,617	27,359,444	-
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	27,359,444
Add: Interest Expense as per Ind-AS 116	2,122,448	2,318,173	-
Less: Payment of Lease liabilities	(4,814,000)	(4,350,000)	-
<b>Closing Balance</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>

**ii) The carrying value of the Rights-of-use and depreciation charged during the year**

For details pertaining to the carrying value of Right of use assets and amortization charged during the year, kindly refer note - 4 "Right of use assets".

**iii) Amounts recognised in statement of cash flows**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total Cash outflow for Leases	4,814,000	4,350,000	-

**iv) Maturity Analysis of Lease Liabilities**
**Maturity Analysis of contractual undiscounted cash flows**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Next one year	3,131,057	2,691,552	2,031,827
One to five years	17,879,221	15,691,721	13,503,861
More than five years	1,625,787	6,944,344	11,823,756
<b>Total undiscounted lease liabilities</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>
<b>Balances of Lease Liabilities</b>			
Current	3,131,057	2,691,552	2,031,827
Non Current	19,505,008	22,636,065	25,327,617
<b>Total Lease Liability</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>

40. Sundry Creditors include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Principal amount outstanding as at end of year	5,292,857	-	-
Principal amount overdue more than 45 days	-	-	-
Interest due and unpaid as at end of year	-	-	-
Interest paid to the supplier	-	-	-
Payments made to the supplier beyond the appointed day during the year	-	-	-
Interest due and payable for the year of delay	-	-	-
Interest accrued and remaining unpaid as at end of year	-	-	-
Amount of further interest remaining due and payable in succeeding year	-	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**41. TAXATION**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Income tax recognised in Statement of Profit and Loss</b>		
a) Current tax	24,155,647	27,888,777
b) Deferred tax	(2,331,236)	3,451,824
<b>Total income tax expenses recognised in the current year</b>	<b>21,824,411</b>	<b>31,340,601</b>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	77,264,113	137,977,918
Applicable Tax Rate	27.82	27.82
Computed Tax Expense	21,494,876	38,385,457
<b>Tax effect of :</b>		
Effect of expenses that are not deductible in determining taxable profit	300,605	(9,657,724)
Other Deduction	28,931	-
Other Adjustments	-	2,612,869
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<b>21,824,412</b>	<b>31,340,602</b>
Effective Tax Rate	28.25%	22.71%

The significant component of deferred tax assets / (liabilities) and movement during the year are as under:

Particulars	Deferred tax Liability/(Asset) as at March 31, 2019	Recognised/ (reversed) in statement of profit & loss	Recognised/(reverse d) in other comprehensive Income	Deferred tax Liability/(Asset) as at March 31, 2020
<b>Deferred Tax Assets</b>				
Right to Use Liability	(7,142,388)	845,035	-	(6,297,353)
Provisions for Gratuity & Leave encashment	(5,575,402)	(141,568)	-	(5,716,969)
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	33,494,324	(2,960,537)	-	30,533,787
Deferred Expense	6,477,382	(87,284)	-	6,390,098
Other Comprehensive Income	2,724,587	-	969,276	3,693,862
Right to Use Asset	6,656,853	(1,133,949)	-	5,522,904
Other	4,162,046	1,147,067	-	5,309,113

The significant component of deferred tax assets / (liabilities) and movement during the previous year are as under:

Particulars	Deferred tax Liability/(Asset) as at April 1, 2018	Recognised/ (reversed) in statement of profit & loss	Recognised/(reverse d) in other comprehensive Income	Deferred tax Liability/(Asset) as at March 31, 2019
<b>Deferred Tax Assets</b>				
Right to Use Liability	(9,469,104)	2,326,716	-	(7,142,388)
Provisions for Gratuity & Leave encashment	(6,030,079)	454,678	-	(5,575,402)
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	37,271,016	(3,776,692)	-	33,494,324
Deferred Expense	-	6,477,382	-	6,477,382
Other Comprehensive Income	1,531,094	-	1,193,493	2,724,587
Right to Use Asset	9,469,104	(2,812,251)	-	6,656,853
Other	3,380,054	781,991	-	4,162,046

**42. EMPLOYEE BENEFITS**

Defined contribution plans

Amount recognized in the Statement of Profit and Loss are as under:

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Provident Fund	9,474,772	7,559,791
Employees' State Insurance Corporation	1,521,629	1,870,009
Other Funds	12,360	22,240
<b>Total</b>	<b>11,008,761</b>	<b>9,452,040</b>

Expenses incurred on account of the the above defined contribution plans have been included under Contribution to Provident and other funds in Note 33 "Employee Benefit Expenses".

#### Defined benefit plans: -

The employer Gratuity Fund Scheme, which is defined benefit plan, is managed by the trust which maintains its investment with HDFC Life. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises 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.

### I. Gratuity

#### a.) Gratuity Disclosure Statement as per Ind-AS 19 For The Period 01/04/2019 - 31/03/2020

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Period	1st April, 2019	1st April, 2018
Date of Reporting	31st March, 2020	31st March, 2019
Period of Reporting	12 Months	12 Months

#### b.) Actuarial assumptions

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Expected Return on Plan Assets	6.82%	6.96%
Rate of Discounting	6.82%	6.96%
Rate of Salary Increase	3.17%	2.00%
Rate of Employee Turnover	2.00%	20.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate After Employment	N.A.	N.A.

#### c.) Change in the Present Value of Projected Benefit Obligation

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	14,971,328	14,222,214
Current service cost	1,642,748	2,203,999
Interest cost	1,042,004	1,092,266
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(5,734,933)	171,995
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,462,853	(1,517,371)
Actuarial (Gains)/Losses on Obligations - Due to Experience	445,155	(1,201,775)
(Benefit Paid From the Fund)	(74,769)	-
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>13,754,386</b>	<b>14,971,328</b>

**NOTES TO ACCOUNTS**
**d.) Change in the Fair Value of Plan Assets**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	2,584,132	-
Interest Income	179,856	-
Contributions by the Employer	-	2,500,000
(Benefit Paid from the Fund)	(74,769)	-
Return on Plan Assets, Excluding Interest Income	16,422	84,132
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>2,705,641</b>	<b>2,584,132</b>

**e.) Amount Recognized in the Balance Sheet**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(Present Value of Benefit Obligation at the end of the Period)	(13,754,386)	(14,971,328)
Fair Value of Plan Assets at the end of the Period	2,705,641	2,584,132
Funded Status (Surplus/ (Deficit))	(11,048,745)	(12,387,196)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(11,048,745)</b>	<b>(12,387,196)</b>

**f.) Net Interest Cost for Current Period**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Present Value of Benefit Obligation at the Beginning of the Period	14,971,328	14,222,214
(Fair Value of Plan Assets at the Beginning of the Period)	(2,584,132)	-
<b>Net Liability/(Asset) at the Beginning</b>	<b>12,387,196</b>	<b>14,222,214</b>
Interest Cost	1,042,004	1,092,266
(Interest Income)	(179,856)	-
<b>Net Interest Cost for Current Period</b>	<b>862,148</b>	<b>1,092,266</b>

**g.) Expenses Recognized in the Statement of Profit or Loss for Current Period**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Service Cost	1,642,748	2,203,999
Net Interest Cost	862,148	1,092,266
<b>Expenses Recognized</b>	<b>2,504,896</b>	<b>3,296,265</b>

**h.) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial (Gains)/Losses on Obligation For the Period	(3,826,925)	(2,547,151)
Return on Plan Assets, Excluding Interest Income	(16,422)	(84,132)
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(3,843,347)</b>	<b>(2,631,283)</b>

**I.) Balance Sheet Reconciliation**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Opening Net Liability</b>	12,387,196	14,222,214
Expenses Recognized in Statement of Profit or Loss	2,504,896	3,296,265
Expenses Recognized in OCI	(3,843,347)	(2,631,283)
(Employer's Contribution)	-	(2,500,000)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>11,048,745</b>	<b>12,387,196</b>

**j.) Category of Assets**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Insurance fund	2,705,641	2,584,132
<b>Total</b>	<b>2,705,641</b>	<b>2,584,132</b>

**k.) Other Details**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
No of Active Members	562	512
Per Month Salary For Active Members	9,190,265	7,619,804
Weighted Average Duration of the Projected Benefit Obligation	12.00	4.00
Average Expected Future Service	20.00	4.00
Projected Benefit Obligation	13,754,386	14,971,328
Prescribed Contribution For Next Year (12 Months)	9,190,265	7,619,804

**l.) Sensitivity Analysis**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Projected Benefit Obligation on Current Assumptions	13,754,386	14,971,328
Delta Effect of +1% Change in Rate of Discounting	(1,256,445)	(380,946)
Delta Effect of -1% Change in Rate of Discounting	1,520,502	410,180
Delta Effect of +1% Change in Rate of Salary Increase	1,360,827	332,270
Delta Effect of -1% Change in Rate of Salary Increase	(1,132,346)	(313,401)
Delta Effect of +1% Change in Rate of Employee Turnover	674,858	75,708
Delta Effect of -1% Change in Rate of Employee Turnover	(783,580)	(84,069)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**ii.) Leave Encashment**
**a.) Leave Encashment Disclosure Statement as per Ind-AS 19 For The Period 01/04/2019 - 31/03/2020**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Date of Valuation	31st March, 2020	31st March, 2019
Benefit Type	Privilege Leave	Privilege Leave
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method

**b.) Data Summary and Analysis**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Number of Employees	562	512
Total Salary (Encashment)	9,190,265	7,619,804
Average Salary (Encashment)	16,353	14,882
Average Age	33.68 years	33.75 years
Average Past Service	3.36 years	3.14 years
Total Leave Days	499.00 days	244.00 days
Average Leave Days	0.89 days	0.48 days

**c.) Valuation Results**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Discontinuance Liability	1,577,933	1,290,293
Projected Benefit Obligation	1,148,096	1,124,758

**d.) Other Results**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Average Future Service	20 years	4 years.

**e.) Current & Non-Current Liability**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	369,229	384,887
Non-Current Liability	778,867	739,871

**f.) Valuation Assumptions**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(i) Financial Assumptions		
Salary Escalation Rate	3.17% p.a.	2.00% p.a.
Discount Rate	6.82% p.a.(Indicative G.Sec referenced on 31-03-2020)	6.96% p.a.(Indicative G.Sec referenced on 29-03-2019)
(ii) Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	2.00% p.a. for all service groups	20.00% p.a. for all service groups.

**g.) Valuation Inputs**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Retirement Age	60 years	60 years
Maximum Accumulation	30 days	30 days
Divisor	30 (Monthly Salary/Divisor)	30 (Monthly Salary/Divisor)
While in service Encashment Rate	5.00% of the Leave balance (for the next year).	Nil

**43. SEGMENT REPORTING**

The Company's business falls within a single business segment of exploration and mining. Accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment

**I.) Entity wide disclosure on Geographical basis :**  
**Revenue from operations**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Domestic	835,191,614	826,181,423
Overseas	1,148,063	-

**Non Current Segment Assets\***

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Domestic	624,818,847	431,452,971	594,343,953
Overseas	-	-	-

\*Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets and other non current assets.

**ii.) Detail about the major Customer**

Revenue from two major customers represented 52% (PY 29%) of the total revenue from operations of the company.

**44. EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with section 135 of the Companies act 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to Rs.24,06,753 ( PY Rs 18,78,800/-) for CSR activities carried out during the current year.

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Gross amount required to be spent by the Company during the year	2,406,308	1,878,689
(ii) Amount spent during the year	2,406,753	1,878,800
<b>(iii) Activity</b>		
Promotion of Education	173,900	293,000
Preventive Health Care	153,900	407,000
Rural Development	1,771,900	735,162
Environment & Sustainability	83,000	228,000
Others	224,053	215,638
<b>Total</b>	<b>2,406,753</b>	<b>1,878,800</b>

**45. RELATED PARTY DISCLOSURE**

As per Ind AS-24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:-

**a) Subsidiary company :**

Pilot Pipelines Private Limited\*

**b) Jointly Controlled Entity :**

Alara Resources LLC\*\*

**c) Key Management Personnel (KMP) :**

Vikas Jain (Managing Director )  
Piyush Jain (Joint Managing Director )  
Dinesh Agarwal (Chief Financial Officer)  
Vaishali (Company Secretary)

**d) Relative of Key Management Personnel (RKMP) :**

Gajraj Jain  
Hemlata Jain  
Ruchi Jain  
Rachna Jain  
Kasvi Jain  
Akash Jain  
Abhash Jain

**e) Enterprises significantly influenced by KMP or RKMP :**

Alara Resources Ltd- Australia  
Alsan Rubbers & Chemicals Pvt Ltd  
Alsan Buildcon Pvt Ltd  
Advac Projects Pvt Ltd  
Advac Pvt Ltd  
Chandra Prabhu International Limited  
Ekam Leasing & Finance Co. Ltd  
Katihar Flour Mills P Ltd  
Pramuk Builders Pvt Ltd  
Thakurji Towers Pvt Ltd  
Zanskar Advisor Pvt Ltd  
Gajraj Jain HUF  
Vikas Jain HUF  
Piyush Jain HUF

\*During the year, the company has acquired remaining 45% shares, making it a Wholly owned Subsidiary.

\*\*Reporting Enterprises has 35% stake with joint control on Composition of Board & operational policies.

## Details of transactions with Related parties :

Particulars	Related party				
	Subsidiaries	Jointly Controlled Entity	Key Management Personnel	Relative of KMP	Enterprises significantly influenced by KMP or Relatives of KMP
<b>Transactions during the year :</b>					
Remuneration			13,200,000 (PY.1,44,00,000)		
Commission			6,334,311 (PY.62,41,743)		
Unsecured Loan taken			86,249,038 (PY.5,01,74,380)	2,864,145 (PY.29,31,112)	44,747,111 (PY Rs.NIL)
Unsecured Loan Repaid			95,957,949 (PY.10,54,47,241)	14,950,000 (PY.6,33,50,000)	15,000,000 (PY Rs.NIL)
Interest on Unsecured Loan			554,487 (PY.20,82,645)	404,606 (PY.32,56,791)	830,124 (PY.Rs.NIL)
Loans & Advances Given	39,102,693 (PY.Rs.NIL)	NIL (PY.70,70,014)			
Loans & Advances Repaid	1,000,000 (PY.Rs.NIL)				
Sale of Drilling material		1,148,063 (PY.Rs.NIL)			
Purchase of shares				25,000 (PY Rs.NIL)	
Investments written off*	NIL (PY.28,58,072)				
*Investment In South West International DWC LLC					
<b>Balances at Year End :</b>					
Remuneration Payable			- (PY.Rs.8,43,112)		
Commission Payable			5,513,008 (PY.13,66,526)		
Unsecured Loans	-	-	9,514,786 (PY.1,92,23,697)	4,756,607 (PY.1,68,42,462)	29,747,111 (PY Rs.NIL)
Debtors		1,151,235 (PY.Rs.NIL)			
Loans & Advances (Asset)	38,102,693 (PY Rs.NIL)	NIL (PY.70,70,014)			
Investments	4,237,500 (PY.41,25,000)	11,166,000 (PY.1,11,66,000)			

**46. FINANCIAL INSTRUMENT AND RISK MANAGEMENT**
**a.) Financial instruments by category**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Carrying Amount*	Carrying Amount*	Carrying Amount*
<b>Financial Assets at amortised cost</b>			
Trade Receivables	555,498,612	463,824,618	390,946,137
Cash and cash equivalents	4,656,067	30,837,389	2,166,361
Bank balances other than above	37,825,080	35,682,528	18,459,580
Loans	38,102,693	7,070,014	-
Other Financial Asset	33,710,658	36,783,352	45,888,315
Investments	15,403,500	15,291,000	6,983,072
<b>At FVTOCI</b>			
Investments	16,150,271	14,962,282	10,904,927
<b>Total Financial Assets</b>	<b>701,346,881</b>	<b>604,451,183</b>	<b>475,348,392</b>
<b>Financial Liabilities at amortised cost</b>			
Borrowings (including current maturity of Non current borrowings)	485,064,242	304,449,936	424,803,020
Trade payables	212,903,806	113,343,957	63,850,990
Other financial liabilities	25,265,216	21,658,575	29,506,335
Lease liability	22,636,065	25,327,617	27,359,444
<b>Total Financial liabilities</b>	<b>745,869,329</b>	<b>464,780,085</b>	<b>545,519,789</b>

\*Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

**Fair value hierarchy**

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

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Fair Value	Fair Value	Fair Value
Investment at Level 1	16,150,271	14,962,282	10,904,927

**b.) Financial risk management**

The Company's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks.

**i. Credit risk**

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from trade receivables. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

**a. Trade receivables**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. All debtors are good and realizable within the current financial year.

**b. Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

**ii. Liquidity risk**

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

**NOTES TO ACCOUNTS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Carrying Amount	Carrying Amount	Carrying Amount
<b>Current Financial assets*</b>			
Trade receivables	555,498,612	463,824,618	390,946,137
Cash and cash equivalents	4,656,067	30,837,389	2,166,361
Bank balances other than above	37,825,080	35,682,528	18,459,580
Loans	38,102,693	7,070,014	-
Other financial assets	11,716,542	19,230,133	29,556,967
<b>Total</b>	<b>647,798,994</b>	<b>556,644,682</b>	<b>441,129,045</b>
<b>Non-Current Financial assets**</b>			
Investments	31,553,771	30,253,282	17,887,999
Other financial assets	21,994,117	17,553,219	16,331,348
<b>Total</b>	<b>53,547,888</b>	<b>47,806,501</b>	<b>34,219,347</b>
<b>Current Financial Liabilities*</b>			
Borrowings	251,747,472	220,156,222	302,966,902
Trade Payables	212,903,806	113,343,957	63,850,990
Lease Liability	3,131,057	2,691,552	2,031,827
Other Financial Liabilities	149,721,971	75,068,919	78,108,506
<b>Total</b>	<b>617,504,306</b>	<b>411,260,650</b>	<b>446,958,225</b>
<b>Non-Current Financial Liabilities**</b>			
Borrowings	108,506,962	30,560,381	72,938,463
Lease Liability	19,505,008	22,636,065	25,327,617
Other Financial Liabilities	353,053	322,989	295,484
<b>Total</b>	<b>128,365,023</b>	<b>53,519,435</b>	<b>98,561,564</b>

\*Maturity of Current Financial Assets and Current Financial Liabilities will be within next one year.

\*\*Below is the maturity profile of Non-Current Financial Assets and Non-Current Financial Liabilities :

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Non-Current Financial assets</b>			
<b>Investments:</b>	<b>31,553,771</b>	<b>30,253,282</b>	<b>17,887,999</b>
Next one year	-	-	-
One to five years	-	-	-
More than five years	31,553,771	30,253,282	17,887,999
<b>Other financial assets:</b>	<b>21,994,117</b>	<b>17,553,219</b>	<b>16,331,348</b>
Next one year	-	-	-
One to five years	2,228,765	2,170,677	5,994,809
More than five years	19,765,351	15,382,542	10,336,539
<b>Non-Current Financial Liabilities :</b>			
<b>Borrowings</b>	<b>108,506,962</b>	<b>30,560,381</b>	<b>72,938,463</b>
Next one year	-	-	-
One to five years	108,506,962	30,560,381	72,938,463
More than five years	-	-	-
<b>Lease Liability :</b>	<b>19,505,008</b>	<b>22,636,065</b>	<b>25,327,617</b>
Next one year	-	-	-
One to five years	17,879,222	15,691,720	13,503,861
More than five years	1,625,786	6,944,345	11,823,756
<b>Other Financial Liabilities :</b>	<b>353,053</b>	<b>322,989</b>	<b>295,484</b>
Next one year	-	-	-
One to five years	-	-	-
More than five years	353,053	322,989	295,484

**iii. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020, March 31, 2019 and April 1, 2018.

**a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign Currency Exposure that have not been hedged by derivative Instrument are given below.

Liabilities/Assets	Foreign Currency		INR Equivalent	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Liabilities</b>				
USD	41,584	43,217	3,149,990	3,023,818
OMR	-	-	-	-
<b>Assets</b>				
USD	6,525	-	494,264	-
OMR	3,646	-	656,971	-

**Foreign currency sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and OMR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

**Impact on Profit / (loss) for the year for a 5% change:**

Particulars	Increase		Decrease	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Payables</b>				
USD /INR	(157,499)	(151,191)	157,499	151,191
OMR/INR	-	-	-	-
<b>Receivables</b>				
USD /INR	24,713	-	(24,713)	-
OMR/INR	32,849	-	(32,849)	-

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. Exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates, which are included in interest bearing loans and borrowings. The Company's has only fixed rate borrowings which are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Capital Management**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium reserve and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents. The Company monitors capital using gearing ratio, which is net debt divided by total capital.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Long term Borrowings	108,506,962	30,560,381	72,938,463
Current maturities of Long term debt	124,809,808	53,733,333	48,897,656
Short term Borrowings	251,747,472	220,156,222	302,966,902
Less : Cash and Cash Equivalents	(4,656,067)	(30,837,389)	(2,166,361)
<b>Net debt</b>	<b>480,408,175</b>	<b>273,612,547</b>	<b>422,636,659</b>
<b>Total Equity</b>	<b>870,374,826</b>	<b>816,734,043</b>	<b>706,401,580</b>
<b>Gearing Ratio</b>	<b>55.20%</b>	<b>33.50%</b>	<b>59.83%</b>

47. The Company's facilities suddenly stopped in March, 2020 due to lockdown in various parts of the country which got partially re-opened in May, 2020. This way COVID-19 pandemic has impacted our operations during March, April and May' 2020. Abrupt stoppage of Company's operations in March, when they were at peak, effected our topline by 12 to 15 Crores with reduction in bottom line. The overall financial performance for the year 2019-20 thus was impacted significantly. However, we could restart the operations in May 2020 beginning since all our employees were at the operation site only when the lock down was imposed. Accordingly, restart did not take much time.

**48. First-time adoption of Ind AS**

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet as at April 1, 2018 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Ind-AS optional exemptions**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

**i. Deemed cost**

The Companies has elected to continue with the carrying value of all of its Property, Plant & Equipments as recognized in the standalone financial statements as at the date of transition of Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition.

**ii. Investments in subsidiaries, associates and joint ventures**

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

**B. Ind AS mandatory exceptions**

**I. Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**ii. Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**iii. Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**iv. Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

**C. (i) Reconciliations of Balance Sheet as at April 01, 2018**

Description	Note no.	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		509,074,048	-	509,074,048
Right-of-use assets	(i)	-	27,359,444	27,359,444
Investment property		57,304,500	-	57,304,500
<b>Financial assets</b>				
- Investments	(ii)	13,483,072	4,404,927	17,887,999
- Other financial assets	(iii), (iv)	7,082,309	9,249,039	16,331,348
Other non current assets	(iii)	189,743	416,218	605,960
<b>Total non current assets</b>		<b>587,133,672</b>	<b>41,429,628</b>	<b>628,563,299</b>
<b>Current assets</b>				
Inventories		246,180,523		246,180,523
<b>Financial assets</b>				
- Trade receivables		390,946,137		390,946,137
- Cash and cash equivalents		2,166,361		2,166,361
- Bank balances other than above		18,459,580		18,459,580
- Loans		-		-
- Other financial assets		29,556,967		29,556,967
Current tax Assets (Net)		-		-
Other current assets	(iii), (v)	37,922,875	(18,926,394)	18,996,481
<b>Total current assets</b>		<b>725,232,442</b>	<b>(18,926,394)</b>	<b>706,306,048</b>
<b>Total assets</b>		<b>1,312,366,114</b>	<b>22,503,234</b>	<b>1,334,869,347</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		139,512,000		139,512,000
Other equity	(i) to (ix)	572,854,729	(5,965,149)	566,889,580
<b>Total equity</b>		<b>712,366,729</b>	<b>(5,965,149)</b>	<b>706,401,580</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		72,938,463		72,938,463
- Lease liability	(i)	-	25,327,617	25,327,617
- Other financial liabilities	(vi)	3,340,680	(3,045,196)	295,484
Provisions		12,618,004		12,618,004
Deferred tax liabilities	(vii)	34,860,421	1,291,664	36,152,085
Other non current liabilities	(vi)	-	2,757,425	2,757,425
<b>Total non current liabilities</b>		<b>123,757,568</b>	<b>26,331,510</b>	<b>150,089,078</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		302,966,902		302,966,902
- Trade payables				
total outstanding dues of micro & small enterprises		-		-
total outstanding dues of other than micro & small enterprises		63,850,990		63,850,990
- Lease liability	(i)	-	2,031,827	2,031,827
- Other financial liabilities		78,108,506		78,108,506
Provisions		2,926,552		2,926,552
Current Tax Liabilities (Net)		11,133,253	-	11,133,253
Other current liabilities	(vi)	17,255,615	105,045	17,360,660
<b>Total current liabilities</b>		<b>476,241,818</b>	<b>2,136,872</b>	<b>478,378,690</b>
<b>Total Equity and Liability</b>		<b>1,312,366,115</b>	<b>22,503,234</b>	<b>1,334,869,348</b>

**NOTES TO ACCOUNTS**
**(ii) Reconciliations of Balance Sheet as at March 31, 2019**

Description	Note no.	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		354,735,275	-	354,735,275
Right-of-use assets	(i)	-	23,605,860	23,605,860
Investment property		51,860,573	-	51,860,573
Financial assets				
- Investments	(ii)	23,591,000	6,662,282	30,253,282
- Other financial assets	(iii), (iv)	3,258,177	14,295,042	17,553,219
Other non current assets	(iii)	901,640	349,622	1,251,262
<b>Total non current assets</b>		<b>434,346,665</b>	<b>44,912,806</b>	<b>479,259,472</b>
<b>Current assets</b>				
Inventories		275,403,879	-	275,403,879
Financial assets				
- Trade receivables		463,824,618	-	463,824,618
- Cash and cash equivalents		30,837,389	-	30,837,389
- Bank balances other than above		35,682,528	-	35,682,528
- Loans		7,070,014	-	7,070,014
- Other financial assets		19,230,133	-	19,230,133
Current tax Assets (Net)		-	-	-
Other current assets	(iii), (v)	58,297,116	(18,926,393)	39,370,723
<b>Total current assets</b>		<b>890,345,675</b>	<b>(18,926,393)</b>	<b>871,419,282</b>
<b>Total assets</b>		<b>1,324,692,341</b>	<b>25,986,413</b>	<b>1,350,678,754</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		139,512,000		139,512,000
Other equity	(i) to (ix)	678,847,294	(1,625,251)	677,222,043
<b>Total equity</b>		<b>818,359,294</b>	<b>(1,625,251)</b>	<b>816,734,043</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		30,560,381		30,560,381
- Lease liability	(i)	-	22,636,065	22,636,065
- Other financial liabilities	(vi)	3,340,680	(3,017,691)	322,989
Provisions		7,214,492		7,214,492
Deferred tax liabilities	(vii)	35,640,218	2,544,315	38,184,533
Other non current liabilities	(vi)	-	2,652,381	2,652,381
<b>Total non current liabilities</b>		<b>76,755,771</b>	<b>24,815,070</b>	<b>101,570,841</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		220,156,222		220,156,222
- Trade payables				
total outstanding dues of micro & small enterprises		-		-
total outstanding dues of other than micro & small enterprises		113,343,957		113,343,957
- Lease liability	(i)	-	2,691,552	2,691,552
- Other financial liabilities		75,068,919		75,068,919
Provisions		7,619,804		7,619,804
Current Tax Liabilities (Net)		6,261,916		6,261,916
Other current liabilities	(vi)	7,126,456	105,045	7,231,501
<b>Total current liabilities</b>		<b>429,577,273</b>	<b>2,796,597</b>	<b>432,373,870</b>
<b>Total Equity and Liability</b>		<b>1,324,692,338</b>	<b>25,986,416</b>	<b>1,350,678,754</b>

**(iii) Reconciliation of Total Comprehensive Income for the year ended March, 31, 2019**

Description	Note No.	As per Indian GAAP	Ind AS Adjustments	As per Ind AS
<b>Revenue</b>				
Revenue from operations		826,181,423	-	826,181,423
Other income	(iii), (iv), (vi)	49,254,634	5,151,048	54,405,682
<b>Total Revenue</b>		<b>875,436,057</b>	<b>5,151,048</b>	<b>880,587,105</b>
<b>Expenses</b>				
Cost of raw material and components consumed		192,611,755		192,611,755
Operating expenses		241,107,265		241,107,265
Employee benefits expense	(viii)	152,792,201	2,631,284	155,423,485
Finance costs	(i), (vi)	34,074,467	2,345,678	36,420,144
Depreciation and amortization expense	(i)	56,303,011	3,753,582	60,056,593
Other Expenses	(i), (iii)	61,273,350	(4,283,405)	56,989,945
<b>Total expenses</b>		<b>738,162,049</b>	<b>4,447,139</b>	<b>742,609,188</b>
<b>Profit before tax</b>		<b>137,274,008</b>	<b>703,909</b>	<b>137,977,917</b>
<b>Tax Expenses</b>				
- Current Tax Expense		27,888,777	-	27,888,777
- Deferred tax Expense	(vii)	3,392,666	59,158	3,451,824
<b>Total tax expense</b>		<b>31,281,444</b>	<b>59,158</b>	<b>31,340,602</b>
<b>Profit after tax for the year</b>		<b>105,992,564</b>	<b>644,751</b>	<b>106,637,315</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Items that will not be reclassified to profit or loss	(ii), (viii)	-	4,888,638	4,888,638
Income tax relating to items that will not be reclassified to profit or loss	(ii), (vii)	-	(1,193,493)	(1,193,493)
<b>Total other comprehensive income</b>		<b>-</b>	<b>3,695,145</b>	<b>3,695,145</b>
<b>Total Comprehensive Income for the period</b>		<b>105,992,564</b>	<b>4,339,897</b>	<b>110,332,460</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

**(iv) Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP**

Nature of adjustments	Other Equity As at 31st March, 2019	Other Equity As at 1st April, 2018
<b>Other Equity as per Previous Indian GAAP</b>	<b>678,847,295</b>	<b>572,854,729</b>
Actuarial gain/(loss) on defined benefit plans recognised in OCI	(4,509,667)	(1,878,383)
Impact of measurement of financial assets and liabilities at amortised cost	212,498	148,457
Deferred Tax Adjustments	180,272	239,430
Other miscellaneous adjustments	(5,955,716)	(9,226,868)
<b>Net profit/Other Equity as per Ind AS before OCI</b>	<b>668,774,681</b>	<b>562,137,364</b>
<b>Other Comprehensive Income (net of Tax)</b>		
Gain on re-measurement of defined benefit plans	3,117,536	1,228,275
Gain on re-measurement of Investment in Mutual Fund	5,329,826	3,523,942
<b>Net profit after OCI /Net Other Equity as per Ind AS</b>	<b>677,222,043</b>	<b>566,889,580</b>

**Note:**

- (I) Under Indian GAAP, lease payment under operating lease is recognised as rent expense. Under Ind AS lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term and right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability. Accordingly, the company has classify right of use asset of Rs. 2,73,59,444 and lease liability of Rs. 2,73,59,444 in accordance with Ind AS as at 1st April, 2018. Further interest expense has been increased by Rs. 23,18,173, depreciation and amortization has been increased by RS. 37,53,583 and removal of rent expense recognised under indian GAAP by Rs. 43,50,000 for the year ended 31st March, 2019. Accordingly, the company has classify right of use asset of Rs. 2,36,05,860 and lease liability of Rs. 2,53,27,617 in accordance with Ind AS as at 31st March, 2019.

- ii. Under Indian GAAP, investments in equity instruments, mutual funds and debt securities were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value except investments in subsidiaries, associates and joint venture for which exemption has been availed. Accordingly, the Company has designated such investments as investments measured at FVTOCI in accordance with Ind AS. The difference between the instrument's fair value and carrying amount as per Indian GAAP has been recognized in other comprehensive income. This has resulted in increase in other equity by Rs. 44,04,927 and Rs. 66,62,282 as at 1st April 2018 and 31st March 2019 respectively. There is also increase in other comprehensive income by Rs. 22,57,355 (Tax effect - Rs. 4,51,471) for the year ended 31st March 2019.
- iii. Under Indian GAAP, security deposits paid are recorded at their transaction value. Under Ind AS, these deposits are to be measured at amortized cost on the basis of effective interest rate method. Due to this, security deposit has been decreased by Rs. 5,17,082 and creation of Prepaid expenses of Rs. 4,82,813 as on 1st April, 2018 and this has resulted in decrease in retained earning by Rs. 34,269. Further, other expense has been increased due to amortisation of the prepaid expenses of Rs. 66,595 and other income has been increased by the notional interest income on security deposit of Rs. 53,096 for the year ended 31st March 2019. Accordingly, security deposit has been decreased by Rs. 4,63,985 and creation of Prepaid expenses of Rs. 4,16,218 as on March 31, 2019.
- iv. Under Indian GAAP, lease income under operating lease is recognised as rental income. Under Ind AS, lessor shall recognised lease income from operating lease on straight line basis. This has result in retained earning by Rs.97,66,121 and Rs. 1,47,59,027 as at 1st April, 2018 and 31st March, 2019 respectively. There is also increase other income by Rs. 49,92,907 for the year ended 31st March, 2019. Under balance sheet it is recognised under Non current other financial assets.
- v. Under Indian GAAP, deferred expenses are recorded at their transaction value. Under Ind AS these deferred expenses are written off through retained earning. This has resulted decrease in retained earning of Rs. 1,89,92,989 as at 1st April 2018.
- vi. Under Indian GAAP, security deposits received are recorded at their transaction value. Under Ind AS, these deposits are to be measured at amortized cost on the basis of effective interest rate method. Due to this, security deposit has been decreased by Rs. 30,45,196 ; retained earning is increased by Rs. 1,82,726 and creation of deferred income of Rs. 28,62,470 as on 1st April, 2018. Further, interest expense has been increased of Rs. 27,505 and other income on security deposit of Rs. 1,05,045 for the year ended 31st March 2019. Accordingly, security deposit has been decreased by Rs. 30,17,691 and creation of deferred income of Rs. 27,57,425 as on 31st March, 2019.
- vii. Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP. Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted decrease in retained earnings of Rs. 25,44,315 and Rs. 12,91,664 as at 31st March 2019 and 1st April 2018 respectively. The net profit has been decreased with Rs. 59,158 and decrease in other comprehensive income by Rs. 11,93,293 for the year ended 31st March 2019 with a corresponding adjustment in 'Deferred tax liability'.
- viii. Under Indian GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income and are not to be reclassified to profit and loss in a subsequent period. Therefore, actuarial gain/loss amounting to Rs. 26,31,283 for the financial year 2018-19 has been recognized in OCI (tax effect of Rs. 7,42,022) which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2019.

xi. The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

**49. Investment in Subsidiaries and Joint Venture :**

- a) These financial statements are separate financial statements prepared in accordance with Ind-AS 27 "Separate Financial Statements".
- b) The Company's Investment in Subsidiaries is as under :

Name of Subsidiary	Country of Incorporation	Portion of Ownership Interest as at 31st March, 2020	Portion of Ownership Interest as at 31st March, 2019	Portion of Ownership Interest as at 1st April, 2018	Method used to account for the Investment
Pilot Pipelines Private Limited	India	100%	55%	55%	At Cost
Southwest International DWC-LLC	Dubai	0%	0%	100%	At Cost

- c) The Company's Investment in Joint Venture is as under :

Name of Joint Venture :	Country of Incorporation	Portion of Ownership Interest as at 31st March, 2020	Portion of Ownership Interest as at 31st March, 2019	Portion of Ownership Interest as at 1st April, 2018	Method used to account for the Investment
Alara Resources LLC	Muscat, The Sultanate of Oman.	35%	35%	0%	At Cost

50. Details of Loans given, Investments made and Guarantee given or security provided covered u/s 186 (4) of the Companies Act, 2013 are given under respective heads (refer notes 5 and 44).

51. Previous year figures have been re-grouped/re-classified wherever necessary.

Significant Accounting Policies	1
See accompanying notes to the standalone financial statements	2 to 51

**For Doogar & Associates**  
Chartered Accountants  
FRN No. 000561N

**Vardhman Doogar**  
Partner  
Membership No. 517347

Place: Gurugram  
Date: 22nd June 2020

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

**Vikas Jain**  
Chairman & Managing Director  
DIN : 00049217

**Dinesh Agarwal**  
Chief Financial Officer

**Piyush Jain**  
Jt. Managing Director  
DIN : 00049319

**Vaishali**  
Company Secretary  
M.No.55248



**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

### Independent Auditor's Report

To  
The Members of  
South West Pinnacle Exploration Limited.

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

##### **Opinion**

We have audited the consolidated financial statements of South West Pinnacle Exploration Limited (hereinafter referred "the Holding Company") and its subsidiary, (Holding Company and its subsidiary together referred to as "the Group") which includes the Group's share of profit in its joint venture, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial information of subsidiary and joint venture referred to in the other matters section below, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

##### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### **Key Audit Matters**

Key audit matters (KAM) 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p><b>Tax Litigations</b></p> <p>The Company is subject to number of significant tax litigations. The total contingent liabilities as of March 31, 2020, in relation to tax matters are INR 216.94 Lakhs (amount paid under protest is INR 41.22 Lakhs).</p> <p>Due to complexity of cases, significant amount involved and time scales for resolution, significant judgement and estimates are required by the management to assess the impact of these litigations on the financial positions, results of operations and cash flows and thus there is a risk that such litigations may not be adequately provided for or disclosed in the consolidated financial statements.</p> <p>Accordingly, tax litigations have been identified as a key audit matter in our audit of the consolidated financial statements (as described in note 49 of the consolidated financial statements)</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of identification of tax litigations and related contingent liabilities and tested the operating effectiveness of management's key controls over recognition and disclosures of tax provisions and contingencies.</li> <li>• Obtained the details of the tax litigations of the Company and discussed with the management to understand the detail of the underlying matters and basis for management's judgement and estimates on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>• Obtained confirmation, where appropriate, from relevant third party legal counsel. Evaluated the objectivity, competence and relevant experience of third party legal counsel.</li> <li>• Assessed the relevant disclosures made within the consolidated financial statements.</li> </ul>

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

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

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

#### Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the entities included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of Group and of its joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of management's and Board of Director's of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 consolidated 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 Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of one subsidiary, whose financial information reflect total assets of INR 656.18 Lakhs as at March 31, 2020, total revenues of INR 217.20 Lakhs and net cash inflow amounting to INR 13.40 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

The Consolidated financial statements include unaudited financial statements of one joint venture which reflects Groups share of net loss of INR 32.63 Lakhs for the year ended March 31, 2020. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of the joint venture and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

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

- A.** As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial information of the subsidiary and joint venture referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure A" to this report.
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group- Refer Note 49 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India during the year ended March 31, 2020.

*For Doogar & Associates*  
Chartered Accountants  
Firm Registration No. 000561N

**Vardhman Doogar**  
Partner  
Membership No. 517347

**UDIN:** 20517347AAAAHA2983

**Place:** Gurugram  
**Date:** June 22, 2020

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

**(Referred to in paragraph A under „Report on Other Legal and Regulatory Requirements“ section of our report to the members of South West Pinnacle Exploration Limited of even date)**

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

In conjunction with our audit of the consolidated financial statements of South West Pinnacle Exploration Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of South West Pinnacle Exploration Limited (hereinafter referred to as the “Holding Company”) and its subsidiary, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective 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 Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company, its subsidiary, which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statements of 1 subsidiary, which are company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

*For* **Doogar & Associates**

Chartered Accountants  
Firm Registration No. 000561N

**Vardhman Doogar**

Partner  
Membership No. 517347

**UDIN:** 20517347AAAAHA2983

**Place:** Gurugram

**Date:** June 22, 2020

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	2	604,535,772	400,075,734	559,305,543
Investment Property	3	46,933,817	51,860,573	57,304,500
Right-of-use Assets	4	19,852,278	23,605,860	27,359,444
Goodwill	5	1,121,138	1,121,138	1,121,138
Financial Assets				
- Investments	6	24,053,297	26,128,282	10,904,927
- Other Financial Asset	7	21,994,117	17,553,219	16,331,348
Other Non-Current Assets	8	355,427	1,251,262	605,960
<b>Total Non-current assets</b>		<b>718,845,846</b>	<b>521,596,068</b>	<b>672,932,860</b>
<b>Current assets</b>				
Inventories	9	303,913,587	275,403,881	246,180,523
Financial Assets				
- Trade Receivables	10	569,063,908	481,776,344	411,749,942
- Cash and Cash Equivalents	11	6,776,799	31,617,470	5,895,169
- Bank Balances other than above	12	37,825,080	35,682,528	18,459,580
- Loans	13	400,000	7,070,014	-
- Other Financial Assets	14	11,896,945	19,409,527	29,750,524
Current Tax Assets (Net)	15	1,693,627	1,106,174	92,948
Other Current Assets	16	49,028,985	41,982,492	21,736,214
<b>Total Current assets</b>		<b>980,598,931</b>	<b>894,048,430</b>	<b>733,864,900</b>
<b>Total Assets</b>		<b>1,699,444,777</b>	<b>1,415,644,498</b>	<b>1,406,797,760</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	17	279,024,000	139,512,000	139,512,000
Other Equity	18	560,261,872	671,200,094	566,543,459
<b>Equity attributable to shareholders of the Company</b>		<b>839,285,872</b>	<b>810,712,094</b>	<b>706,055,459</b>
Non Controlling Interest	19	-	(2,469,345)	4,384,187
<b>Total Equity</b>		<b>839,285,872</b>	<b>808,242,749</b>	<b>710,439,646</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Borrowings	20	110,312,056	38,366,256	96,209,634
- Lease Liability		19,505,008	22,636,065	25,327,617
- Other Financial Liabilities	21	353,053	322,989	295,484
Provisions	22	2,637,347	7,214,492	12,618,004
Deferred Tax Liabilities (Net)	23	40,595,652	39,344,747	37,312,298
Other Non-Current Liabilities	24	2,547,336	2,652,381	2,757,425
<b>Total Non-current liabilities</b>		<b>175,950,452</b>	<b>110,536,930</b>	<b>174,520,462</b>
<b>Current liabilities</b>				
Financial Liabilities				
- Borrowings	25	282,903,812	261,088,572	328,249,477
- Trade Payables	26			
total outstanding dues of micro & small enterprises		5,292,857	-	-
total outstanding dues of other than micro & small enterprises		211,113,402	115,750,258	68,966,685
- Lease Liability		3,131,057	2,691,552	2,031,827
- Other Financial Liabilities	27	163,240,578	96,009,695	94,568,559
Provisions	28	9,559,494	7,619,804	2,926,552
Current Tax Liabilities (Net)	29	-	6,261,916	11,133,253
Other Current Liabilities	30	8,967,253	7,443,022	13,961,299
<b>Total current liabilities</b>		<b>684,208,453</b>	<b>496,864,819</b>	<b>521,837,652</b>
<b>Total Equity and Liabilities</b>		<b>1,699,444,777</b>	<b>1,415,644,498</b>	<b>1,406,797,760</b>

**Significant Accounting Policies**

See accompanying notes to the financial statements

1  
2 to 55

As per our report of even date attached

**For Doogar & Associates**Chartered Accountants  
FRN No. 000561N**Vardhman Doogar**Partner  
Membership No. 517347

For and on behalf of the Board of Directors

**Vikas Jain**Chairman & Managing Director  
DIN : 00049217**Piyush Jain**Jt. Managing Director  
DIN : 00049319

Place: Gurugram

Date: 22nd June 2020

**Dinesh Agarwal**

Chief Financial Officer

**Vaishali**Company Secretary  
M.No.55248

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

(All amounts in INR, unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue From Operations	31	858,006,419	850,297,523
Other income	32	16,756,842	54,405,682
<b>Total Income</b>		<b>874,763,261</b>	<b>904,703,205</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	33	132,795,336	197,594,627
Operating Expenses	34	323,026,677	253,536,887
Employee benefits expense	35	183,068,465	161,939,806
Finance costs	36	50,925,370	43,506,060
Depreciation and Amortisation expense	37	68,662,845	64,947,627
Other expenses	38	58,242,643	56,986,961
<b>Total expenses</b>		<b>816,721,336</b>	<b>778,511,968</b>
<b>Profit before share of profit/(loss) from joint ventures (net), exceptional items and tax</b>		<b>58,041,925</b>	<b>126,191,237</b>
Share of profit/(loss) from joint ventures (net)		(3,262,974)	-
<b>Profit/ (loss) before exceptional items &amp; tax</b>		<b>54,778,951</b>	<b>126,191,237</b>
Exceptional items	39	-	(742,678)
<b>Profit/ (loss) before tax</b>		<b>54,778,951</b>	<b>125,448,559</b>
<b>Tax expense</b>			
a) Current tax	44	24,155,647	27,888,777
b) Deferred tax	44	(2,331,239)	3,451,824
<b>Profit for the year</b>		<b>32,954,543</b>	<b>94,107,958</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		4,031,335	4,888,638
Income tax relating to items that will not be reclassified to profit or loss		(969,276)	(1,193,493)
<b>Other Comprehensive Income</b>		<b>3,062,059</b>	<b>3,695,145</b>
<b>Total Comprehensive Income for the year</b>		<b>36,016,602</b>	<b>97,803,103</b>
<b>Net Profit attributable to :</b>			
Owner's of the parent		32,749,636	100,961,490
Non Controlling interest		204,907	(6,853,532)
<b>Other Comprehensive Income attributable to:</b>			
Owner's of the parent		3,062,059	3,695,145
Non Controlling interest		-	-
<b>Total Comprehensive Income attributable to :</b>			
Owner's of the parent		35,811,695	104,656,635
Non Controlling interest		204,907	(6,853,532)
<b>Earnings per equity share of face value of Rs. 10 each</b>			
a) Basic (Rs.)	40	1.17	3.62
b) Diluted (Rs.)	40	1.17	3.62

**Significant Accounting Policies**

See accompanying notes to the financial statements

 1  
2 to 55

As per our report of even date attached

**For Doogar & Associates**

 Chartered Accountants  
FRN No. 000561N

**Vardhman Doogar**

 Partner  
Membership No. 517347

Place: Gurugram

Date: 22nd June 2020

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

 Chairman & Managing Director  
DIN : 00049217

**Dinesh Agarwal**

Chief Financial Officer

**Piyush Jain**

 Jt. Managing Director  
DIN : 00049319

**Vaishali**

 Company Secretary  
M.No.55248

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts in INR, unless otherwise stated)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>A. Cash flow from Operating Activities :</b>		
Net Profit before tax	54,778,951	125,448,559
<b>Adjustment for</b>		
(Profit)/Loss on sale of Property, Plant and Equipment	9,867,522	(17,007,818)
Unrealised exchange profit/(loss)	(1,145,237)	(8,090,473)
Rental Income	(12,533,335)	(12,008,335)
Depreciation and amortisation expenses	68,662,845	64,947,627
Finance Cost	50,925,370	43,506,060
Interest received	(2,659,014)	(2,229,320)
Share of Profit/(Loss) from Jointly Controlled Entities & Associates	3,262,974	-
Loss on discard of subsidiary	-	742,678
<b>Operating Profit before Working Capital Changes</b>	<b>171,160,076</b>	<b>195,308,978</b>
(Increase)/Decrease in Trade Receivables	(87,287,565)	(70,026,402)
(Increase)/Decrease in Financial Assets	7,576,183	10,287,901
(Increase)/Decrease in Non Financial Assets	(6,150,658)	(20,891,580)
(Increase)/Decrease in inventories	(28,509,706)	(29,223,356)
Increase/(Decrease) in Trade Payables	101,801,238	54,874,046
Increase/(Decrease) in Financial liabilities	(2,851,438)	(11,890,711)
Increase/(Decrease) in Non Financial liabilities	1,419,186	(6,623,321)
Increase/(Decrease) in Provisions	1,205,892	1,921,023
<b>Cash generated from Operations</b>	<b>158,363,208</b>	<b>123,736,578</b>
Less : Tax Paid	(28,392,148)	(36,386,209)
<b>Net cash from Operating Activities</b>	<b>129,971,060</b>	<b>87,350,369</b>
<b>B. Cash flow from Investing activities</b>		
Interest Income	2,659,014	2,229,320
Payments for purchase of property, plant and equipment	(288,894,388)	(24,793,227)
Proceeds from sale of Property, Plant and Equipment	14,584,321	145,280,736
Investment in Fixed Deposits (Net)	(2,322,281)	(13,398,816)
Proceeds from Rent	8,208,564	7,015,428
Loans repaid/(given) by/to Joint Venture	6,670,014	(7,070,014)
Adjustment on account of discarded of subsidiary	-	(742,678)
Payment for acquiring share in Joint Venture	-	(11,166,000)
Purchase of non controlling interest	(112,500)	-
Investment in Mutual Fund	(1,000,000)	(1,800,000)
<b>Net cash from Investing Activities</b>	<b>(260,207,256)</b>	<b>95,554,749</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds/(Repayment) from/of Long Term Borrowings (Net)	136,365,157	(48,834,026)
Proceeds/(Repayment) from/of Short Term Borrowings (Net)	21,815,241	(67,160,905)
Dividend Paid (Including Dividend Distribution Tax)	(4,860,979)	-
Payment of Interest	(47,923,895)	(41,187,887)
<b>Net cash from Financing Activities</b>	<b>105,395,524</b>	<b>(157,182,818)</b>
<b>Net cash flows during the year (A+B+C)</b>	<b>(24,840,672)</b>	<b>25,722,300</b>
Cash and cash equivalents (Opening balance)	31,617,470	5,895,169
Cash and cash equivalents (Closing balance)	6,776,799	31,617,470

**Note:**

The Cash Flow Statement has been prepared under the indirect method as set in the Ind AS-7 "Cash Flow Statement".

**Significant Accounting Policies**

See accompanying notes to the financial statements

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2 to 55

As per our report of even date attached

For Doogar &amp; Associates

Chartered Accountants  
FRN No. 000561N

Vardhman Doogar

Partner  
Membership No. 517347

Place: Gurugram

Date: 22nd June 2020

For and on behalf of the Board of Directors

Vikas Jain

Chairman & Managing Director  
DIN : 00049217

Dinesh Agarwal

Chief Financial Officer

Piyush Jain

Jt. Managing Director  
DIN : 00049319

Vaishali

Company Secretary  
M.No.55248

## NOTE-1: SIGNIFICANT ACCOUNTING POLICIES

Forming part of the Consolidated Financial Statements for the year ended March 31, 2020

### A. GENERAL INFORMATION

The consolidated financial statements comprise financial statements of South West Pinnacle Exploration Limited (“the Parent company”) and its subsidiaries (collectively, “the Group”) for the year ended March 31, 2020. South West Pinnacle Exploration Limited (‘the parent company’) is a public limited company domiciled in India. The parent company is listed on National Stock Exchange of India Limited.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2019, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Consolidated financial statements for the year ended March 31, 2020 are the first consolidated financial statements, which have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015. Refer Note no 48 for information on how the Company adopted Ind-AS.

#### b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the South West Pinnacle Exploration Limited (‘the Parent Company’) and its subsidiaries (collectively “the Group) as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transactions or events between the date of those financial statements and date of financial statements of the parent company.

**c) Consolidation Procedure**

**(1) Subsidiaries**

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS – 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the Non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

**(2) Investment in Joint ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the Equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when a change has been recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the Statement of Changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the associate or joint venture.

If Group's share of losses of a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the Equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of profit/(loss) of a joint venture' in the Statement of profit and loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment less cost to sell is recognized in Statement of profit and loss.

The Group discontinues the use of Equity method from the date the investment is classified as "Held for sale" in accordance with Ind AS 105 : Non-current Assets Held for Sale and Discontinued Operations and measures the interest in joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

### **(3) Change in ownership interest**

The Group treats transactions with Non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

### **(4) Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for Non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**d) Other Significant Accounting Policies**

These are set out under “Significant Accounting Policies” as given in the Parent Company’s separate financial statements.

**STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts in INR, unless otherwise stated)

**A. Equity share capital**

Balance as at 1st April, 2018	Movement during the year 2018-19	Balance as at 31st March, 2019	Movement during the year 2019-20	Balance as at 31st March, 2020
139,512,000	-	139,512,000	139,512,000	279,024,000

**B. Other Equity**

Particulars	Reserves & Surplus			Other comprehensive Income - Reserve	Total	Non Controlling Interest	Total
	General Reserve	Security Premium Reserve	Retained Earnings				
<b>Balance as at 1st April, 2018</b>	197,755,511	284,723,629	80,540,377	3,523,942	566,543,459	4,384,187	570,927,646
Profit for the year	-	-	100,961,490	-	100,961,490	(6,853,532)	94,107,958
Other comprehensive income/(loss) for the year (net of income tax)	-	-	1,889,261	1,805,884	3,695,145	-	3,695,145
<b>Balance as at 31st March, 2019</b>	197,755,511	284,723,629	183,391,128	5,329,826	671,200,094	(2,469,345)	668,730,749
Profit for the year	-	-	32,749,636	-	32,749,636	204,907	32,954,543
Other comprehensive income/(loss) for the year (net of income tax)	-	-	2,911,669	150,390	3,062,059	-	3,062,059
Applied for bonus issue	-	(139,512,000)	-	-	(139,512,000)	-	(139,512,000)
Dividends	-	-	(4,032,000)	-	(4,032,000)	-	(4,032,000)
Tax on dividend	-	-	(828,979)	-	(828,979)	-	(828,979)
Adjustment on acquisition of subsidiary	-	-	(2,376,938)	-	(2,376,938)	2,264,438	(112,500)
<b>Balance as at 31st March, 2020</b>	197,755,511	145,211,629	211,814,516	5,480,216	560,261,872	-	560,261,872

**Significant Accounting Policies**

See accompanying notes to the financial statements

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2 to 55

As per our report of even date attached

**For Doogar & Associates**

 Chartered Accountants  
FRN No. 000561N

**Vardhman Doogar**

 Partner  
Membership No. 517347

Place: Gurugram

Date: 22nd June 2020

For and on behalf of the Board of Directors

**Vikas Jain**  
Chairman & Managing Director  
DIN : 00049217

**Piyush Jain**  
Jt. Managing Director  
DIN : 00049319

**Dinesh Agarwal**  
Chief Financial Officer

**Vaishali**  
Company Secretary  
M.No.55248

**Notes to the Consolidated Financial Statements for the year ended March 31, 2020**  
(All amounts in INR, unless otherwise stated)

**Note 2. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Plant & Equipment	Furniture & Fixtures	Office Equipment	Computers & Computer System	Vehicles	Electric Installations & Equipments	Leasehold Improvements	Total
<b>Gross carrying amount</b>								
As at 01 April 2018	885,020,140	6,556,515	2,749,320	6,444,064	40,143,940	6,465,671	8,815,108	956,194,759
Additions	13,754,857	407,349	-	847,925	9,368,334	414,762	-	24,793,227
Disposals/Adjustments	146,626,784	-	-	-	5,814,781	-	-	152,441,565
<b>As at 31 March 2019</b>	<b>752,148,213</b>	<b>6,963,864</b>	<b>2,749,320</b>	<b>7,291,989</b>	<b>43,697,493</b>	<b>6,880,433</b>	<b>8,815,108</b>	<b>828,546,421</b>
Additions	275,190,543	320,892	-	1,488,863	10,396,979	1,497,111	-	288,894,388
Disposals/Adjustments	31,329,903	-	-	-	8,016,717	-	-	39,346,620
<b>As at 31 March 2020</b>	<b>996,008,853</b>	<b>7,284,756</b>	<b>2,749,320</b>	<b>8,780,852</b>	<b>46,077,755</b>	<b>8,377,544</b>	<b>8,815,108</b>	<b>1,078,094,189</b>
<b>Accumulated depreciation</b>								
As at 01 April 2018	343,996,878	5,346,813	2,318,528	5,245,847	32,908,055	5,223,011	1,850,084	396,889,216
Depreciation for the year	49,518,453	422,405	190,053	943,732	3,387,345	417,502	870,628	55,750,118
Disposal/Reversal	19,204,695	-	-	-	4,963,952	-	-	24,168,647
<b>As at 31 March 2019</b>	<b>374,310,636</b>	<b>5,769,218</b>	<b>2,508,581</b>	<b>6,189,579</b>	<b>31,331,448</b>	<b>5,640,513</b>	<b>2,720,712</b>	<b>428,470,687</b>
Depreciation for the year	50,807,426	356,664	53,984	1,037,246	6,317,579	538,980	870,628	59,982,507
Disposal/Reversal	7,278,896	-	-	-	7,615,881	-	-	14,894,777
<b>As at 31 March 2020</b>	<b>417,839,166</b>	<b>6,125,882</b>	<b>2,562,565</b>	<b>7,226,825</b>	<b>30,033,146</b>	<b>6,179,493</b>	<b>3,591,340</b>	<b>473,558,417</b>
<b>Net Carrying amount</b>								
Net block as at 1 April 2018	541,023,262	1,209,702	430,793	1,198,217	7,235,885	1,242,660	6,965,024	559,305,543
Net block as at 31 March 2019	377,837,577	1,194,646	240,740	1,102,410	12,366,045	1,239,920	6,094,396	400,075,734
Net block as at 31 March 2020	578,169,687	1,158,874	186,756	1,554,027	16,044,609	2,198,051	5,223,768	604,535,772

Refer Note 20 on Non-Current Borrowing for detail of Hypothecation

**Notes to the Consolidated Financial Statements for the year ended March 31, 2020**

(All amounts in INR, unless otherwise stated)

**Note 3**
**INVESTMENT PROPERTY (At cost)**

Particulars	Investment Property	Total
<b>Gross carrying amount</b>		
As at 01 April 2018	74,382,169	74,382,169
Additions		
Disposals/Adjustments		
<b>As at 31 March 2019</b>	<b>74,382,169</b>	<b>74,382,169</b>
Additions		
Disposals/Adjustments		
<b>As at 31 March 2020</b>	<b>74,382,169</b>	<b>74,382,169</b>
<b>Accumulated depreciation</b>		
As at 01 April 2018	17,077,669	17,077,669
Depreciation for the year	5,443,927	5,443,927
Disposal/Reversal	-	-
<b>As at 31 March 2019</b>	<b>22,521,596</b>	<b>22,521,596</b>
Depreciation for the year	4,926,756	4,926,756
Disposal/Reversal		
<b>As at 31 March 2020</b>	<b>27,448,352</b>	<b>27,448,352</b>
<b>Net Carrying amount</b>		
<b>Net block as at 1 April 2018</b>	<b>57,304,500</b>	<b>57,304,500</b>
<b>Net block as at 31 March 2019</b>	<b>51,860,573</b>	<b>51,860,573</b>
<b>Net block as at 31 March 2020</b>	<b>46,933,817</b>	<b>46,933,817</b>
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Amount recognised in profit or loss for Investment property</b>		
Rental income derived from investment properties	12,008,335	12,008,335
Direct operating expenses (including repairs and maintenance) generating rental income	687,683	399,870
<b>Profit arising from investment properties before depreciation</b>	<b>11,320,652</b>	<b>11,608,465</b>
Less: Depreciation for the year	4,926,756	5,443,927
<b>Profit arising from investment properties</b>	<b>6,393,896</b>	<b>6,164,538</b>

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Company. Therefore, the Company was unable to obtain independent valuation for its investment property as at March 31, 2020.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2020**

(All amounts in INR, unless otherwise stated)

**4. RIGHT OF USE ASSET**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Opening Balance	23,605,860	27,359,444	-
Reclassified on account of adoption of Ind AS 116 "Leases"	-	-	27,359,444
Amortization during the year	3,753,582	3,753,584	-
<b>Total</b>	<b>19,852,278</b>	<b>23,605,860</b>	<b>27,359,444</b>

**5. GOODWILL**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Goodwill	1,121,138	1,121,138	1,121,138
<b>Total</b>	<b>1,121,138</b>	<b>1,121,138</b>	<b>1,121,138</b>

**6. NON-CURRENT INVESTMENT**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial assets carried at cost</b>			
Investment in Equity Instruments (Unquoted) 35% shares in Alara Resources LLC (Joint Venture)*	7,903,026	11,166,000	-
<b>Financial assets measured at fair value through other comprehensive income</b>			
Investment in Mutual Funds 930 Units (650 units as on 31.03.18 and 830 as on 31.03.19)	16,150,271	14,962,282	10,904,927
<b>Total</b>	<b>24,053,297</b>	<b>26,128,282</b>	<b>10,904,927</b>

\*The company holds 52,500 shares for OMR 60,000 (52,500 shares as on 31.03.19) of Alara Resources LLC, a Foreign Jointly Controlled Entity with Company Registration no. 1095339 and having registered office in Muscat, The Sultanate of Oman.

**7. OTHER FINANCIAL ASSET (NON-CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Security Deposit	824,553	888,154	835,058
Advance recoverable in cash or in kind	662,206	662,206	662,206
Fixed Deposits with banks more than twelve months maturity*	1,423,559	1,243,831	5,067,963
Other receivables	19,083,799	14,759,028	9,766,121
<b>Total</b>	<b>21,994,117</b>	<b>17,553,219</b>	<b>16,331,348</b>

\*These represent margin money deposited in Bank against Non-fund based facilities availed by the Company.

**8. OTHER NON-CURRENT ASSETS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Deposits with Statutory and Government authorities	72,400	69,000	109,000
Prepaid Expense	283,027	349,622	416,218
Capital Advance	-	832,640	80,742
<b>Total</b>	<b>355,427</b>	<b>1,251,262</b>	<b>605,960</b>

## 9. INVENTORIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Stores, Spares & Diesel (a) & (b)	303,913,587	275,403,881	246,180,523
<b>Total</b>	<b>303,913,587</b>	<b>275,403,881</b>	<b>246,180,523</b>

### Note :

- Inventories are valued at Cost or Net realizable value whichever is lower
- Refer Note 25 on Current Borrowing for detail of Hypothecation

## 10. TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured, Considered Good</b>			
i) Trade receivables Considered good - Unsecured	387,864,709	334,652,323	296,765,047
ii) Receivables for Unbilled Revenue	124,593,784	114,111,006	78,304,969
iii) Retentions -Unsecured*	56,605,415	33,013,015	36,679,926
iv) Trade receivables Considered good -Secured	-	-	-
v) Trade Receivables which have significant increase in Credit Risk	-	-	-
<b>Total</b>	<b>569,063,908</b>	<b>481,776,344</b>	<b>411,749,942</b>

\*Retentions represent some small portion of billing retained which are paid upon satisfaction of conditions specified in the contract for payment of such amounts or until defects, if any, have been rectified and are expected to be realised within twelve months after the reporting date.

Refer Note 25 on Current Borrowing for detail of Hypothecation

## 11. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on hand			
a) At Corporate Office	400,280	713,649	2,600,847
b) At Projects	3,036,886	641,839	479,263
c) Other	-	-	509,971
Balances with Bank (In Current Accounts)	3,339,633	30,261,982	2,305,088
<b>Total</b>	<b>6,776,799</b>	<b>31,617,470</b>	<b>5,895,169</b>

## 12. BANK BALANCES OTHER THAN ABOVE

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other bank balances			
Earmarked balances with banks*	37,825,080	35,682,528	18,459,580
<b>Total</b>	<b>37,825,080</b>	<b>35,682,528</b>	<b>18,459,580</b>

\*These represent margin money deposited in Bank against Non-fund based facilities availed by the Company.

## 13. LOANS (CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Financial assets at amortized cost (Unsecured and considered good), unless otherwise stated			
Loans to related parties	-	7,070,014	-
Others	400,000	-	-
<b>Total</b>	<b>400,000</b>	<b>7,070,014</b>	<b>-</b>

**14. OTHER FINANCIAL ASSET (CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good- At amortised Cost</b>			
Security Deposit	828,270	555,200	4,157,233
Earnest Money Receivable	9,199,000	17,480,500	8,534,500
Advance recoverable in cash or in kind	332,979	640,974	466,193
Advance against Expenses to project sites	905,660	387,101	382,119
Advance to staff	631,036	345,752	337,129
Other Receivables	-	-	15,873,350
<b>Total</b>	<b>11,896,945</b>	<b>19,409,527</b>	<b>29,750,524</b>

**15. CURRENT TAX ASSET (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance payment of income tax (net of provision)	1,693,627	1,106,174	92,948
<b>Total</b>	<b>1,693,627</b>	<b>1,106,174</b>	<b>92,948</b>

**16. OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Unsecured considered good</b>			
Advance to suppliers	7,548,478	4,211,535	7,080,805
Prepaid Expenses	3,910,953	3,152,559	3,535,403
Balance with Government Authorities	14,544,960	9,979,151	6,100,145
Accrued Expenses	22,969,440	22,969,440	-
Others	55,154	1,669,807	5,019,861
<b>Total</b>	<b>49,028,985</b>	<b>41,982,492</b>	<b>21,736,214</b>

**17. EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Capital</b>						
Equity shares of Rs. 10/- each	31,000,000	310,000,000	31,000,000	310,000,000	31,000,000	310,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>						
Equity shares of Rs. 10/- each	27,902,400	279,024,000	13,951,200	139,512,000	13,951,200	139,512,000

a) The details of Shareholders holding more than 5% shares (Equity shares of Rs.10/- Each) :

Shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
a) Vikas jain	8,795,501	31.52%	4,250,000	30.46%	3,810,000	27.31%
b) Piyush jain	4,781,600	17.14%	2,352,400	16.86%	2,290,000	16.41%
c) Gajraj jain (HUF)	4,600,000	16.49%	2,300,000	16.49%	2,300,000	16.49%
d) HSBC small cap equity fund	-	0.00%	1,112,000	7.97%	1,027,200	7.36%

b) The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Equity Shares at the beginning of the year	13,951,200	13,951,200	4,650,000
Add : Shares issued	13,951,200	-	9,301,200
Less : Shares bought back	-	-	-
<b>Equity Shares at the end of the year</b>	<b>27,902,400</b>	<b>13,951,200</b>	<b>13,951,200</b>

c) Rights, preference and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

d) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	No. of Shares	No. of Shares	No. of Shares
<b>Cummulative Bonus share issued</b>	18,601,200	4,650,000	4,650,000

## 18. OTHER EQUITY

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
General Reserve	197,755,511	197,755,511	197,755,511
Security Premium	145,211,629	284,723,629	284,723,629
Retained Earnings	211,814,516	183,391,128	80,540,377
Other Comprehensive Income	5,480,216	5,329,826	3,523,942
<b>Total</b>	<b>560,261,872</b>	<b>671,200,094</b>	<b>566,543,459</b>

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>General Reserve</b>		
Balance at the beginning of the year	197,755,511	197,755,511
Add : Depreciation adjustment	-	-
Less : Appropriation for bonus issue	-	-
<b>Balance at the close of the year : A</b>	<b>197,755,511</b>	<b>197,755,511</b>
<b>Security Premium</b>		
Balance at the beginning of the year	284,723,629	284,723,629
Less : Applied for bonus share issue	(139,512,000)	-
<b>Balance at the close of the year : B</b>	<b>145,211,629</b>	<b>284,723,629</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	183,391,128	80,540,377
Add: Profit for the year	32,749,636	100,961,490
<b>Less</b>		
Actuarial gain on account of remeasurement of defined benefit plan	2,911,669	1,889,261
Payment of Dividend	(4,032,000)	-
Dividend distribution tax	(828,979)	-
Adjustment on acquisition of subsidiary	(2,376,938)	-
<b>Balance at the close of the year : C</b>	<b>211,814,516</b>	<b>183,391,128</b>
<b>Other Comprehensive Income</b>		
Balance at the beginning of the year	5,329,826	3,523,942
Gain on account of fair valuation of mutual fund	150,390	1,805,884
<b>Balance at the close of the year : D</b>	<b>5,480,216</b>	<b>5,329,826</b>
<b>Total : A+B+C+D</b>	<b>560,261,872</b>	<b>671,200,094</b>

\*As the Company has migrated from SME Platform to the Main Board of NSE w.e.f. April 18, 2019, the Company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and the effective date of such transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules issued thereunder (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018.

### Nature and purpose of reserves :

**General Reserve :** The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, item included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Securities Premium :** Securities Premium Reserve was created consequent to issue of shares at a premium. The reserves can be utilised in accordance with section 52 of Companies Act, 2013

**Retained Earning :** Retained earnings represents the undistributed profits of the company.

**Other Comprehensive Income :** Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.

## 19. NON CONTROLLING INTEREST

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Opening Balance	(2,469,345)	4,384,187	3,705,879
Addition during the year	204,907	(6,853,532)	678,308
Adjustment on acquisition of subsidiary	2,264,438	-	-
<b>Total</b>	<b>-</b>	<b>(2,469,345)</b>	<b>4,384,187</b>

## 20. BORROWINGS(NON CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Secured - at amortised cost</b>			
<b>Terms Loans</b>			
From Banks <sup>(a)</sup>	91,193,713	20,962,033	41,920,535
From Non Banking Finance Companies <sup>(b)</sup>	19,118,343	17,404,223	54,289,099
<b>Total</b>	<b>110,312,056</b>	<b>38,366,256</b>	<b>96,209,634</b>

- a.) Term loans from HDFC bank, ICICI bank, IndusInd and Yes bank, as mentioned above, are secured by hypothecation of Vehicles, Rigs, Mud Pumps, Compressor. commercial vehicles & Excavators funded by them and further secured by personal guarantees of directors. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable with 12 months, have been disclosed as "Current maturities of Long term debt" under the note "Other financial liabilities-Current".
- b.) Term loans from SREI Equipment Finance Limited and Tata Capital Financial Services Limited, as mentioned above, are secured by hypothecation of Rigs, Logging unit & Misc. assets funded by them and further secured by personal guarantee of promoter directors. Amounts payable after 12 months of Balance Sheet date, are considered as Long Term and amounts payable within 12 months, have been disclosed as "Current maturities of Long term debt" under the note "Other financial liabilities-Current".

### Terms of Repayment of Term Loans

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Interest rate terms	Linked with the lending rate declared by the financial		
Frequency of principal repayments	Monthly		
Next one year	-	-	-
One to five years	110,312,056	38,366,256	96,209,634
More than five years	-	-	-
<b>Total</b>	<b>110,312,056</b>	<b>38,366,256</b>	<b>96,209,634</b>

There is no default as on balance sheet date in repayment of loans and servicing of interest.

## 21. OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial liabilities at amortized cost</b>			
Security Deposit	353,053	322,989	295,484
<b>Total</b>	<b>353,053</b>	<b>322,989</b>	<b>295,484</b>

## 22. PROVISIONS - NON CURRENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits			
a) Gratuity (Refer Note-45)	1,858,480	4,767,392	11,295,662
b) Leave Encashment (Refer Note-45)	778,867	2,447,100	1,322,342
<b>Total</b>	<b>2,637,347</b>	<b>7,214,492</b>	<b>12,618,004</b>

## 23. DEFERRED TAX LIABILITIES (NET)\*

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred tax liabilities	52,684,909	54,750,340	52,886,415
Deferred tax assets	(12,014,323)	(12,717,790)	(15,499,183)
Less : MAT credit entitlement as at end of the year	(74,934)	(2,687,803)	(74,934)
<b>Net deferred tax liabilities/(Assets)</b>	<b>40,595,652</b>	<b>39,344,747</b>	<b>37,312,298</b>

\*Refer Note-44

## 24. OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance rental income	2,547,336	2,652,381	2,757,425
<b>Total</b>	<b>2,547,336</b>	<b>2,652,381</b>	<b>2,757,425</b>

## 25. BORROWINGS - CURRENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Loans repayable on demand (at amortised cost)</b>			
<b>Secured Loan</b>			
From banks <sup>(a)</sup>			
Cash credit, Working capital demand loan and Drop line overdraft facility	145,618,137	137,758,573	94,743,643
Bill Discounted from Banks	37,110,831	40,000,000	40,000,000
<b>Unsecured Loan</b>			
From Related parties	14,271,393	36,066,159	151,757,908
From Other - Inter corporate loans	85,903,451	47,263,840	41,747,926
<b>Total</b>	<b>282,903,812</b>	<b>261,088,572</b>	<b>328,249,477</b>

(a) Cash credit, Working capital demand loan, Drop line overdraft and Bill discounting facilities of HDFC Bank limited are secured by hypothecation of company's entire stock, book debts and other receivables, security deposits and retention money with clients and further secured by personal guarantees of promoter directors and collateral owners and equitable mortgage of immovable properties situated in Gurugram (Haryana) and Ranchi (Jharkhand) and Rig machines.

(b) There is no default as on balance sheet date in repayment of loans and servicing of interest.

## 26. TRADE PAYABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total outstanding dues of Micro Enterprises and Small Enterprises*	5,292,857	-	-
Total outstanding dues of other than Micro Enterprises and Small Enterprises	211,113,402	115,750,258	68,966,685
<b>Total</b>	<b>216,406,259</b>	<b>115,750,258</b>	<b>68,966,685</b>

\*Refer Note No.43

**27. OTHER FINANCIAL LIABILITIES (CURRENT)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Financial liabilities at amortized cost</b>			
Current maturities of Non current borrowings (Refer note no. 20(a) & (b))	137,656,841	73,237,484	64,228,132
Interest accrued but not due on borrowings	879,027	-	-
Capital Creditors	850,038	120,411	2,555,737
Expenses payable	17,240,513	15,706,197	12,317,398
Security Deposit	387,188	-	-
Book Overdraft	3,181	-	6,812,214
Other Payables	6,223,790	6,945,603	8,655,078
<b>Total</b>	<b>163,240,578</b>	<b>96,009,695</b>	<b>94,568,559</b>

**28. PROVISIONS - CURRENT**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Provision for Employee Benefits</b>			
a) Gratuity (Refer Note-45)	9,190,265	7,619,804	2,926,552
b) Leave Encashment (Refer Note-45)	369,229	-	-
<b>Total</b>	<b>9,559,494</b>	<b>7,619,804</b>	<b>2,926,552</b>

**29. CURRENT TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current tax liabilities (net of advance tax and TDS receivable)*	-	6,261,916	11,133,253
<b>Total</b>	<b>-</b>	<b>6,261,916</b>	<b>11,133,253</b>

**30. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory liabilities*	8,830,206	7,337,978	13,165,254
Others	137,047	105,044	796,045
<b>Total</b>	<b>8,967,253</b>	<b>7,443,022</b>	<b>13,961,299</b>

\*Statutory liabilities includes contribution to Provident fund and Employee state insurance corporation, Tax deducted/collected at source, Goods and service tax etc.

**31. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Sale of Products</b>		
Scrap & Other Sales	2,061,686	4,142,748
<b>Sale of Services</b>		
Billed Revenue		
From Exploration & Other Services(a)	726,719,041	727,180,079
Unbilled Revenue <sup>(b)</sup>		
From Exploration Services	129,225,692	118,974,696
<b>Total Revenue From Operation</b>	<b>858,006,419</b>	<b>850,297,523</b>

(a) Includes revenue from leasing services amount to Rs. 1,07,66,333 (PY Rs.72,00,000/-)

(b) It is the part of revenue earned in current accounting period but in respect of which no enforceable claim has become due in this period by the company. It arose from the rendering of services which at the date of accounting have been partly performed, and are not yet billable.

**NOTES TO ACCOUNTS**
**32. OTHER INCOME**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Interest Income</b>		
From Fixed Deposits	2,659,014	2,229,320
<b>Other Non-operating Income</b>		
Net gain on foreign currency transaction & translation	1,145,237	8,090,473
Gain on sale of assets	-	17,007,818
Recovery of Bad Debts/Actionable Claims*	-	7,763,158
Rental income	12,533,335	12,008,335
Miscellaneous incomes	419,256	7,306,578
<b>Total (A+B)</b>	<b>16,756,842</b>	<b>54,405,682</b>

\*Actionable claims include amount to be recovered from clients in respect to liquidated damages during performance of work wherein the ability to assess the ultimate collection with reasonable certainty is not lacking at the time of raising the claim.

**33. COST OF MATERIALS CONSUMED**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Inventory	275,403,877	246,180,523
Add: Purchases during the year	161,305,042	226,817,981
Less: Closing Inventory	(303,913,583)	(275,403,877)
<b>Total</b>	<b>132,795,336</b>	<b>197,594,627</b>

**34. OPERATING EXPENSES**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Communication Expenses	6,875,434	8,498,373
Hire Charges	29,931,138	34,119,206
Repairs- Machines and vehicles	4,586,032	6,802,671
Site Preparation, Running & Maintenance Cost	2,257,245	6,844,505
Goods & Machines Movement Charges	10,817,607	17,112,184
Local Conveyance, Boarding & Lodging Expenses	846,251	1,045,196
Electricity Charges	379,578	696,325
Work delay charges & Other Deductions	2,732,330	19,189
Postage & Telegram	159,433	154,387
Printing & Stationary	447,299	479,931
Cost of Sub-Contract Work & Technical Fees	247,629,042	159,043,084
Fooding Cost	14,994,957	16,695,721
Others	1,370,331	2,026,115
<b>Total</b>	<b>323,026,677</b>	<b>253,536,887</b>

**35. EMPLOYEES BENEFITS EXPENSES**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries & Wages	169,677,947	150,204,642
Contribution to Provident and other funds (Refer Note 45)	11,008,761	9,452,040
Staff welfare expenses	2,381,757	2,283,124
<b>Total</b>	<b>183,068,465</b>	<b>161,939,806</b>

**36. FINANCE COST**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest	47,748,052	41,267,814
Other borrowing costs	3,177,318	2,238,246
<b>Total</b>	<b>50,925,370</b>	<b>43,506,060</b>

**37. DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation of Property, plant and equipment	59,982,507	55,750,118
Depreciation of Investment Property	4,926,756	5,443,927
Amortisation of Right of use assets	3,753,582	3,753,584
<b>Total</b>	<b>68,662,845</b>	<b>64,947,629</b>

**38. OTHER EXPENSES**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Bank Charges	656,781	379,029
Input Tax Credits of GST- Blocked & Reversal	317,048	278,751
Business Development Expenses	4,677,101	5,028,102
Communication Expenses	941,251	1,136,744
Electricity & Water Charges	697,585	896,426
Insurance Charges	3,713,100	3,213,592
Interest on Taxes, Demands & Penalties	147,010	6,205,292
Web Server Hire Charges & Other IT Cost	234,564	642,450
Legal, Professional & Consultancy Charges	19,919,506	11,817,617
Rentals	2,312,378	1,832,200
Repair & Maintenance	923,610	1,364,280
Security Expenses	720,000	725,000
Cost of travel & Local Conveyance	5,278,989	13,227,027
Expenses Related to Investment Property	687,683	399,870
Payment to Auditors*	370,000	433,000
Expenditure on CSR Activities	2,406,753	1,878,800
Courier Charges	303,541	124,334
Printing & Stationary Expenses	775,455	724,249
Deferred Revenue Expenditure Written off	-	4,750,997
Capital loss	9,867,522	-
Bad Debts Written Off	786,919	-
Miscellaneous Expenses	2,505,847	1,929,201
<b>Total</b>	<b>58,242,643</b>	<b>56,986,961</b>

**\*PAYMENT TO AUDITORS (EXCLUSIVE OF GST AND SERVICE TAX) AS :**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Audit Fees	300,000	363,000
Limited Review & Other Services Fees	70,000	70,000
<b>Total</b>	<b>370,000</b>	<b>433,000</b>

**39. EXCEPTIONAL ITEMS**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net gain on sale of investment in Subsidiaries*	-	(742,678)
<b>Total</b>	<b>-</b>	<b>(742,678)</b>

\*South West International DWC-LLC, Dubai wholly owned subsidiary being non operational, has been de-registered w.e.f. 18 December, 2018.

**40. EARNING PER SHARE (EPS)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit attributable to the equity holders of the Company (A)	32,749,636	100,961,490
Weighted average number of equity shares (B)	27,902,400	27,902,400
Basic Earning per share (Rs)* (A/B)	1.17	3.62
Diluted earnings per share (Rs)(A/B)	1.17	3.62
Face Value per equity share (Rs.)	10.00	10.00

**41. CONTINGENT LIABILITIES AND COMMITMENTS:**
**A. Contingent Liabilities (to the extent not provided for)**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>i) Guarantees</b>		
Bank Gaurantees	202,466,795	122,544,449
Corporate Gaurantee for Subsidiary*	2,528,176	11,622,753
<b>Total</b>	<b>204,994,971</b>	<b>134,167,202</b>

\* Gaurantee given for machine finance, amount financed Rs.3,58,26,950/- (Previous year Rs.3,58,26,950).

**ii) Other contingently Contingent liabilities:-**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Letter of Credits	-	48,483,086
Income Tax	18,938,537	15,204,567
VAT/WCT/Entry Tax	2,755,431	2,551,264
<b>Total</b>	<b>21,693,968</b>	<b>66,238,917</b>

**Details of demands outstanding**
**Rs.in Lacs**

Nature of statute	Nature of The dues	Amount as at 31st March, 2020	Period to which the amount relates	Forum where dispute is pending	Amount as at 31st March, 2019
Income Tax Act, 1961	Income Tax	5.09	A.Y. 2012-2013	The Commission of Income tax (Appeal)-8, New Delhi	-
Income Tax Act, 1961	Income Tax	92.31	A.Y. 2014-2015	Income tax-Order F. No. ACIT/CIR-24(1) 2016-17 Date 01.03.2017 Under Appeal	78.46
Income Tax Act, 1961	Income Tax	91.98	A.Y. 2017-2018	Appeal to the Commissioner of Income-tax (Appeals) CIT (A), Delhi- 8, Ack No. 409791771170119 dt 17.01.2019	73.58
Entry Tax	Entry Tax	18.24	01.04.2008 to 30.06.2018	Odisha Entry Tax, Order No.-1266 dt. 27.02.2017., Under Appeal Case No-AA-716, CU-II (ET) 16-17 ORDER	21.31
Entry Tax	Entry Tax	4.81	01.04.2010 to 31.03.2015	Odisha Entry Tax, Order No.-2835 dt. 31.03.2017., Under Appeal Case No- 1418000000000013 dt. 23.03.2018	
VAT/WCT	VAT	4.50	01.04.2010 to 31.03.2015	VAT TAX- 313, Order No.-2834 dt. 31.03.2017., Under Appeal Case No- 1418000000000014 dt. 23.03.2018	4.20

**B. Commitments**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Uncalled liability on shares and other investments partly paid</b>		
Investment in Carpediem Capital Partners Fund (Total Capital Commitment Rs.1,00,00,000)	700,000	1,700,000
<b>Total</b>	<b>700,000</b>	<b>1,700,000</b>

**42. Lease Liability**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ("Ind AS 116") which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The Company has adopted Ind AS-116 "Leases" effective 1st April, 2018 as notified by the Ministry of Corporate Affairs (MCA) and has applied the Standard to its leases. This has resulted in recognising Right-to-Use assets and corresponding Lease Liabilities. This Standard has been applied on the accounting for Corporate office taken on lease by the Company at 4th Floor, Siddhartha House, Plot No.-06, Sector-44, Gurugram-122003, Haryana from M/s Kingdom Hotel & Resorts Private Limited from 17.06.2016 to 19.07.2025.

**I.) The movement in Lease liabilities during the year**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Opening Balance	25,327,617	27,359,444	-
Reclassified on account of adoption of Ind AS116 "Leases"	-	-	27,359,444
Add: Interest Expense as per Ind-AS 116	2,122,448	2,318,173	-
Less: Payment of Lease liabilities	(4,814,000)	(4,350,000)	-
<b>Closing Balance</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>

**ii.) The carrying value of the Rights-of-use and depreciation charged during the year**

For details pertaining to the carrying value of right of use assets and amortization charged during the year, kindly refer note - 3 "Right of use assets".

**iii) Amounts recognised in statement of cash flows**

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total Cash outflow for Leases	4,814,000	4,350,000	-

**iv.) Maturity Analysis of Lease Liabilities**

Maturity Analysis of contractual undiscounted cash flows	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Next one year	3,131,057	2,691,552	2,031,827
One to five years	17,879,221	15,691,721	13,503,861
More than five years	1,625,786	6,944,345	11,823,756
<b>Total undiscounted lease liabilities</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>
<b>Balances of Lease Liabilities</b>			
Current	3,131,057	2,691,552	2,031,827
Non Current	19,505,008	22,636,065	25,327,617
<b>Total Lease Liability</b>	<b>22,636,065</b>	<b>25,327,617</b>	<b>27,359,444</b>

43. Sundry Creditors include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Principal amount outstanding as at end of year	5,292,857	-	-
Principal amount overdue more than 45 days	-	-	-
Interest due and unpaid as at end of year	-	-	-
Interest paid to the supplier	-	-	-
Payments made to the supplier beyond the appointed day during	-	-	-
Interest due and payable for the year of delay	-	-	-
Interest accrued and remaining unpaid as at end of year	-	-	-
Amount of further interest remaining due and payable in	-	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**44. INCOME TAX**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Income tax recognised in Statement of Profit and Loss</b>		
a) Current tax	24,155,647	27,888,777
b) Deferred tax	(2,331,239)	3,451,824
<b>Total income tax expenses recognised in the current year</b>	<b>21,824,408</b>	<b>31,340,602</b>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	54,778,951	125,448,559
Applicable Tax Rate	27.82	27.82
Computed Tax Expense	15,239,504	34,899,789
<b>Tax effect of :</b>		
Effect of expenses that are not deductible in determining taxable profit	300,605	(9,657,724)
Other Deduction	28,931	-
Other Adjustments	-	2,612,869
Deferred tax assets not recognised	6,255,369	3,485,668
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<b>21,824,408</b>	<b>31,340,602</b>
Effective Tax Rate	39.84%	24.98%

The significant component of deferred tax assets / (liabilities) and movement during the year are as under:

Particulars	Deferred tax Liability/(Asset) as at March 31, 2019	Recognised/(reversed) in statement of profit & loss	Recognised/(reversed) in other comprehensive	Deferred tax Liability/(Asset) as at March 31, 2020
<b>Deferred Tax Assets</b>				
Right to Use Liability	(7,142,388)	845,035	-	(6,297,353)
Provisions for Gratuity & Leave encashment	(5,575,402)	(141,568)	-	(5,716,969)
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	34,729,472	(2,960,540)	-	31,768,933
Deferred Expense	6,477,382	(87,284)	-	6,390,098
Other Comprehensive Income	2,724,587	-	969,276	3,693,862
Right to Use Asset	6,656,853	(1,133,949)	-	5,522,904
Other	4,162,046	1,147,067	-	5,309,113

The significant component of deferred tax assets / (liabilities) and movement during the previous year are as under:

Particulars	Deferred tax Liability/(Asset) as at March 31, 2018	Recognised/(reversed) in statement of profit & loss	Recognised/(reversed) in other comprehensive Income	Deferred tax Liability/(Asset) as at March 31, 2019
<b>Deferred Tax Assets</b>				
Right to Use Liability	(9,469,104)	2,326,715	-	(7,142,388)
Provisions for Gratuity & Leave encashment	(6,030,079)	454,677	-	(5,575,402)
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	38,506,164	(3,776,691)	-	34,729,472
Deferred Expense	-	6,477,382	-	6,477,382
Other Comprehensive Income	1,531,094	-	1,193,493	2,724,587
Right to Use Asset	9,469,104	(2,812,251)	-	6,656,853
Other	3,380,054	781,991	-	4,162,046

#### 45. EMPLOYEE BENEFITS

##### Defined contribution plans

Amount recognized in the Statement of Profit and Loss are as under :

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Provident Fund	9,474,772	7,559,791
Employees' State Insurance Corporation	1,521,629	1,870,009
Other Funds	12,360	22,240
<b>Total</b>	<b>11,008,761</b>	<b>9,452,040</b>

Expenses incurred on account of the the above defined contribution plans have been included under Contribution to Provident and other funds in Note 35 "Employee Benefit Expenses".

##### Defined benefit plans: -

The employer Gratuity Fund Scheme, which is defined benefit plan, is managed by the trust which maintains its investment with HDFC Life. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises 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.

**I. Gratuity**
**a.) Gratuity Disclosure Statement as per Ind-AS 19 For The Period 01/04/2019 - 31/03/2020**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Funded	Funded
Starting Period	1st April, 2019	1st April, 2018
Date of Reporting	31st March, 2020	31st March, 2019
Period of Reporting	12 Months	12 Months

**b.) Actuarial assumptions**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Expected Return on Plan Assets	6.82%	6.96%
Rate of Discounting	6.82%	6.96%
Rate of Salary Increase	3.17%	2.00%
Rate of Employee Turnover	2.00%	20.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate After Employment	N.A.	N.A.

**c.) Change in the Present Value of Projected Benefit Obligation**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	14,971,328	14,222,214
Current service cost	1,642,748	2,203,999
Interest cost	1,042,004	1,092,266
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(5,734,933)	171,995
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,462,853	(1,517,371)
Actuarial (Gains)/Losses on Obligations - Due to Experience (Benefit Paid From the Fund)	445,155 (74,769)	(1,201,775) -
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>13,754,386</b>	<b>14,971,328</b>

**d.) Change in the Fair Value of Plan Assets**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>2,584,132</b>	-
Interest Income	179,856	-
Contributions by the Employer	-	2,500,000
(Benefit Paid from the Fund)	(74,769)	-
Return on Plan Assets, Excluding Interest Income	16,422	84,132
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>2,705,641</b>	<b>2,584,132</b>

**e.) Amount Recognized in the Balance Sheet**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(Present Value of Benefit Obligation at the end of the Period)	(13,754,386)	(14,971,328)
Fair Value of Plan Assets at the end of the Period	2,705,641	2,584,132
Funded Status (Surplus/ (Deficit))	(11,048,745)	(12,387,196)
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(11,048,745)</b>	<b>(12,387,196)</b>

**f.) Net Interest Cost for Current Period**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Present Value of Benefit Obligation at the Beginning of the Period	14,971,328	14,222,214
(Fair Value of Plan Assets at the Beginning of the Period)	(2,584,132)	-
Net Liability/(Asset) at the Beginning	12,387,196	14,222,214
Interest Cost	1,042,004	1,092,266
(Interest Income)	(179,856)	-
<b>Net Interest Cost for Current Period</b>	<b>862,148</b>	<b>1,092,266</b>

**g.) Expenses Recognized in the Statement of Profit or Loss for Current Period**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Current Service Cost	1,642,748	2,203,999
Net Interest Cost	862,148	1,092,266
(Gains)/Losses on Curtailments And Settlements	-	-
<b>Expenses Recognized</b>	<b>2,504,896</b>	<b>3,296,265</b>

**h.) Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Actuarial (Gains)/Losses on Obligation For the Period	(3,826,925)	(2,547,151)
Return on Plan Assets, Excluding Interest Income	(16,422)	(84,132)
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(3,843,347)</b>	<b>(2,631,283)</b>

**I.) Balance Sheet Reconciliation**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Opening Net Liability</b>	<b>12,387,196</b>	<b>14,222,214</b>
Expenses Recognized in Statement of Profit or Loss	2,504,896	3,296,265
Expenses Recognized in OCI	(3,843,347)	(2,631,283)
(Employer's Contribution)	-	(2,500,000)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>11,048,745</b>	<b>12,387,196</b>

**j.) Category of Assets**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Insurance fund	2,705,641	2,584,132
Other	-	-
<b>Total</b>	<b>2,705,641</b>	<b>2,584,132</b>

**k.) Other Details**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
No of Active Members	562	512
Per Month Salary For Active Members	9,190,265	7,619,804
Weighted Average Duration of the Projected Benefit Obligation	12	4
Average Expected Future Service	20	4
Projected Benefit Obligation	13,754,386	14,971,328
Prescribed Contribution For Next Year (12 Months)	9,190,265	7,619,804

**1.) Sensitivity Analysis**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Projected Benefit Obligation on Current Assumptions	13,754,386	14,971,328
Delta Effect of +1% Change in Rate of Discounting	(1,256,445)	(380,946)
Delta Effect of -1% Change in Rate of Discounting	1,520,502	410,180
Delta Effect of +1% Change in Rate of Salary Increase	1,360,827	332,270
Delta Effect of -1% Change in Rate of Salary Increase	(1,132,346)	(313,401)
Delta Effect of +1% Change in Rate of Employee Turnover	674,858	75,708
Delta Effect of -1% Change in Rate of Employee Turnover	(783,580)	(84,069)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**II. Leave Encashment**
**a.) Leave Encashment Disclosure Statement as per Ind-AS 19 For The Period 01/04/2019 - 31/03/2020**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Date of Valuation	#REF!	#REF!
Benefit Type	Privilege Leave	Privilege Leave
Method of Valuation	Projected Unit Credit Method	Projected Unit Credit Method

**b.) Data Summary and Analysis**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Number of Employees	562	512
Total Salary (Encashment)	9,190,265	7,619,804
Average Salary (Encashment)	16,353	14,882
Average Age	33.68 years	33.75 years
Average Past Service	3.36 years	3.14 years
Total Leave Days	499.00 days	244.00 days
Average Leave Days	0.89 days	0.48 days

**c.) Valuation Results**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Discontinuance Liability	1,577,933	1,290,293
Projected Benefit Obligation	1,148,096	1,124,758

**d.) Other Results**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Average Future Service	20 years	4 years.

**e. Current & Non-Current Liability**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	369,229	384,887
Non-Current Liability	778,867	739,871

**f.) Valuation Assumptions**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(i) Financial Assumptions		
Salary Escalation Rate	3.17% p.a.	2.00% p.a.
Discount Rate	6.82% p.a.(Indicative G.Sec referenced on 31-03-2020)	6.96% p.a.(Indicative G.Sec referenced on 29-03-2019)
(ii) Demographic Assumptions		
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	2.00% p.a. for all service groups	20.00% p.a. for all service groups.

**g.) Valuation Inputs**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Retirement Age	60 years	60 years
Maximum Accumulation	30 days	30 days
Divisor	30 (Monthly Salary/Divisor)	30 (Monthly Salary/Divisor)
While in service Encashment Rate	5.00% of the Leave balance (for the next year).	Nil

**46. SEGMENT REPORTING**

The Company's business falls within a single business segment of exploration and mining. Accordingly, there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment

**I.) Entity wide disclosure on Geographical basis :**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Revenue from operations</b>		
Domestic	856,858,356	850,297,523
Overseas	1,148,063	-

**Non Current Segment Assets\***

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Domestic	672,798,432	477,914,568	645,696,586
Overseas	-	-	-

**ii.) Detail about the major Customer**

Revenue from two major customers represented 51% approx.(PY 28%) of the total revenue from operations of the company.

**47. EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with section 135 of the Companies act 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to Rs.24,06,753 (PY Rs 18,78,800/-) for CSR activities carried out during the current year.

**NOTES TO ACCOUNTS**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Gross amount required to be spent by the Company during the year	2,406,308	1,878,689
(ii) Amount spent during the year	2,406,753	1,878,800
(iii) Activity		
Promotion of Education	173,900	293,000
Preventive Health Care	153,900	407,000
Rural Development	1,771,900	735,162
Environment & Sustainability	83,000	228,000
Others	224,053	215,638
<b>Total</b>	<b>2,406,753</b>	<b>1,878,800</b>

**48. DISCLOSURE AS PER IND AS 112 'DISCLOSURE OF INTEREST IN OTHER ENTITIES'**
**a.) ENTERPRISES CONSOLIDATED AS SUBSIDIARY IN ACCORDANCE WITH IND-AS 110-CONSOLIDATED FINANCIAL STATEMENTS**

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest and voting power held by the Group(%)			Principal Activities
		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Pilot Pipelines Private Limited	India	100%	55%	55%	Business of Infrastructure Heavy Equipment and machinery spare parts & trading.
Southwest International DWC-LLC	Dubai	0%	100%	100%	

**I.) NON CONTROLLING INTEREST**

Set out below is summarised financial information for each subsidiary that has non-controlling interest. The amounts disclosed for each subsidiary are before inter-company eliminations.

**Summarised Balance Sheet**

Particulars	Pilot Pipelines Private Limited			Southwest International DWC-LLC		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current assets	18,759,628	22,629,144	30,156,674	-	-	886,631
Current liabilities	87,362,388	64,490,947	46,214,147	-	-	729,270
<b>Net current assets/(liabilities)</b>	<b>(68,602,760)</b>	<b>(41,861,803)</b>	<b>(16,057,473)</b>	-	-	<b>157,361</b>
Non-Current assets	46,858,447	45,340,459	50,231,495	-	-	-
Non-Current liabilities	2,965,308	8,966,089	24,431,385	-	-	-
<b>Net non-current assets/(liabilities)</b>	<b>43,893,139</b>	<b>36,374,370</b>	<b>25,800,110</b>	-	-	-
<b>Net Assets</b>	<b>(24,709,621)</b>	<b>(5,487,433)</b>	<b>9,742,637</b>	-	-	<b>157,361</b>
Accumulated NCI	-	(2,469,345)	4,384,187	-	-	-

**Summarised statement of profit and loss for the year ended**

Particulars	Pilot Pipelines Private Limited		Southwest International DWC-LLC	
	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Total income	For the year ended 31.03.2020	24,116,100	-	-
Profit/(loss) for the year	(19,222,188)	(15,230,071)	-	-
Other comprehensive income/(expense)	-	-	-	-
<b>Total comprehensive income/(expense)</b>	<b>(19,222,188)</b>	<b>(15,230,071)</b>	-	-
Profit/(loss) allocated to NCI	204,907	(6,853,532)	-	-

**Summarised cash flows for the year ended**

Particulars	Pilot Pipelines Private Limited		Southwest International DWC-LLC	
	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Cash flows from/(used in) operating activities	(1,922,910)	289,006	-	-
Cash flows from/(used in) financing activities	(6,813,243)	-	-	-
Cash flows from/(used in) financing activities	10,076,804	(2,727,762)	-	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>1,340,651</b>	<b>(2,438,756)</b>	-	-

**b.) SIGNIFICANT ENTERPRISES CONSOLIDATED AS ASSOCIATES AND JOINT VENTURES IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 28 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest			Accounting Method
		As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018	
Alara Resources LLC	The Sultanate of Oman	35%	35%	0%	Equity Method

**Carrying Amount**

Name of the Enterprise	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Alara Resources LLC	7,903,026	11,166,000	-

**Summarised Balance Sheet**

Particulars	Alara resources LLC		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current assets	438,372,160	-	-
Current liabilities	462,189,868	-	-
<b>Net current assets/(liabilities)</b>	<b>- 23,817,708</b>	-	-
Non-Current assets	40,029,247	-	-
Non-Current liabilities	-	-	-
<b>Net non-current assets/(liabilities)</b>	<b>40,029,247</b>	-	-
<b>Net Assets</b>	<b>16,211,540</b>	-	-

**Summarised statement of profit and loss for the year ended**

Particulars	Alara resources LLC	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Total income	2,551,146	-
Profit/(loss) for the year	(9,322,783)	-
Other comprehensive income/(expense)	-	-
<b>Total comprehensive income/(expense)</b>	<b>(9,322,783)</b>	-
Profit/(loss) allocated	(3,262,974)	-

**49. DISCLOSURE AS PER SCHEDULE III TO THE COMPANIES ACT, 2013**

Net Assets, i.e., total assets minus total liabilities

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	INR	As % of consolidated net assets	INR	As % of consolidated net assets	INR	As % of consolidated net assets
<b>Parent</b>						
South West Pinnacle Exploration Ltd	870,374,823	103.70%	816,734,041	101.05%	706,401,580	99.43%
<b>Indian subsidiaries</b>						
Pilot Pipelines Private Limited	(24,709,621)	-2.94%	(5,487,433)	-0.68%	9,742,638	1.37%
Southwest International DWC-LLC	-	-	-	-	157,361	0.02%
<b>Joint Controlled Entity</b>						
Alara Resources LLC	-	-	-	-	-	-
<b>Non-controlling interest</b>						
Non-controlling interest	-	0.00%	(2,469,345)	-0.31%	4,384,187	0.62%
<b>Adjustments arising out of consolidation</b>						
Adjustments arising out of consolidation	(6,379,333)	-0.76%	(534,514)	-0.07%	(10,246,120)	-1.44%
<b>Total</b>	<b>839,285,872</b>	<b>100.00%</b>	<b>808,242,749</b>	<b>100.00%</b>	<b>710,439,646</b>	<b>100.00%</b>

**NOTES TO ACCOUNTS**
**As at March 31, 2020**

Particulars	Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of total comprehensive income
<b>Parent</b>						
South West Pinnacle Exploration Ltd	55,439,706	168.23%	3,062,059	100.00%	58,501,765	162.43%
<b>Indian subsidiaries</b>						
Pilot Pipelines Private Limited	(19,222,188)	-58.33%	-	-	-19,222,188	-53.37%
<b>Joint Controlled Entity</b>						
Alara Resources LLC	(3,262,974)	-9.90%	-	-	-3,262,974	-9.06%
<b>Non-controlling interest</b>	204,907	0.62%	-	-	204,907	0.57%
<b>Adjustments arising out of consolidation</b>	(204,907)	-0.62%	-	-	-204,907	-0.57%
<b>Total</b>	<b>32,954,543</b>	<b>100.00%</b>	<b>3,062,059</b>	<b>100.00%</b>	<b>36,016,602</b>	<b>100.00%</b>

**As at March 31, 2019**

Particulars	Share in Profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive	INR	As % of total comprehensive income
<b>Parent</b>						
South West Pinnacle Exploration Ltd	109,338,029	116.18%	3,695,145	100.00%	113,033,174	115.57%
<b>Indian subsidiaries</b>						
Pilot Pipelines Private Limited	(15,230,071)	-16.18%	-	-	(15,230,071)	-15.57%
<b>Non-controlling interest</b>	(6,853,532)	-7.28%	-	-	(6,853,532)	-7.01%
<b>Adjustments arising out of consolidation</b>	6,853,532	7.28%	-	-	6,853,532	7.01%
<b>Total</b>	<b>94,107,958</b>	<b>100.00%</b>	<b>3,695,145</b>	<b>100.00%</b>	<b>97,803,103</b>	<b>100.00%</b>

**RELATED PARTY DISCLOSURE**

As per Ind AS-24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:-

**Key Management Personnel (KMP) :**

Vikas Jain (Managing Director )  
Piyush Jain (Joint Managing Director )  
Dinesh Agarwal (Chief Financial Officer)  
Vaishali (Company Secretary)

**Enterprises significantly influenced by KMP or RKMP :**

Alara Resources Ltd- Australia  
Alsan Rubbers & Chemicals Pvt Ltd  
Alsan Buildcon Pvt Ltd  
Advac Projects Pvt Ltd  
Advac Pvt Ltd  
Chandra Prabhu International Limited  
Ekam Leasing & Finance Co. Ltd  
Katihar Flour Mills P Ltd  
Pramuk Builders Pvt Ltd  
Thakurji Towers Pvt Ltd  
Zanskar Advisor Pvt Ltd  
Gajraj Jain HUF  
Vikas Jain HUF  
Piyush Jain HUF

**Relative of Key Management Personnel (RKMP) :**

Gajraj Jain  
Hemlata Jain  
Ruchi Jain  
Rachna Jain  
Kasvi Jain  
Piyush Jain  
Akash Jain  
Abhash Jain

**Jointly Controlled Entity**

Alara Resources LLC (Reporting Enterprise has 35% stake with joint control on Composition of Board & operational policies)

## Detail of transactions with Related parties :

Particulars	Related party			
	Jointly Controlled Entity	Key Management Personnel	Relative of KMP	Enterprises significantly influenced by KMP or RKMP
<b>Transactions during the year :</b>				
Remuneration		13,200,000 (PY.1,44,00,000)	2,651,612 (PY Rs.NIL)	
Commission		6,334,311 (PY.62,41,743)		
Unsecured Loan taken		86,249,038 (PY.5,01,74,380)	15,844,145 (PY.23,681,112)	44,747,111 (PY Rs.NIL)
Unsecured Loan Repaid		95,957,949 (PY.10,54,47,241)	36,480,000 (PY.72,450,000)	15,000,000 (PY Rs.NIL)
Interest on Unsecured Loan		554,487 (PY.20,82,645)	404,606 (PY.32,56,791)	830,124 (PY.Rs.NIL)
Purchase of shares			25,000 (PY Rs.NIL)	
Loans & Advances Given	NIL (PY.70,70,014)			
Sale of Drilling material	1,148,063 (PY.Rs.NIL)			
<b>Balances at Year End :</b>				
Remuneration Payable		NIL (PY.Rs.8,43,112)		
Commission Payable		5,513,008 (PY.13,66,526)		
Unsecured Loans		9,514,786 (PY.1,92,23,697)	7,856,607 (PY.28,492,462)	29,747,111 (PY Rs.NIL)
Debtors	1,151,235 (PY.Rs.NIL)			
Loans & Advances (Asset)	NIL (PY.70,70,014)			
Investments	11,166,000 (PY.1,11,66,000)			

## 51. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

### a.) Financial instruments by category

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Carrying	Carrying	Carrying
<b>Financial Assets at amortised cost</b>			
Trade Receivables	569,063,908	481,776,344	411,749,942
Cash and Bank Balances	44,601,879	67,299,997	24,354,749
Loans	400,000	7,070,014	-
Other Financial Asset	33,891,061	36,962,746	46,081,872
Investments	7,903,026	11,166,000	-
<b>At FVTOCI</b>			
Investments	16,150,271	14,962,282	10,904,927
<b>Total Financial Assets</b>	<b>672,010,146</b>	<b>619,237,383</b>	<b>493,091,489</b>
<b>Financial Liabilities at amortised cost</b>			
Borrowings (including current maturity of Non current borrowings)	530,872,709	372,692,311	488,687,242
Trade payables	216,406,259	115,750,258	68,966,685
Other financial liabilities	25,936,790	23,095,200	30,635,911
Lease liability	22,636,065	25,327,617	27,359,444
<b>Total Financial liabilities</b>	<b>795,851,824</b>	<b>536,865,386</b>	<b>615,649,282</b>

\*Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

### Fair value hierarchy

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

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3:

**Level 1:** This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Fair Value	Fair Value	Fair Value
Investment at Level 1	16,150,271	14,962,282	10,904,927

### b.) Financial risk management

The Company's corporate treasury functions provides services to the business, coordinates access to the financial markets, monitors and manages the financial risks relating to operations of the Company through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risks, credit risk and liquidity risk).

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks.

**I. Credit risk**

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from trade receivables. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

**a. Trade receivables**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. All debtors are good and realizable within the current financial year.

**b. Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

**ii. Liquidity risk**

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due.

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Current Financial assets*</b>			
Trade receivables	569,063,908	481,776,344	411,749,942
Cash and cash equivalents	6,776,799	31,617,470	5,895,169
Bank balances other than above	37,825,080	35,682,528	18,459,580
Loans	400,000	7,070,014	-
Other financial assets	11,896,945	19,409,527	29,750,524
	<b>625,962,732</b>	<b>575,555,882</b>	<b>465,855,214</b>
<b>Non-Current Financial assets**</b>			
Investments	24,053,297	26,128,282	10,904,927
Other financial assets	21,994,117	17,553,219	16,331,348
	<b>46,047,413</b>	<b>43,681,501</b>	<b>27,236,275</b>
<b>Current Financial Liabilities*</b>			
Borrowings	282,903,812	261,088,572	328,249,477
Trade Payables	216,406,259	115,750,258	68,966,685
Lease Liability	3,131,057	2,691,552	2,031,827
Other Financial Liabilities	163,240,578	96,009,695	94,568,559
	<b>665,681,706</b>	<b>475,540,076</b>	<b>493,816,547</b>
<b>Non-Current Financial Liabilities**</b>			
Borrowings	110,312,056	38,366,256	96,209,634
Lease Liability	19,505,008	22,636,065	25,327,617
Other Financial Liabilities	353,053	322,989	295,484
	<b>130,170,117</b>	<b>61,325,310</b>	<b>121,832,735</b>

\*Maturity of Current Financial Assets and Current Financial Liabilities will be within next one year.

\*\*Below is the maturity profile of Non-Current Financial Assets and Non-Current Financial Liabilities :

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
<b>Non-Current Financial assets</b>			
<b>Investments:</b>	<b>24,053,297</b>	<b>26,128,282</b>	<b>10,904,927</b>
Next one year	-	-	-
One to five years	-	-	-
More than five years	24,053,297	26,128,282	10,904,927
<b>Other financial assets:</b>	<b>21,994,117</b>	<b>17,553,219</b>	<b>16,331,348</b>
Next one year	-	-	-
One to five years	2,085,765	1,906,037	5,730,169
More than five years	19,908,351	15,647,182	10,601,179
<b>Non-Current Financial Liabilities :</b>			
<b>Borrowings</b>	<b>110,312,056</b>	<b>38,366,256</b>	<b>96,209,634</b>
Next one year	-	-	-
One to five years	110,312,056	38,366,256	96,209,634
More than five years	-	-	-
<b>Lease Liability :</b>	<b>19,505,008</b>	<b>22,636,065</b>	<b>25,327,617</b>
Next one year	-	-	-
One to five years	17,879,222	15,691,720	13,503,861
More than five years	1,625,786	6,944,345	11,823,756
<b>Other Financial Liabilities :</b>	<b>353,053</b>	<b>322,989</b>	<b>295,484</b>
Next one year	-	-	-
One to five years	-	-	-
More than five years	353,053	322,989	295,484

**iii. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020, March 31, 2019 and April 1, 2018.

**a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign Currency Exposure that have not been hedged by derivative Instrument are given below.**

Liabilities/Assets	Foreign Currency		INR Equivalent	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Liabilities</b>				
USD	41,584	43,217	3,149,990	3,023,818
OMR	-	-	-	-
<b>Assets</b>				
USD	6,525	-	494,264	-
OMR	3,646	-	656,971	-

**Foreign currency sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and OMR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

**Impact on Profit / (loss) for the year for a 5% change:**

Particulars	Increase		Decrease	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Payables</b>				
USD /INR	(157,499)	(151,191)	157,499	151,191
OMR/INR	-	-	-	-
<b>Receivables</b>				
USD /INR	24,713	-	(24,713)	-
OMR/INR	32,849	-	(32,849)	-

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. Exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates, which are included in interest bearing loans and borrowings. The Company's has only fixed rate borrowings which are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Capital Management**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital, security premium reserve and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents. The Company monitors capital using gearing ratio, which is net debt divided by total capital.

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Long term Borrowings	110,312,056	38,366,256	96,209,634
Current maturities of Long term debt	137,656,841	73,237,484	64,228,132
Short term Borrowings	282,903,812	261,088,572	328,249,477
Less : Cash and Cash Equivalents	(6,776,799)	(31,617,470)	(5,895,169)
<b>Net debt</b>	<b>524,095,910</b>	<b>341,074,842</b>	<b>482,792,073</b>
<b>Total Equity</b>	<b>839,285,872</b>	<b>808,242,749</b>	<b>710,439,646</b>
<b>Gearing Ratio</b>	<b>62.45%</b>	<b>42.20%</b>	<b>67.96%</b>

52. The Company's facilities suddenly stopped in March, 2020 due to lockdown in various parts of the country which got partially re-opened in May, 2020. This way COVID-19 pandemic has impacted our operations during March, April and May' 2020. Abrupt stoppage of Company's operations in March, when they were at peak, effected our topline by 12 to 15 Crores with reduction in bottom line. The overall financial performance for the year 2019-20 thus was impacted significantly. However, we could restart the operations in May 2020 beginning since all our employees were at the operation site only when the lock down was imposed. Accordingly, restart did not take much time.

**53. First-time adoption of Ind AS**

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet as at April 1, 2018 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Ind-AS optional exemptions**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

**i. Deemed cost**

The Companies has elected to continue with the carrying value of all of its Property, Plant & Equipments as recognized in the standalone financial statements as at the date of transition of Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition.

**ii. Investments in subsidiaries, associates and joint ventures**

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

**B. Ind AS mandatory exceptions**

**I. Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**ii. Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**iii. Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**iv. Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

**C. (i) Reconciliations of Balance Sheet as at April 01, 2018**

Description	Note no.	As per Indian GAAP*	Ind AS Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		559,305,543	-	559,305,543
Right-of-use assets	(i)	-	27,359,444	27,359,444
Investment property		57,304,500	-	57,304,500
Goodwill		1,121,138	-	1,121,138
Financial assets				
- Investments	(ii)	6,500,000	4,404,927	10,904,927
- Other financial assets	(iii), (iv)	7,082,309	9,249,039	16,331,348
Other non current assets	(iii)	189,743	416,218	605,960
<b>Total non current assets</b>		<b>631,503,233</b>	<b>41,429,628</b>	<b>672,932,860</b>
<b>Current assets</b>				
Inventories		246,180,523	-	246,180,523
Financial assets				
- Trade receivables		411,749,942	-	411,749,942
- Cash and cash equivalents		5,895,169	-	5,895,169
- Bank balances other than above		18,459,580	-	18,459,580
- Loans		-	-	-
- Other financial assets		29,750,524	-	29,750,524
Current tax Assets (Net)		92,948	-	92,948
Other current assets	(iii), (v)	40,662,608	(18,926,394)	21,736,214
<b>Total current assets</b>		<b>752,791,293</b>	<b>(18,926,394)</b>	<b>733,864,899</b>
<b>Total assets</b>		<b>1,384,294,526</b>	<b>22,503,234</b>	<b>1,406,797,759</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		139,512,000	-	139,512,000
Other equity	(i) to (ix)	572,508,607	(5,965,149)	566,543,459
<b>Equity attributable to shareholders of the Company</b>		<b>712,020,607</b>	<b>(5,965,149)</b>	<b>706,055,459</b>
Non Controlling Interest		4,384,187	-	4,384,187
<b>Total Equity</b>		<b>716,404,794</b>	<b>(5,965,149)</b>	<b>710,439,646</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		96,209,634	-	96,209,634
- Lease liability	(i)	-	25,327,617	25,327,617
- Other financial liabilities	(vi)	3,340,680	(3,045,196)	295,484
Provisions		12,618,004	-	12,618,004
Deferred tax liabilities	(vii)	36,020,634	1,291,664	37,312,298
Other non current liabilities	(vi)	-	2,757,425	2,757,425
<b>Total non current liabilities</b>		<b>148,188,952</b>	<b>26,331,510</b>	<b>174,520,462</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		328,249,477	-	328,249,477
- Trade payables				
total outstanding dues of micro & small enterprises		-	-	-
total outstanding dues of other than micro & small enterprises		68,966,685	-	68,966,685
- Lease liability	(i)	-	2,031,827	2,031,827
- Other financial liabilities		94,568,559	-	94,568,559
Provisions		2,926,552	-	2,926,552
Current Tax Liabilities (Net)		11,133,253	-	11,133,253
Other current liabilities	(vi)	13,856,254	105,045	13,961,299
<b>Total current liabilities</b>		<b>519,700,779</b>	<b>2,136,872</b>	<b>521,837,651</b>
<b>Total Equity and Liability</b>		<b>1,384,294,525</b>	<b>22,503,234</b>	<b>1,406,797,758</b>

## (ii) Reconciliations of Balance Sheet as at March 31, 2019

Description	Note no.	As per Indian GAAP*	Ind AS Adjustments	As per Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	(x)	403,639,748	(3,564,014)	400,075,734
Right-of-use assets	(i)	-	23,605,860	23,605,860
Investment property		51,860,573	-	51,860,573
Goodwill		1,121,138	-	1,121,138
Financial assets				
- Investments	(ii), (x)	8,300,000	17,828,282	26,128,282
- Other financial assets	(iii), (iv)	3,258,177	14,295,042	17,553,219
Other non current assets	(iii)	901,640	349,622	1,251,262
<b>Total non current assets</b>		<b>469,081,276</b>	<b>52,514,792</b>	<b>521,596,069</b>
<b>Current assets</b>				
Inventories		275,403,881	-	275,403,881
Financial assets				
- Trade receivables		481,776,344	-	481,776,344
- Cash and cash equivalents	(x)	38,796,792	(7,179,323)	31,617,470
- Bank balances other than above		35,682,528	-	35,682,528
- Loans		7,070,014	-	7,070,014
- Other financial assets	(x)	159,019,028	(139,609,501)	19,409,527
Current tax Assets (Net)		1,106,174	-	1,106,174
Other current assets	(iii), (v)	64,960,555	(22,978,063)	41,982,492
<b>Total current assets</b>		<b>1,063,815,316</b>	<b>(169,766,887)</b>	<b>894,048,428</b>
<b>Total assets</b>		<b>1,532,896,592</b>	<b>(117,252,095)</b>	<b>1,415,644,497</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		139,512,000	-	139,512,000
Other equity	(i) to (x)	681,580,260	(10,380,166)	671,200,094
<b>Equity attributable to shareholders of the Company</b>		<b>821,092,260</b>	<b>(10,380,166)</b>	<b>810,712,094</b>
Non Controlling Interest		(2,469,345)	-	(2,469,345)
<b>Total Equity</b>		<b>818,622,915</b>	<b>(10,380,166)</b>	<b>808,242,749</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		38,366,256	-	38,366,256
- Lease liability	(i)	-	22,636,065	22,636,065
- Other financial liabilities	(vi)	3,340,680	(3,017,691)	322,989
Provisions		7,214,492	-	7,214,492
Deferred tax liabilities	(vii)	36,800,432	2,544,315	39,344,747
Other non current liabilities	(vi)	-	2,652,381	2,652,381
<b>Total non current liabilities</b>		<b>85,721,860</b>	<b>24,815,070</b>	<b>110,536,930</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	(x)	394,102,371	(133,013,800)	261,088,572
- Trade payables				
total outstanding dues of micro & small enterprises		-	-	-
total outstanding dues of other than micro & small enterprises		115,750,258	-	115,750,258
- Lease liability	(i)	-	2,691,552	2,691,552
- Other financial liabilities		96,009,695	-	96,009,695
Provisions		7,619,804	-	7,619,804
Current Tax Liabilities (Net)		6,261,916	-	6,261,916
Other current liabilities	(vi), (x)	8,807,773	(1,364,751)	7,443,022
<b>Total current liabilities</b>		<b>628,551,817</b>	<b>(131,686,999)</b>	<b>496,864,818</b>
<b>Total Equity and Liability</b>		<b>1,532,896,592</b>	<b>(117,252,095)</b>	<b>1,415,644,497</b>

(iii) Reconciliation of Statement of Profit and Loss account prepared as per Indian GAAP and as per Ind AS as at 31st March 2019 are as follows:

Description	Note no.	As per Indian GAAP*	Ind AS Adjustments	As per Ind AS
<b>Revenue</b>				
Revenue from operations		850,297,523	-	850,297,523
Other income	(iii), (iv), (vi), (x)	55,370,717	(965,035)	54,405,682
<b>Total Revenue</b>		<b>905,668,240</b>	<b>(965,035)</b>	<b>904,703,205</b>
<b>Expenses</b>				
Cost of raw material and components consumed		197,594,627	-	197,594,627
Operating expenses		253,536,887	-	253,536,887
Employee benefits expense	(viii)	159,308,522	2,631,284	161,939,806
Finance costs	(i), (vi)	41,160,383	2,345,678	43,506,060
Depreciation and amortization expense	(i)	61,194,045	3,753,582	64,947,627
Other Expenses	(i), (iii), (x)	66,320,486	(9,333,525)	56,986,961
<b>Total expenses</b>		<b>779,114,950</b>	<b>(602,981)</b>	<b>778,511,969</b>
<b>Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations</b>		<b>126,553,290</b>	<b>(362,053)</b>	<b>126,191,236</b>
Share of (profit)/loss of an associate and a joint venture		-	-	-
<b>Profit before exceptional items</b>		<b>126,553,290</b>	<b>(362,053)</b>	<b>126,191,236</b>
<b>Exceptional items</b>				
Profit / (loss) on disposal of Subsidiary		(742,678)	-	(742,678)
<b>Total Exceptional Items</b>		<b>(742,678)</b>	<b>-</b>	<b>(742,678)</b>
<b>Profit before tax</b>		<b>125,810,611</b>	<b>(362,053)</b>	<b>125,448,558</b>
<b>Tax Expenses</b>				
- Current Tax Expense		27,888,777	-	27,888,777
- Deferred tax Expense	(vii)	3,392,666	59,158	3,451,824
<b>Total tax expense</b>		<b>31,281,444</b>	<b>59,158</b>	<b>31,340,602</b>
<b>Profit after tax for the year</b>		<b>94,529,167</b>	<b>(421,211)</b>	<b>94,107,956</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Items that will not be reclassified to profit or loss	(ii), (viii)	-	4,888,638	4,888,638
Income tax relating to items that will not be reclassified to profit or loss	(ii), (vii)	-	(1,193,493)	(1,193,493)
<b>Total other comprehensive income</b>		<b>-</b>	<b>3,695,145</b>	<b>3,695,145</b>
<b>Total Comprehensive Income for the period</b>		<b>94,529,167</b>	<b>3,273,934</b>	<b>97,803,101</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

\*\*Under Indian GAAP, investment in joint ventures were consolidated line by line. However under Ind AS, investment in Joint ventures has been accounted using the equity method.

(iv) Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP

Particulars	Other Equity As at 31st March, 2019	Other Equity As at 1st April, 2018
<b>Other Equity as per Previous Indian GAAP</b>	<b>681,580,260</b>	<b>572,508,610</b>
Actuarial gain/(loss) on defined benefit plans recognised in OCI	(4,509,667)	(1,878,383)
Impact of measurement of financial assets and liabilities at amortised cost	212,498	148,457
Deferred Tax Adjustments	180,272	239,430
Other miscellaneous adjustments	(14,710,632)	(9,226,868)
<b>Other Equity as per Ind AS before OCI</b>	<b>662,752,731</b>	<b>561,791,245</b>
<b>Other Comprehensive Income(net of Tax)</b>		
Gain on re-measurement of defined benefit plans	3,117,536	1,228,275
Gain on re-measurement of Investment in Mutual Fund	5,329,826	3,523,942
<b>Other Equity as per Ind AS</b>	<b>671,200,092</b>	<b>566,543,462</b>

**Note :**

- I. Under Indian GAAP, lease payment under operating lease is recognised as rent expense. Under Ind AS lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term and right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability. Accordingly, the company has classify right of use asset of Rs. 2,73,59,444 and lease liability of Rs. 2,73,59,444 in accordance with Ind AS as at 1st April, 2018. Further interest expense has been increased by Rs. 23,18,173, depreciation and amortization has been increased by RS. 37,53,583 and removal of rent expense recognised under indian GAAP by Rs. 43,50,000 for the year ended 31st March, 2019. Accordingly, the company has classify right of use asset of Rs. 2,36,05,860 and lease liability of Rs. 2,53,27,617 in accordance with Ind AS as at 31st March, 2019.
- ii. Under Indian GAAP, investments in equity instruments, mutual funds and debt securities were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for diminution in the value of investments. Current investments were carried at lower of cost and fair value. Ind AS requires such investments to be measured at fair value except investments in subsidiaries, associates and joint venture for which exemption has been availed. Accordingly, the Company has designated such investments as investments measured at FVTOCI in accordance with Ind AS. The difference between the instrument's fair value and carrying amount as per Indian GAAP has been recognized in other comprehensive income. This has resulted in increase in other equity by Rs. 44,04,927 and Rs. 66,62,282 as at 1st April 2018 and 31st March 2019 respectively. There is also increase in other comprehensive income by Rs. 22,57,355 (Tax effect - Rs. 4,51,471) for the year ended 31st March 2019.
- iii. Under Indian GAAP, security deposits paid are recorded at their transaction value. Under Ind AS, these deposits are to be measured at amortized cost on the basis of effective interest rate method. Due to this, security deposit has been decreased by Rs. 5,17,082 and creation of Prepaid expenses of Rs. 4,82,813 as on 1st april, 2018 and this has resulted in decrease in retained earning by Rs. 34,269. Further, other expense has been increased due to amortisation of the prepaid expenses of Rs. 66,595 and other income has been increased by the notional interest income on security deposit of Rs. 53,096 for the year ended 31st March 2019. Accordingly, security deposit has been decreased by Rs. 4,63,985 and creation of Prepaid expenses of Rs. 4,16,218 as on March 31, 2019.
- iv. Under Indian GAAP, lease income under operating lease is recognised as rental income. Under Ind AS, lessor shall recognised lease income from operating lease on straight line basis. This has result in retained earning by Rs.97,66,121 and Rs. 1,47,59,027 as at 1st April, 2018 and 31st March, 2019 respectively. There is also increase other income by Rs. 49,92,907 for the year ended 31st March, 2019. Under balance sheet it is recognised under Non current other financial assets.
- v. Under Indian GAAP, deferred expenses are recorded at their transaction value. Under Ind AS these deferred expenses are written off through retained earning. This has resulted decrease in retained earning of Rs. 1,89,92,989 as at 1st April 2018.
- vi. Under Indian GAAP, security deposits received are recorded at their transaction value. Under Ind AS, these deposits are to be measured at amortized cost on the basis of effective interest rate method. Due to this, security deposit has been decreased by Rs. 30,45,196 ; retained earning is increasd by Rs. 1,82,726 and creation of deferred income of Rs. 28,62,470 as on 1st April, 2018. Further, interest expense has been increased of Rs. 27,505 and other income on security deposit of Rs. 1,05,045 for the year ended 31st March 2019. Accordingly, security deposit has been decreased by Rs. 30,17,691 and creation of deferred income of Rs. 27,57,425 as on 31st March, 2019.

- vii Under Indian GAAP, deferred tax was recognized for the temporary timing differences which focus on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, the application of Ind AS has resulted in recognition of deferred tax on certain temporary differences which was not required under Indian GAAP. Accordingly, deferred tax adjustments have been recognised in correlation to the underlying transactions in retained earnings/OCI in accordance with Ind AS. This has resulted decrease in retained earnings of Rs. 25,44,315 and Rs. 12,91,664 as at 31st March 2019 and 1st April 2018 respectively. The net profit has been decreased with Rs. 59,158 and decrease in other comprehensive income by Rs. 11,93,293 for the year ended 31st March 2019 with a corresponding adjustment in 'Deferred tax liability'.
- viii. Under Indian GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income and are not to be reclassified to profit and loss in a subsequent period. Therefore, actuarial gain/loss amounting to Rs. 26,31,283 for the financial year 2018-19 has been recognized in OCI (tax effect of Rs. 7,42,022) which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2019.
- ix. The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.
- x. The company hold investment (35% share) in "Alara Resources LLC" (herein referred as "the entity"). Under IGAAP, this investment is treated as Jointly Controlled Entity and consolidated as per proportionate consolidated method from financial year 18-19. Under Ind AS, the same is treated as Jointly Controlled Entity from financial year 19-20 and consolidated as per equity method. The company had entered into contract with shareholder of the entity for sharing the joint control in the entity and accordingly the company has obtained joint control in the entity from financial year 19-20 instead from purchase date of the investment.
54. Details of Loans given, Investments made and Guarantee given or security provided covered u/s 186 (4) of the Companies Act, 2013 are given under respective heads (refer notes 6 and 49).
55. Previous year figures have been re-grouped/re-classified wherever necessary.

Significant Accounting Policies	1
See accompanying notes to the financial statements	2 to 55

As per our report of even date attached

**For Doogar & Associates**

Chartered Accountants  
FRN No. 000561N

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

**Vardhman Doogar**

Partner  
Membership No. 517347

**Vikas Jain**

Chairman & Managing Director  
DIN : 00049217

**Piyush Jain**

Jt. Managing Director  
DIN : 00049319

**Place : Gurugram**

**Date : 22nd June 2020**

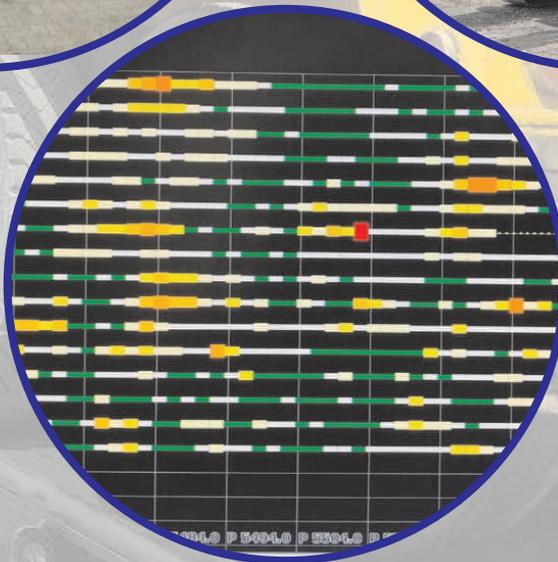
**Dinesh Agarwal**

Chief Financial Officer

**Vaishali**

Company Secretary  
M No. :552248

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