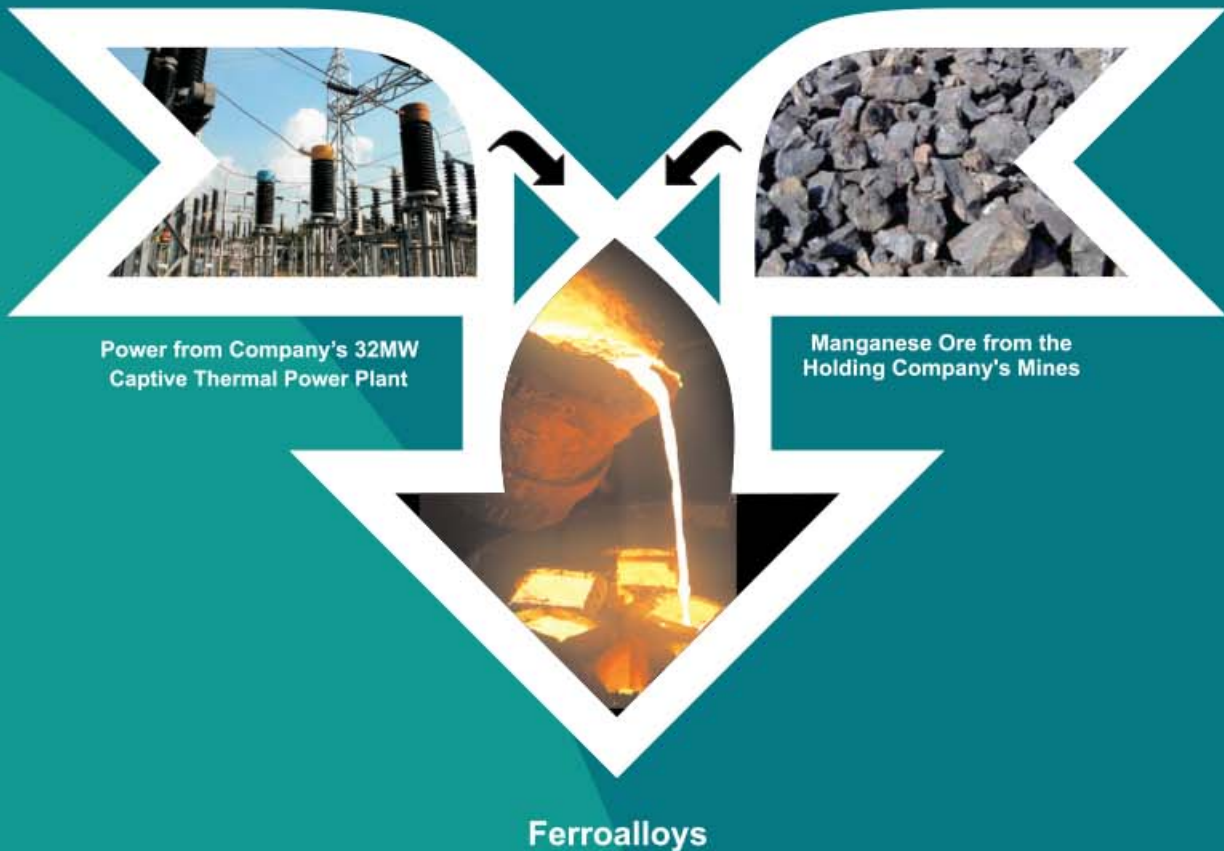


2018 - 19

12th

ANNUAL
REPORT



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

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

12th ANNUAL REPORT
2018-19

DIRECTORS

S. Y. Ghorpade, Chairman & Non-Executive Director
Nazim Sheikh, Director
S. H. Mohan, Director
N. S. Lakshmanan, Director
A. G. Suresh, Director
B. Ananda Kumar, Nominee Director
V. Balasubramanian, Independent Director
S. S. Rao, Independent Director
Dr. H. R. Halambi, Independent Director

COMPANY SECRETARY

V. Murali

CHIEF FINANCIAL OFFICER

Sachin Dattatray Sanu

AUDITORS

Deloitte Haskins & Sells, Bengaluru

BANKERS

State Bank of India

AUDIT COMMITTEE

S. S. Rao, Chairman
N. S. Lakshmanan, Member
V. Balasubramanian, Member
Dr. H. R. Halambi, Member

NOMINATION & REMUNERATION COMMITTEE

V. Balasubramanian, Chairman
N. S. Lakshmanan, Member
S. S. Rao, Member
Dr. H. R. Halambi, Member
B. Ananda Kumar, Member

**CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE**

S. Y. Ghorpade, Chairman
V. Balasubramanian, Member
S. S. Rao, Member
B. Ananda Kumar, Member
Dr. H. R. Halambi, Member

Registered Office:

Metal and Ferroalloys Plant, Vyasankere, Mariyammanahalli – 583 222
Hosapete Taluk, Ballari District, Karnataka State
Phone: 08394-244450

INDEX

Notice.....	01 – 06
Directors Report.....	07 – 32
Independent Auditor’s Report.....	33 – 39
Balance Sheet.....	40
Statement of Profit and Loss.....	41
Cash Flow Statement.....	42 – 43
Statement of Changes in Equity	44
Notes Forming Part of the Financial Statements.....	45 – 63
Route Map to the venue of AGM.....	64
Proxy Form.....	65
Ballot Paper	66

STAR METALLICS AND POWER PRIVATE LIMITED

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

CIN:U40102KA2007PTC043446

Registered Office: Metal & Ferroalloys Plant, Vyasankere,
Mariyammanahalli - 583 222, Hospet Taluk, Ballari Dist., Karnataka
Telephone: +91 8394 244450

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of the Company will be held on Saturday, the 21st day of September 2019 at 3.30 P. M. at the Registered office of the Company at Metal & Ferroalloys Plant, Vyasankere, Mariyammanahalli - 583 222, to transact, the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the report of Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. Nazim Sheikh (DIN 00064275), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. A. G. Suresh (DIN 00065014), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as recommended by the Audit Committee and the Board of Directors, R. Subramanian and Company LLP, Chartered Accountants, (ICAI Firm Registration No. 004137S), Chennai be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors Deloitte Haskins & Sells, to hold office from the conclusion of 12th Annual General Meeting until the conclusion of 18th Annual General Meeting at such a remuneration as may be mutually agreed upon between the Board of Directors and the Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution, which will be proposed as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 and Schedule V thereto and all applicable guidelines for managerial remuneration issued by the Central Government from time to time and subject to other approvals as may be required, consent of the members be and is hereby accorded for the reappointment of A. G. Suresh (DIN - 00065014) as Director (Projects) for a period of two years with effect from 16 September 2019 upon the terms and conditions, recommended by the Nomination and Remuneration Committee at its meeting held on 25 May 2019 including remuneration and otherwise, as contained in the draft agreement expressed to be made between the Company of the one part and the said A. G. Suresh of the other part which draft is available for inspection by the members at the Registered Office of the Company and initialed by the Chairman for the sake of identification and the terms thereof hereby

approved, with liberty to the Board (which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time, to alter the said terms and conditions, including the designation, in such manner as may be agreed to between the Company and the said A. G. Suresh, in the best interest of the Company and as may be permissible by law and the stamped engrossments of the said agreement in duplicate thereof, if any as aforesaid when finalized, be executed in the manner authorized by the Article of Association of the Company.”

6. To consider and if thought fit, to pass the following resolution, which will be proposed as **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provision of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Lakshmanan Natuvilmadham Subramanian (DIN: 00062105), who was appointed as Additional Director of the Company with effect from 25 May 2019, and who in terms of section 161 of the said Act will hold office up to the date of ensuing Annual General Meeting and in respect of whom , the Company has received a notice in writing, pursuant to the provisions of Section 160 of the said Act, from a member proposing the candidature for the office of Director and whose candidature has also been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Non – Executive Director of the Company with effect from the ensuing 12th annual general meeting of the company and who is liable to retirement by rotation.

By order of the Board
for Star Metallics and Power Private Limited

Place : Bengaluru
Date : 25 May 2019

V. Murali
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Corporate member intending to send its authorised representative to attend the meeting is requested to send to the company an authority letter authorizing their representative to attend and vote on its behalf at the meeting together with a certified copy of the board resolution passed by it.
3. The route map showing directions to reach the venue of the 12th Annual General Meeting is annexed.

By order of the Board
for Star Metallics and Power Private Limited

Place : Bengaluru
Date : 25 May 2019

V. Murali
Company Secretary

EXPLANATORY STATEMENT

In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 5

A. G. Suresh, Director (Projects) was appointed for a three-year tenure with effect from 16 September 2016, vide resolutions passed at the 41st Board Meeting held on 27 May 2016 and 9th Annual General Meeting held on 14 September 2016. His current tenure is due to expire on 15 September 2019.

A. G. Suresh holds a degree in Electrical Engineering. He has over 36 years' of experience in various industries. He has been associated with the Company since its inception. His contribution to the Company especially during setting up and successful commissioning of Company's 32 MW thermal power plant at Vyasankere is commendable. In order to continue to avail his rich experience in power plant and projects, it is proposed to reappoint him as a Director for two more years with effect from 16 September 2019.

He is a Director on the Board of Sandur Fluid Controls Private Limited. He is not holding any shares of the Company.

The Nomination and Remuneration Committee, at its meeting held on 25 May 2019, has recommended the reappointment of A. G. Suresh as Director (Projects) for a period of one year with effect from 16 September 2019 on the following terms:

- a) Basic Salary: ₹97500/- per month in the scale of ₹97500-7500-112500-12500-175000-20000-275000, with a basic salary of ₹137500/- with effect from 1 April 2019 with annual increment as per scale.
- b) Allowances, Perquisites, benefits etc., not exceeding twice the salary per month
- c) Payment of Gratuity, Contribution to Provident Fund, Superannuation Fund and Leave, including its encashment, shall be in accordance with the provisions of paragraph 1 of Section IV of Part II of Schedule V to the Companies Act, 2013 read with applicable rules of the Company. If there is a difference in the aforesaid provisions and the rules of the Company, he shall be entitled for the higher value.
- d) Transport facility with driver, telephone at residence, mobile phones, etc., shall be provided for office use and the same shall not be forming part of remuneration.

Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the period of appointment of A. G. Suresh as Director (Projects), the monthly salary, allowances, perquisites and other benefits shall be in accordance with and subject to the provisions of sub-section (3) of Section 197 of the Companies Act, 2013 and clause (A) of Section II of Part II of Schedule V to the Companies Act, 2013.

Further, A. G. Suresh shall not be paid any sitting fee for attending the meetings of the Board or any Committee thereof.

Copy of the draft of the agreement proposed to be entered with A. G. Suresh is available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day up to the date of the Annual General Meeting.

A statement furnishing information pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is annexed to the Notice.

The Special Resolution at Item No. 5 for his appointment as Director (projects) are proposed and accordingly recommended for approval.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors, Key Managerial Personnel and their relatives is / are, in any way, concerned or interested in this item except, A. G. Suresh, the proposed appointee.

Item No. 6

Your Company received a notice under Section 160 of the Companies Act, 2013, from The Sandur Manganese & Iron Ores Limited, one of its shareholders, holding 7,52,40,000 shares, proposing the candidature of Lakshmanan Natuvilmadham Subramanian for the office of non- executive director of the Company.

Mr. Lakshmanan Natuvilmadham Subramanian is 75 years old and a Qualified Cost Accountant and Company Secretary. He is associated with the company since its inception. He has rich experience in the finance, accounts, secretarial and administrative areas. His contribution to the company as a Director is immense.

Board of Directors of the company, in their meeting held on 25 May 2019 appointed him as an additional director. He will hold office upto the date of the ensuing 12th Annual General Meeting of the company.

Considering his professional back ground and vast experience, your Board recommends his appointment as a non-executive director of the company from the ensuing 12th Annual General Meeting of the company. He is entitled to Sitting Fees and reimbursement of travel, boarding and lodging expenses in connection with the official duties performed.

The Special Resolution at Item No. 6 for his appointment as non-executive director is proposed and accordingly recommended for approval.

Interest of Directors, Key Managerial Personnel and their relatives

None of the Directors, Key Managerial Personnel and their relatives is / are, in any way, concerned or interested in this item except, Lakshmanan Natuvilmadham Subramanian the proposed appointee.

By order of the Board
for Star Metallics and Power Private Limited

Place : Bengaluru
Date : 25 May 2019

V. Murali
Company Secretary

ANNEXURE (REFER ITEM NO. 5 OF NOTICE OF AGM)
APPOINTMENT OF MANAGERIAL PERSONNEL – SECTIONS 196, 197 & 203
OF THE COMPANIES ACT, 2013

(STATEMENT PURSUANT TO PROVISIO (IV) SECTION II OF PART II
OF SCHEDULE V TO THE COMPANIES ACT, 2013)

I. General Information

(1)	Nature of Industry	Generation of Electricity and manufacture of Ferroalloys	
(2)	Date or expected date of commencement of commercial production	Already commenced	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financing institutions appearing in the prospectus	Not applicable	
(4)	Financial performance based on given indicators		
		2018-19 ₹ Lakh	2017-18 ₹ Lakh
(i)	Revenue from operations	1020.00	1020.00
(ii)	Other Income	131.87	160.30
(iii)	Total income	1151.87	1180.30
(iv)	Profit / (Loss) before Interest, Depreciation and tax	963.41	947.60
(v)	Interest	-	0.03
(vi)	Depreciation	509.54	506.61
(vii)	Profit / (Loss) before tax	453.87	440.96
(viii)	Tax: Current Tax Deferred Tax (MAT Credit entitlement)	17.99 (17.99)	-
(ix)	Profit / (Loss) after tax	453.87	440.96
(x)	Other comprehensive (income)/expense	7.95	1.22
(xi)	Total comprehensive income for the year(ix-x)	445.92	439.74
(5)	Foreign Investments or collaborations, if any	None	None

II. Information about the appointee Mr. A. G. Suresh

Sl. No	Information required	Information provided
(1)	Back ground details	This information is provided under Explanatory Statement for Item No. 5 of AGM Notice
(2)	Past remuneration	For the financial year 2018-19, he was paid a salary of ₹51.00 lakh (Including perquisites and contribution to Provident Fund)
(3)	Recognition or awards	None
(4)	Job profile and its suitability	He has been working as General Manager (Power Plant) before he was elevated as Director (Projects) with effect from 16 September 2013 and is responsible for operations of Power Plant and also engaged in upcoming projects of the group subject to the direction and supervision of the Board of Directors.
(5)	Remuneration proposed	This information is provided under Explanatory Statement for Item No. 5
(6)	Comparative remuneration profile with respect to the Industry, size of the company, profile and position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is much lower than the prevailing levels in the industry for comparable positions. Detailed justification for the proposed remuneration is given in the Explanatory Statement of the proposed special resolution.
(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	A. G. Suresh has no pecuniary relationship with the Company other than receiving remuneration as Director (Projects). He is neither related to promoters nor other managerial personnel of the Company.

III. Other information

S I . No	Information required	Information provided
(1)	Reasons for loss or inadequate profits	The company's income mainly consists of fixed lease charges received on leasing the entire plant of the company. The lease agreement which was for a period of 3 years with effect from 1 February 2016 has expired on 31 January 2019. The same since been renewed for a further period of 14 months. As the income of the company is in the nature of fixed lease rentals the profitability is limited and inadequate and there is no loss.
(2)	Steps taken or proposed to be taken for improvement	To maintain the profitability of the company of the last three financial years, the company has renewed the lease agreement for a further period of 14 months from 1 February 2019 to 31 March 2020.
(3)	Expected increase in productivity and profit in measurable terms	It would be difficult to quantify the effect on productivity and profit as the parent's company's operations are significantly higher.

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

DIRECTORS' REPORT

Your Directors are pleased to present their 12th Annual Report and Audited Statement of Accounts for the year ended 31 March 2019.

FINANCIAL RESULTS

(Amount in ₹ Lakh)

Particulars	Current year ended 31.03.2019	Current Year ended 31.03.2018
Revenue from Operations	1020.00	1020.00
Other Income	131.87	160.30
TOTAL	1151.87	1180.30
Expenditure		
Operating and Other Expenses	188.46	232.70
Finance Cost	-	0.03
Depreciation	509.54	506.61
TOTAL	698.00	739.34
Profit/(Loss) before Tax	453.87	440.96
Tax expenses – Current Tax of Previous Year	17.99	
(LESS) : MAT Credit	(17.99)	
Profit/(Loss) after Tax	453.87	440.96
Other Comprehensive Income for the period	7.95	1.22
Total comprehensive Income for the period	445.92	439.74
(Loss) brought forward from previous year	(2185.49)	(2625.23)
(Loss) carried to Balance Sheet	(1739.60)	(2185.49)
Paid-up equity shares (₹10 per equity share)	9,33,79,705	9,33,79,705
Weighted average number of equity shares outstanding	9,33,79,705	9,33,79,705
Earnings Per Share		
- Basic & Diluted	0.49	0.47

Note: Previous year's figures have been regrouped, wherever necessary, in line with the figures of the current financial year.

During the year, your company has made a profit before tax of ₹**453.87** lakh (Previous year ₹440.96 lakh) after charging depreciation of ₹**509.54** Lakh (previous year ₹506.61 lakh). After taking into account the comprehensive income/expense, the total comprehensive income after tax for the period stands at ₹**445.92** lakh against ₹439.74 lakh of previous year. As the entire plant has been temporarily leased to the parent company, the income and profit are mainly on account of lease charges received.

FUTURE PROSPECTS

The Power and Ferroalloy Plants of your company have been leased to The Sandur Manganese & Iron Ores Ltd (SMIORE), the Holding Company temporarily for a period of 3 Years w.e.f. 1 February 2016. This arrangement is proved to be beneficial to your company in the short term.

The lease agreement which expired on 31 January 2019 has been renewed for a further period of 14 months that is upto 31.03.2020.

The prospects of the steel industry are improving since the last three years, which augurs well for your company.

SCHEME OF AMALGAMATION

During the year, a scheme of amalgamation of your company with the Sandur Manganese and Iron Ores Ltd, the Holding Company has been approved by your Board. The scheme has received No Objection confirmation from Bombay Stock Exchange Ltd, where the shares of the holding company are listed. The amalgamation is subject to approval of the scheme by the National Company Law Tribunal (NCLT) and effective from 1 April 2018. Now, your company is in the process of making application to NCLT for its approval

SUBSIDIARY

The Company has no subsidiaries.

DIVIDEND

No dividend is proposed for the year.

TRANSFER TO RESERVES

There is no transfer to reserves.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

No significant and material orders were passed by any Regulator(s) or Court(s) or Tribunal(s), which would impact the going concern status of the Company.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

As approved by members, your company has provided guarantee under section 186 of the Companies Act 2013, to the parent company for the borrowing facilities of ₹470 crore proposed to be availed by the parent company from the banks.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Pursuance to the provisions of clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contract entered into by the Company with SMIORE, being related party is given in the prescribed format (AOC- 2) vide **ANNEXURE 'A'**.

EXTRACT OF ANNUAL RETURN

As part of this Annual Report and as stipulated under Section 134(3)(a) & 92(3) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, an extract of the annual return in form MGT 9 is attached vide **ANNEXURE 'B'**.

BOARD OF DIRECTORS

Board Meeting:

The Board of Directors met 5 times during this financial year on 29 May 2018, 10 August 2018, 12 November 2018, 06 February 2019 and 9 March 2019. The intervening gap between any two consecutive meetings of the Board did not exceed one hundred and twenty days as specified under the Companies Act, 2013.

The particulars of directors, their attendance at Board Meeting during the financial year and at the last Annual General Meeting are as under:

Name of Directors	Category / Designation	Attendance	
		Board Meetings	Last AGM
S. Y. Ghorpade	Chairman & Non- Executive Director	5	Yes
Nazim Sheikh	Non-Executive Director	5	Yes
S. H. Mohan	Non-Executive Director	4	Yes
N. S. Lakshmanan	Non-Executive Director	5	Yes
A. G. Suresh	Director (Projects)	4	Yes
B. Ananda Kumar	Nominee Director	4	Yes
V. Balasubramanian	Independent Director	5	Yes
S. S. Rao	Independent Director	3	No
Dr. H. R. Halambi	Independent Director	3	Yes

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board comprises four non-executive directors, one whole time director, one nominee director and three independent directors. The Chairman of the Board is a non-executive director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nazim Sheikh, Director retire at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

In the normal course Mr. A. G. Suresh Director, whole time director, retires by rotation and eligible for reappointment. However, the tenure of Mr. A. G. Suresh, Director comes to an end on 16 September 2019. Pending merger of the company with the holding company and subject to approval of members of the company, his directorship has been extended by two more years. Hence, he also offers himself for re-appointment.

Resolutions for re-appointment of Mr. Nazim Sheikh is being proposed in the accompanying notice of the meeting.

Resolution for re-appointment of Mr. A. G. Suresh is also being proposed for the approval of members.

Mr. N.S Lakshmanan, Director on his attaining the age of superannuation, has ceased to be the Director with effect from 15 April 2019. Notice has been received from a member proposing his name for Directorship of the company. Your Board has appointed him as an additional Director with effect from 25 May 2019 to hold office till the ensuing Annual General Meeting of the Company. Your Board recommends his appointment for your approval as a Non-Executive Director in the ensuing Annual General Meeting.

The Company has a Company Secretary and a Chief Financial Officer who constitute the Key Managerial Personnel.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria of Independence as laid down in Section 149(6).

DIRECTORS' RESPONSIBILITY STATEMENT

- (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 2018-19 and of the profit of the company for the financial year 2018-19
- (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; and
- (e) 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.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

Auditors have not reported any fraud during the year under review.

BOARD EVALUATION

The Companies Act, 2013 vide Section 134(3)(p) read with Rule 8 of Companies (Accounts) Rules 2014, requires the Board to carry out formal annual evaluation of its own performance, of Committees and of individual directors.

Further, as per Rule No. 8 of the Companies (Accounts) Rules 2014, all the listed companies and public companies with paid-up share capital of ₹25 crore or more, as at the end of the preceding financial year, are required to indicate the manner & criteria of formal Board evaluation in Board's Report.

Also, Schedule IV of the Companies Act, 2013 requires performance evaluation of Independent Directors to be done by the entire Board of Directors, excluding the director being evaluated (based on the criteria laid down by the Nomination and Remuneration Committee). Further, on the basis of the report of performance evaluation, it is required to be determined whether to extend or continue the term of appointment of the Independent Director.

Your company, being a subsidiary of a public company are required to comply with the said provisions.

Accordingly and as mandated by the aforementioned provisions, a mechanism for formal annual evaluation has been devised by the Company. The mechanism provides for annual evaluation at the end of each year. The performance of the Board, Committees and individual directors are evaluated based on reviews / feedback of the directors. A Report, prepared based on completed feedback form, is then placed before the Board for its review.

TRAINING OF INDEPENDENT DIRECTORS

On induction, the new Independent Directors on Board are familiarized with the nature of our Industry and our business operations. They are updated on a frequent basis with regard to operations of the Company. Any

material development is intimated promptly. The Management encourages participation by the independent directors' and accordingly, any clarification sought by the Independent Directors with regard to the Company's operations is duly addressed.

Presently, no formal training programme exists. Until now, learning for the Independent Directors has been a pervasive ongoing phenomenon via participation.

Further, at the time of appointment, the Company appraises Independent Director of his/her functions, duties, roles and responsibilities as a director.

COMMITTEES OF THE BOARD

Currently, the Board has three committees namely, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

AUDIT COMMITTEE

Composition, names of the members and their attendance at meeting during the financial year are as under:

Name of Directors	Designation	Category	No of meetings attended
S.S. Rao	Chairman	Independent Director	2
N. S. Lakshmanan	Member	Non-Executive Director	4
V. Balasubramanian	Member	Independent Director	4
Dr. H. R. Halambi	Member	Independent Director	2

The Company Secretary acts as Secretary to the Committee.

The Audit Committee met four times viz., on 29 May 2018, 10 August 2018, 12 November 2018, and 06 February 2019 during the financial year. The Chairman of the Audit Committee could not be present at the Annual General Meeting held on 1 September 2018.

NOMINATION AND REMUNERATION COMMITTEE

Composition, names of the members and their attendance at meeting during the financial year are as under:

Name of Directors	Designation	Category	No of meetings attended
V. Balasubramanian	Chairman	Independent Director	2
N. S. Lakshmanan	Member	Non-Executive Director	2
S. S. Rao	Member	Independent Director	2
Dr. H. R. Halambi	Member	Independent Director	2
B. Ananda Kumar	Member	Nominee Director	2

The Company Secretary acts as Secretary to the Committee.

During the year, the Committee met twice on 29 May 2018 and 09 March 2019.

AUDITORS

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, no listed company or a company belonging to such class or classes as may be prescribed shall appoint or re-appoint an Individual as an Auditor for more than one term of 5 consecutive years or an Audit Firm as an Auditor for more than two term of 5 consecutive years. Deloitte Haskins & Sells, the statutory auditors of the Company had already completed the maximum tenure of two terms of five consecutive years as stipulated in Section 139(2) of the Companies Act, 2013. Three years' time was granted from the commencement of the Companies Act, 2013, i.e. 1 April 2014, for complying with the aforesaid requirements

Deloitte Haskins & Sells were appointed as statutory auditors at the 8th Annual General Meeting (AGM) held on 27 September 2014 to hold office as such till the conclusion of 12th AGM.

In view of the above provisions of law, the Board is recommending R. Subramanian and Company LLP, Chartered Accountants, Chennai, as Statutory Auditors of the Company to hold office from the conclusion of 12th Annual General Meeting until conclusion of 18th Annual General Meeting.

AUDITORS' REPORT

Auditors' Report on the financial statements of the Company is forming part of this Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors in their report.

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

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **ANNEXURE- 'C'** to this report.

COST AUDITORS

Company entered into a facility lease arrangement with SMIORE under which the entire facility will be utilized by SMIORE, the Lessee. As per the said arrangement, the revenue of your company will be only from lease charges and hence cost audit would not be applicable for the year 2019-20 in respect of lease rentals. Moreover, the threshold turnover limit of the Company would also be below the minimum turnover prescribed for cost audit. Your Company is therefore not required to appoint Cost Auditors for the Financial Year 2019-20.

SECRETARIAL AUDIT REPORT

Mr. ND. Satish, Practicing Company Secretary (ICSI Membership No.33507 and Certificate of Practice No.12400) was appointed to conduct the secretarial audit of the Company for Financial Year 2018-19, as required under section 204 of the Companies Act, 2013 and rules thereunder.

The secretarial audit report for Financial Year 2018-19 forms part of the annual report as **ANNEXURE – 'D'**.

The Secretarial Auditor has stated in his Report that there have been delays in filing of returns / e-forms with the Registrar of Companies in few instances. In this regard, the Board hereby states that the said delays were inadvertent and unintentional and the Company is striving to ensure timely filing of forms.

There are no further qualifications or adverse remarks in the Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company's internal financial controls are deployed through an internally evolved framework that address material risks in your Company's operations and financial reporting objectives, through a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanism such as Ethics Framework, Code of Conduct, etc.), process controls (both manual and automated), information technology based controls, period end financial reporting and closing controls and through internal audit.

It is an irrebuttable presumption that internal financial controls, no matter how well conceived and operated, cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C.A.A. Seenam Bhat, Chartered Accountant, Hospet has been appointed to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the audit committee. In line with international practice, the internal audit plan aims at review internal controls and risks in operations. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on them.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board is committed to maintain its independence and accordingly, one third of the Board is constituted by Independent Directors; thereby, ensuring separation of governance and management.

The policy of the Company on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board is appended as **ANNEXURE – 'E'** to the annual report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with subsequent clarifications given by Ministry of Corporate Affairs, every company having a net worth of ₹500 crore or more, or turnover of ₹1000 crore or more or a net profit of ₹5 crore or more during any of three preceding financial years shall constitute a Corporate Social Responsibility Committee consisting of three or more directors, out of which at least one director shall be an Independent Director. The Board's report under sub-section (3) of section 134 of the Companies Act, 2013, shall disclose the composition of the Corporate Social Responsibility Committee.

In line with the stipulation, your Company constituted a Corporate Responsibility Committee on 7 August 2015. The Committee has been reconstituted on 11 February 2016 with the following Directors:

Composition, names of the members and their attendance at meeting during the financial year are as under:

Name of Directors	Designation	Category	No of meetings attended
S. Y. Ghorpade	Chairman	Non-Executive Director	1
V. Balasubramanian	Member	Independent Director	1
S. S. Rao	Member	Independent Director	1
Dr. H. R. Halambi	Member	Independent Director	-
B. Ananda Kumar	Member	Nominee Director	1

The Company Secretary act as Secretary to the Committee.

During the year the Committee met once during the financial year on 12 November 2018. All the members of the Committee were present for all the meetings except Dr. H.R Halambi.

As per the Companies (Amendment) Act, 2017, pursuant to the provisions of 135(1) Every company having net worth of ₹500 hundred crore or more, or turnover of ₹1000 crore or more or a net profit of ₹ 5 crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Such companies are required to contribute to CSR Activity as per norms.

The profit of the company during the previous financial year 2017-18 is ₹439.74 lakh which is to be considered for contribution to CSR during the financial year 2018-19. As the profit is less than ₹5 Crore and also the Company does not meet the threshold limit of turnover/net worth for contribution to CSR activity, the company is not required to contribute to CSR activity for the financial year 2018-19

The Annual Report on Company's CSR activities of the Company, undertaken during the year under are furnished in **ANNEXURE – 'F'**.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Your Company has adopted a risk management framework to ensure early identification and management of various critical risks, which accrue to its business model and the risk management framework adopted by the Company ensures continuous focus on identifying, assessment & evaluation, and adequate mitigation of various risks affecting the Company.

The Audit committee reviews the Company's critical risks, overall risk exposure and timely changes to overall exposure and status of various risk mitigation plans on a periodic basis.

DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

PARTICULARS OF EMPLOYEES

During the period, there were no employees whose particulars are required to be disclosed in terms of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENTS

The Directors wish to thank the Board of The Sandur Manganese & Iron Ores Ltd, the holding company, Government Authorities, Banks and other stakeholders for their support. The Directors also wish to place on record their appreciation of the good work put in by the employees of the Company.

By order of the Board
for Star Metallica and Power Private Limited

Place : Bengaluru
Date : 25 May 2019

S. Y. Ghorpade
Chairman

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
The Sandur Manganese & Iron Ores Limited Holding Company	Leasing of Ferro-alloy Plant and Power Plant (Renewal of Lease Agreement)	14 Months	1. Leasing of Ferro –Alloy Plant and Power Plant to SMIORE at a rent of ₹85 Lakh p.m 2. Ownership of the asset remains with SMPPL 3. All Capital expenditure shall be met by SMPPL 4. Repairs & Maintenance will be the onus of SMIORE 5. SMIORE shall directly enter into contract with the existing O & M on the present terms & conditions.	12 November 2018	Nil

Star Metallics and Power Private Limited

Place : Bengaluru
Date : 25 May 2019

S. Y. Ghorpade
Chairman

Form MGT 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31 March 2019

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

I REGISTRATION AND OTHER DETAILS:

(i)	CIN	U40102KA2007PTC043446
(ii)	Registration date	23 July 2007
(iii)	Name of the Company	Star Metallics and Power Private Limited
(iv)	Category/Sub-category of the Company	Company Limited by Shares/Indian Non- Government Company
(v)	Address of the Registered Office & contact details	Metal & Ferro Alloys Plant P.O. Mariyammanahalli, Vyasankere, Karnataka - 583222 Email: muraliv@sandurgroup.com Website: NA
(vi)	Whether Listed Company	No
(vii)	Name address and contact details of the Registrar and Transfer Agent, if any	Not Applicable

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 Products / Services	NIC code of the Product / Service	% to total turnover of the Company
1.	Leasing Charges	NA	89%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate Company	% of Shares held	Applicable section
1	The Sandur Manganese & Iron Ores Limited Regd. Office: 'SATYALAYA', Door No.266 (Old No.80), Ward No.1, Behind Taluk Office, Sandur - 583 119, Ballari District, Karnataka	L85110KA1954PLC000759	Holding Company	80.58	2(87)(ii) of the Companies Act, 2013

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding										
	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				%change during the year
		Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	
A	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	-	30,000	30,000	0.03	-	30,000	30,000	0.03	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	75,240,000	75,240,000	80.58	-	75,240,000	75,240,000	80.58	-
(e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(f)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	-	75,270,000	75,270,000	80.61	-	75,270,000	75,270,000	80.61	-
2	Foreign									
a	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b	others - Individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks/Financials Institutions	-	-	-	-	-	-	-	-	-
e	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	75,270,000	75,270,000	80.61	-	75,270,000	75,270,000	80.61	-
B	Public Shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions /Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-institutions									
(a)	Bodies Corporate	-	18,109,705	18,109,705	19.39	-	18,109,705	18,109,705	19.39	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	i. Clearing members	-	-	-	-	-	-	-	-	-
	ii. Non Resident Individuals	-	-	-	-	-	-	-	-	-
	iii. Trust	-	-	-	-	-	-	-	-	-
	iv. Foreign Portfolio Investor - Corporate	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	18,109,705	18,109,705	19.39	-	18,109,705	18,109,705	19.39	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	18,109,705	18,109,705	19.39	-	18,109,705	18,109,705	19.39	-
	TOTAL (A)+(B)	-	93,379,705	93,379,705	100.00	-	93,379,705	93,379,705	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NA	NA	NA	NA	NA	NA	NA	NA	NA
	GRAND TOTAL (A)+(B)+(C)	-	93,379,705	93,379,705	100.00	-	93,379,705	93,379,705	100.00	-

(ii) Shareholding of Promoters								
Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of shares of the Company	% of pledged /encumbered shares	No. of shares	% of shares of the Company	% of pledged /encumbered shares	% change in shareholding during the year
1	N. S. Lakshmanan	10,000	0.01	-	10,000	0.01	-	-
2	Mohammed Shafiulla	10,000	0.01	-	10,000	0.01	-	-
3	Ahamed Shakir	10,000	0.01	-	10,000	0.01	-	-
4	The Sandur Manganese and Iron Ores Limited	75,240,000	80.58	-	75,240,000	80.58	-	-
	TOTAL	75,270,000	80.61	-	75,270,000	80.61	-	-

(iii) Change in Promoter's Shareholding				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
N. S. Lakshmanan				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			10,000	0.01
Mohammed Shafiulla				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			10,000	0.01
Ahamed Shakir				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			10,000	0.01
The Sandur Manganese & Iron Ores Limited				
At the beginning of the year	75,240,000	80.58	75,240,000	80.58
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			75,240,000	80.58

(iv) Shareholding Pattern of Top Ten Shareholders other than Promoters and Directors				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
EURO INDUSTRIAL ENTERPRISES PRIVATE LIMITED				
At the beginning of the year	18,109,705	19.39	18,109,705	19.39
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			18,109,705	19.39

(v) Shareholding of Directors & Key Managerial Personnel				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
N.S Lakshmanan: Director				
At the beginning of the year	10000	0.01	10000	0.01
Purchase during the year	-	-	-	-
Sale during the year	-	-	-	-
At the end of the year			10000	0.01

V INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			₹ in Lakh	
Sl. no.	Particulars of Remuneration	A.G. Suresh Director (Projects)	Total Amount	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49.20	49.20	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify...	-	-	
5	Others, please specify (Contributions)	1.80	1.80	
	Total (A)	51.00	51.00	
	Overall ceiling calculated in accordance with Section 198 of the Companies Act, 2013 for managerial remuneration payable:			25.30
	1. To one Whole -time director (5% of net profit)			
	Limit as per Schedule V of the Companies Act, 2013 in case of inadequate profits or no profits			240.00

B. Remuneration to other directors							
Particulars of remuneration ₹ in Lakh	N. S. Lakshmanan	S. H. Mohan	B. Ananda Kumar	V. Balasubramanian	S. S. Rao	Dr. H. R. Halambi	Total Amount
3. Independent Directors							
Fee for attending board/ committee meeting	-	-	1.15	1.65	1.05	1.00	4.85
commission	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (1)	-	-	1.15	1.65	1.05	1.00	4.85
4. Other Non-Executive directors							
Fee for attending board/ committee meeting	1.10	1.00	-	-	-	-	2.55
commission	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (2)	1.10	1.00	-	-	-	-	2.55
Total(B) = (1)+(2)							7.40
Total Managerial Remuneration							7.40
Overall ceiling as per the Companies Act, 2013 (1% of net profit calculated in accordance with Section 198, exclusive of sitting fees payable to directors)*							-

*Overall ceiling not applicable since no commission paid in the FY 2018-19

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/WTD		₹ in Lakh
Sl. no.	Particulars of Remuneration	V. Murali Company Secretary
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.96
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income - tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify (Contributions) - Employer contribution to PF	1.10
	Total (C)	35.06

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

The Company has not paid any amount by way of penalty/compounding charges.

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014**A. CONSERVATION OF ENERGY:**

- (i) Energy conservation measures taken : NIL
- (ii) Steps taken by the Company for utilization of alternate sources of energy : NIL
- (iii) Capital Investment on energy Conservation Equipment : NIL

B. TECHNOLOGY ABSORPTION:

- (i) Efforts made in technology absorption : NA
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. : NA
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: : NA
 - (a) Details of technology imported.
 - (b) Year of import.
 - (c) Whether the technology been fully absorbed
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.
- (iv) Expenditure incurred on Research and Development : NIL

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR
THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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
 The Members,
STAR METALLICS AND POWER PRIVATE LIMITED
 Metal & Ferro Alloys Plant,
 P.O. Mariyammanahalli,
 Vyasankere
 Karnataka – 583 222

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR METALLICS AND POWER PRIVATE LIMITED**, (hereinafter called 'the Company') bearing CIN U40102KA2007PTC043446, which is a subsidiary of a public listed company. The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 explanation provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2019, 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:

I 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
(Not applicable during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
(Not applicable during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
(Not applicable during the audit period)
- (v) 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.
(Not applicable during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
(Not applicable during the audit period)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
(Not applicable during the audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
(Not applicable during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
(Not applicable during the audit period)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
(Not applicable during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(Not applicable during the audit period) and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998
(Not applicable during the audit period)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred as 'SEBI (LODR) 2015')
(Not applicable during the audit period)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements **(Not applicable)**

During the period under review based on the explanations and representations made by the Management, the Company has generally complied with the provisions of the Companies Act, Rules, Regulations, Secretarial Standards (SS), Guidelines etc. as mentioned above except in few circumstances that there have been delays in filing of returns/e-forms with the Registrar of Companies.

During the period under review, based on the explanations and representations made by the Management, the Company has generally complied with the provisions of the Secretarial Standards (SS), except, provisions relating to circulation of draft and signed minutes along the Directors in few instances.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following Laws and the Rules thereunder applicable specifically to the Company:

- (i) The Electricity Act, 2003
- (ii) Indian Boilers Act, 1923

During the period under review based on the explanations and representations made by the Management, the Company has generally complied with the provisions of The Electricity Act, 2003 and Indian Boilers Act, 1923.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the period under review based on the explanations and representations made by the Management, adequate notice has been given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to the directors, 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 Meeting, as represented by Management, were taken unanimously.

I further report that 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.

The Board of Directors of the Company have approved the Scheme of Amalgamation of the Company with its Holding company with appointed date of April 01, 2018 and the same is pending approval by the relevant authorities.

Place: Bengaluru
Date: 25 May 2019

Name and Signature : N.D Satish
Designation : Practicing Company Secretary
Stamp : FCS No.10003
CP No. : 12400

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

To
The Members
STAR METALLICS AND POWER PRIVATE LIMITED
Metal & Ferro Alloys Plant,
P.O. Mariyammanahalli,
Vyasankere,
Karnataka – 583 222

My report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I 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 test basis to ensure that true facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis to strengthen my opinion.
- (3) I have not verified the accuracy, correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru
Date: 25 May 2019

Name and Signature : N.D Satish
Designation : Practicing Company Secretary
Stamp : FCS No.10003
CP No. : 12400

SECRETARIAL COMPLIANCE REPORT

of

STAR METALLICS AND POWER PRIVATE LIMITED

Material subsidiary of The Sandur Manganese & Iron Ores Limited

CIN U40102KA2007PTC043446

for the year ended 31 March 2019

I, have examined,

- a) all the documents and records made available to us and explanation provided by **Star Metallics and Power Private Limited (herein after referred as “The Material Subsidiary”)**
- b) the filings/ submissions made by the Material Subsidiary Company to the stock exchanges - **Not applicable**
- c) The Material Subsidiary Company does not maintain any separate website.
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March 2019** (“Review Period”) in respect of compliance with the provisions of
 - a. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - b. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR Regulations, 2015”)
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (there were no events requiring compliance during the review period);
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (there were no events requiring compliance during the review period);
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (there were no events requiring compliance during the review period);
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (there were no events requiring compliance during the review period);
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (there were no events requiring compliance during the review period);
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (there were no events requiring compliance during the review period);

- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:
- a) The Material Subsidiary Company has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder;
 - b) The Material Subsidiary Company has maintained proper records under the provisions of the above Regulations and circulars /guidelines issued thereunder in so far as it appears from my examination of those records;
 - c) There were no actions taken against the Material Subsidiary Company/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/Guidelines issued thereunder so far as it appears from my examination of those records;
 - d) The reporting of actions the Material Subsidiary Company to comply with the observations made in previous reports does not arise during the Review Period;

Place: Bengaluru
Date: 25 May 2019

Name and Signature : N.D Satish
Designation : Practicing Company Secretary
Stamp : FCS No.10003
CP No. : 12400

**Policy on Nomination and Remuneration
of
Directors, Key Managerial Personnel (KMPs) and other employees**

PREAMBLE

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

DEFINITIONS

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Companies Act, 2013.

'Company' means The Star Metalics and Power Private Limited.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013.

'Key Managerial Personnel (KMP)' means-

- i) the Managing Director or the Chief Executive Officer or the Manager and in their absence, all Whole-time Director;
- ii) the Company Secretary;
- iii) the Chief Financial Officer;
- iv) the Chief Operating Officer.

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads. For the purpose, as defined in the Code of Conduct for Senior Management Personnel, officers in the cadre of Additional General Manager and above shall be considered to be the Senior Management.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and rules thereunder as may be amended from time to time shall have the meaning respectively assigned to them therein.

'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Constitution of the Nomination and Remuneration Committee

The Board constituted the 'Nomination and Remuneration Committee' (NRC) at its 35th Meeting held on 28 March 2015.

The constitution shall be in line with the requirements under the Companies Act, 2013. The Board has authority to reconstitute the NRC from time to time.

Role of the Nomination and Remuneration Committee

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.

Scope of Policy

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers performance evaluation and remuneration.

Object of Policy

This Policy has been formulated with a view to;

1. Devise a transparent system of determining appropriate level of remuneration throughout all levels of directors, KMPs, core management team and the senior management personnel in the Company;
2. Encourage personnel to perform to their highest level;
3. Provide consistency in remuneration throughout the Company; and
4. Aligning the performance of the business with the performance of key personnel and teams within the Company.

‘Part – A’

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt by the Committee:-

Size and composition of the Board:

Periodically review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with the diversity of thought, experience, knowledge, perspective and gender in the Board, in the best interest of the Company as a whole.

Appointments/Re-appointments:

Identify when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board.

Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board.

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

Performance Evaluation:

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

1. the remuneration of the Managing Director, Whole-time Directors and KMPs;
2. the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors;
3. the remuneration policies for KMPs, senior management personnel and other employees.

'Part – B'
APPOINTMENT AND NOMINATION

Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. Appointment process of independent directors shall be independent of the company management.
5. While selecting the independent directors the Committee shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
6. The Company shall not appoint or continue the employment of any person (other than promoter director) as whole-time Director who has attained the age of sixty five years and shall not appoint or continue any person as a Non-Executive Director (other than promoter director) who has attained the age of seventy eight years.
7. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

Letter of Appointment or Contract of Employment

Executive Directors shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The Contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

The appointment of independent directors shall be formalised through a letter of Appointment, which shall set forth the terms and conditions of appointment, the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks the list of actions that a director should not do while functioning as such in the company; and the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

Term/ Tenure

1. *Managing Director / Whole-time Director*

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. *Independent Director*

An Independent Director shall hold office for a term not exceeding five consecutive years on the Board of the Company and will be eligible for re-appointment for another term not exceeding five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

No retirement age has been fixed for Independent Director except that no person who has attained the age of 75 years shall be appointed as an Independent Director. An independent director who was appointed prior to attainment of 75 years of age will continue his first full term for which he is appointed. Similarly, an Independent Director who was appointed for a second term prior to attainment of 75 years of age will continue his office till he completes his full term. Subject to the above, an Independent Director be allowed to hold office for two consecutive terms of five years each, as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013.

At the time of appointment of Independent Director, it shall be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

“The Whole time directors (other than promoter directors) shall retire at the age of 65 years. However, in exceptional circumstances or in exigencies and in the interest of the company and for reasons to be recorded in writing, NRC Committee may approve the extension of the retirement age of whole time directors, as it considers appropriate on a case to case basis”

The Non-Executive Directors (other than whole time directors) shall retire at the age of 75 years. However, in exceptional circumstances or in exigencies and in the interest of the company and for reasons to be recorded in writing, the NRC Committee may approve the appointment or continue the appointment of any person, otherwise eligible in both the cases, as a Non-Executive Director, even beyond the age of 75 years, on a case to case basis.

The Independent Directors shall be allowed to hold office for two consecutive terms of five years each as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013;

Further, the Key Managerial Personnel (other than Whole Time Director) and the Senior Management Personnel shall retire at the age of 60 years which may be extended up to a maximum of 65 years under exceptional circumstances to be recorded in writing and duly approved by the NRC.”

‘Part – C’

PERFORMANCE EVALUATION AND REMUNERATION

Performance Evaluation of the Board/Executive-Directors/Independent Directors

The Committee shall identify and lay down the criteria based on which the Board shall evaluate the performance of Independent Directors (excluding the Directors being evaluated).

In addition, the Committee shall also establish evaluation criterion for the Executive Directors.

The evaluation criterion for Directors shall be broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Once a year, the Board shall conduct a self-evaluation. The Board shall also evaluate the performance of the various Committees of the Board.

It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome.

The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

Simultaneously, the Independent Directors shall review the performance of the Executive Directors and the Board as whole.

The Independent Directors shall also review the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors.

The Independent Directors shall also assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors' Report shall include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Remuneration to Directors

The total managerial remuneration payable to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

The Directors may be paid in excess of eleven per cent of the net profits with the approval of the Central Government subject to the provisions of Schedule V.

The remuneration / compensation / commission etc. to Directors will be determined by the Committee shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder and recommended to the Board for approval.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

Remuneration to Executive Directors

Remuneration payable to all Whole-time Directors / Executive Directors taken together shall not exceed ten per cent of the net profits.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-Executive/ Independent Directors

Non-executive and independent directors shall receive sitting fees and may receive reimbursement for expenditure incurred wholly in connection with attending meetings of the Board and other meetings and profit related commission as may be approved by the Shareholders. Non-Executive and Independent Directors shall not be entitled to any stock options.

The remuneration to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Remuneration Structure for Independent Directors	
Particulars	Amount
Sitting fee for Board Meeting	₹25,000/- per meeting, per director including the Independent Directors meetings
Sitting fee for Committee Meeting	₹5,000/- for Audit Committee and ₹5,000/- for each of the other committees
Travel fee	Reimbursement of Air, Car, Rail, Bus fare etc.,

The remuneration payable to each Non-Executive Director and Independent Directors is based on the remuneration structure as determined by the Board in line with the provisions of the Companies Act, 2013 and the rules made thereunder, and may be revised from time to time, depending on individual contribution and the Company's performance.

Remuneration to KMPs and other employees

The Board in consultation with the Committee shall approve and finalise the remuneration to be offered to the Key Managerial Personnel and senior management personnel having regard to the need to:

- attract and motivate talent to pursue the Company's long term growth;
- demonstrate a clear relationship between executive compensation and performance;
- to follow best governance practices and legal requirements; and
- be reasonable and fair.

The remuneration package shall be composed of amounts that are fixed and variable. The endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby sustainable value for the Company and its shareholders over time. The Company while deciding the remuneration package of the senior management shall take into consideration the employment scenario and remuneration package of the industry.

The fixed remuneration shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market. The fixed remuneration shall reflect the core performance requirement and expectations of the Company.

The performance-based or incentive based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting performance objectives appropriate to the working of the Company and designed to lay emphasis on direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon attainment of specific performance targets by employees in the Company. Incentive based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility policy of the Company is as mandated in Section 135 of the Companies Act, 2013 and rules framed thereunder.

Composition of the CSR Committee:

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted a CSR Committee at its meeting held on 7 August 2015. The Committee has been reconstituted on 11 February 2016. Presently, the Committee comprises the following Directors:

S. Y. Ghorpade, Chairman & Non-Executive Director	Chairman
V. Balasubramanian, Independent Director	Member
S. S. Rao, Independent Director	Member
B. Ananda Kumar, Nominee Director	Member
Dr. H. R. Halambi, Independent Director	Member

In term of Section 135 (1) of the Companies (Amendment) Act, 2017, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Average net profit of the Company for previous three financial years:

The Company's average net profit for previous three financial years, namely 2015-16 (₹-219.17), 2016-17 (₹467.64) and 2017-18 (₹439.74) amounts to ₹229.40 lakh.

Prescribed CSR Expenditure (two percent of the average net profit amounting to ₹4.58lakh):

*Please see note below for not contributing during the year.

Details of CSR spent for the financial year:

- Total amount spent for the financial year: Nil
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

₹ in Lakh							
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) Project or Program wise	Amount Spent on the project or program	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency
1	NA	NA	NA	NIL	NIL	23.33 (Upto 31 March 2019)	Direct

Reasons for not spending the prescribed amount:

*Pursuant to the provisions of Section 135(1) of the Companies (Amendment) Act, 2017, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The companies meeting the above threshold limits are required to contribute to CSR activity.

As the company's net worth is less than rupees five hundred core, turnover is below rupees one thousand core and the net profit during the immediately preceding financial year 2017-18 is below five crore, the provisions of Section of 135 shall not be applicable and hence the Company is not required to contribute towards any CSR activity.

Responsibility Statement of the CSR Committee:

We affirm that that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

for and on behalf of the Board and CSR Committee

Place : Bengaluru
Date: 25 May 2019

S. Y. Ghorpade
Chairman & Non-Exectuive
Director, CSR Committee

A. G. Suresh
Director

INDEPENDENT AUDITOR'S REPORT

To The Members of Star Metallics and Power Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Star Metallics and Power Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, etc. but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Monisha Parikh
Partner
(Membership No. 47840)

Place: Bengaluru
Date: May 25, 2019
MP/SMG/MS/2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report 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 Star Metallics and Power Private Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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 Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Monisha Parikh
Partner
(Membership No. 47840)

Place: Bengaluru
Date: May 25, 2019
MP/SMG/MS/2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the confirmation directly received by us from the Security Trustee, we report that, the title deeds, comprising of the immovable properties consisting of land, whose title deeds have been pledged as collateral for loan obtained by the holding company, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (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 Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits.
- (vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)*
The Customs Act, 1962	Customs Duty Including interest	Customs, Excise and Service Tax Appellate Tribunal	2012-13	346.54

*Net of ₹8.51 lakhs paid under protest

- (viii) The Company has not taken any loans or borrowings from financial institutions, bank and government and has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (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 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence, provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Monisha Parikh
Partner
(Membership No. 47840)

Place: Bengaluru
Date: May 25, 2019
MP/SMG/MS/2019

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

Balance Sheet as at 31 March, 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	13,851.75	14,306.37
(b) Capital work-in-progress		-	24.71
(c) Financial Assets - Other financial assets	6	34.19	34.19
(d) Deferred tax assets	7	47.37	29.38
(e) Other non-current assets	9	206.04	154.39
Total Non - Current Assets		14,139.35	14,549.04
Current assets			
(a) Financial assets			
(i) Investments	4	529.37	-
(ii) Trade receivables	5	638.04	817.08
(iii) Cash and bank balances	8	1,900.17	1,484.43
(iv) Other financial assets	6	23.61	49.12
(b) Other current assets	9	55.33	27.51
Total current assets		3,146.52	2,378.14
Total assets		17,285.87	16,927.18
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	9,337.97	9,337.97
(b) Other equity		7,565.46	7,119.54
Total equity		16,903.43	16,457.51
Liabilities			
Non-current liabilities			
Provisions	13	2.20	1.87
Total Non - Current Liabilities		2.20	1.87
Current liabilities			
(a) Financial liabilities			
Trade payables :-			
(i) Total outstanding dues of Micro and Small Enterprises		-	-
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	11	203.28	294.33
(b) Other current liabilities	12	160.57	165.56
(c) Provisions	13	16.39	7.91
Total Current Liabilities		380.24	467.80
Total Liabilities		382.44	469.67
Total Equity and Liabilities		17,285.87	16,927.18

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Monisha Parikh
Partner

Nazim Sheikh
Director
DIN: 00064275

A G Suresh
Director
DIN: 00065014

Place : Bengaluru
Date : May 25, 2019

V. Murali
Company Secretary

Sachin Sanu
Chief Financial Officer

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

Statement of Profit and Loss for the year ended 31 March, 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

Particulars	Note No.	Year ended 31 March, 2019	Year ended 31 March, 2018
I Revenue from Operations	14	1,020.00	1,020.00
II Other Income	15	131.87	160.30
III Total Income (I+II)		1,151.87	1,180.30
IV Expenses			
Employee benefits expense	16	106.71	109.37
Finance costs	17	-	0.03
Depreciation expense	18	509.54	506.61
Other expenses	19	81.75	123.33
Total expenses (IV)		698.00	739.34
V Profit before tax (III-IV)		453.87	440.96
VI Tax expense			
(1) Current tax		17.99	-
(2) Deferred tax (MAT credit entitlement)		(17.99)	-
		-	-
VII Profit for the year (V-VI)		453.87	440.96
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		7.95	1.22
		7.95	1.22
IX Total comprehensive income for the year (VII-VIII)		445.92	439.74
Earnings per equity share	25		
Basic (in Rs.)		0.49	0.47
Diluted (in Rs.)		0.49	0.47

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Monisha Parikh
Partner

Nazim Sheikh
Director
DIN: 00064275

A G Suresh
Director
DIN: 00065014

Place : Bengaluru
Date : May 25, 2019

V. Murali
Company Secretary

Sachin Sanu
Chief Financial Officer

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

Cash Flow Statement for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net Profit before tax	453.87	440.96
- Depreciation	509.54	506.61
- Provision for loan and advances/current assets	20.15	3.65
- Finance costs	-	0.03
- Loans and advances written off	-	5.20
- Provisions/ Liabilities no longer required written back	(3.25)	(43.07)
- Profit on sale/ withdrawal of fixed assets	(0.28)	(0.85)
- Capital work in progress written off	1.80	26.22
- Gain on investments carried at fair value through profit & loss	(29.37)	-
- Interest income	(96.24)	(40.10)
Operating profit before working capital changes	856.22	898.65
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other financial assets- non current	-	12.00
Trade receivables	179.03	(202.85)
Other financial assets	32.54	19.96
Other current assets	(47.97)	(1.18)
Adjustments for increase / (decrease) in operating liabilities:		
Other current liabilities	(4.99)	(99.60)
Trade payables	(87.80)	24.88
Provisions- Current	8.48	(4.49)
Provisions- Non current	(7.63)	(2.05)
	71.66	(253.33)
Cash generated from operations	927.88	645.32
Direct taxes paid (net of refunds)	(44.33)	(41.25)
Net cash generated from operating activities	(A) 883.55	604.07
B. Cash flow from investing activities		
Capital expenditure on fixed assets (including capital work in progress and advance on capital account)	(57.70)	(56.60)
Proceeds from sale of fixed assets	0.66	-
Investment in mutual funds	(500.00)	-
Bank balances not considered as cash and bank balances	190.92	(18.86)
Interest received	89.23	42.78
Net cash used in investing activities	(B) (276.89)	(32.68)

C. Cash flow from investing activities

Interest payments		-	(0.03)
Net cash used in financing activities	(C)	-	(0.03)
Net increase in cash and bank balances (A+B+C)		606.66	571.37
Cash and bank balances at the beginning of the year		1,145.87	574.50
Cash and cash equivalents at the end of the year (Refer note below)		1,752.53	1,145.87
Reconciliation of cash and bank balances with Balance Sheet		606.66	571.37
Note:			
Cash and bank balances (Refer note 8)		1,900.17	1,484.43
Less: Deposits not considered as cash and bank balances		147.64	338.56
		1,752.53	1,145.87

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Monisha Parikh
Partner

Nazim Sheikh
Director
DIN: 00064275

A G Suresh
Director
DIN: 00065014

Place : Bengaluru
Date : May 25, 2019

V. Murali
Company Secretary

Sachin Sanu
Chief Financial Officer

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

Statement of Changes In Equity for the year ended 31 March, 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

A Equity share capital

Particulars	Nos. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2017	93,379,705	9,337.97
Changes in equity share capital during the year	-	-
As at 31 March, 2018	93,379,705	9,337.97
Changes in equity share capital during the year	-	-
As at 31 March, 2019	93,379,705	9,337.97

B Other equity

Particulars	Reserves and Surplus		Total
	Retained Earnings #	Securities Premium*	
Balance as at April 1, 2017	(2,625.24)	9,305.04	6,679.80
Profit for the year	440.96	-	440.96
Other Comprehensive Income	(1.22)	-	(1.22)
Total Comprehensive Income for the year	439.74	-	439.74
Balance as at 31 March 2018	(2,185.50)	9,305.04	7,119.54
Profit for the year	453.87	-	453.87
Other Comprehensive Income	(7.95)	-	(7.95)
Total Comprehensive Income for the year	445.92	-	445.92
Balance as at 31 March 2019	(1,739.58)	9,305.04	7,565.46

Retained earnings relates to undistributed profits to its shareholders

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

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

For and on behalf of the Board of Directors

Monisha Parikh
Partner

Nazim Sheikh
Director
DIN: 00064275

A G Suresh
Director
DIN: 00065014

Place : Bengaluru
Date : May 25, 2019

V. Murali
Company Secretary

Sachin Sanu
Chief Financial Officer

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

1 Corporate information

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

The Company, vide a deed of hypothecation dated March 20, 2019, has hypothecated all its moveable and immovable properties including book debts etc. (both present and future) as security against borrowings of the Holding company in respect of a Project.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

(i) Accounting Convention :

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

(ii) Basis of measurement:

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

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

2.2 Use of estimates

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

2.3 Property, plant and equipment

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

2.4 Depreciation

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

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

2.5 Capital work-in-progress

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

2.6 Impairment

a) Financial assets

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

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

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

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

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

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

b) Non-financial assets

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

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

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

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

2.7 Borrowing costs

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

2.8 Inventories

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

The costs are, in general, ascertained as under:

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

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

2.9 Revenue recognition

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

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

Revenue from leasing is recognised as income on a straight line basis over the lease term in accordance with Ind As-17 leases

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

2.10 Foreign currency transactions and balances

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

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

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

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

a) Short-term employee benefits:

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

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

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

b) Long-term employee benefits:

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

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

c) Defined Contribution Plan:

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

d) Defined Benefit Plan:

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

2.12 Cash and bank balances

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

2.13 Cash flow statement

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

2.14 Leases

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

2.15 Segment reporting

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

2.16 Taxes on income

Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred tax

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

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

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

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

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

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

Minimum Alternate Tax:

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the entity's normal income tax during the specified period.

2.17 Earnings per share

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

2.18 Provisions and contingencies

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

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

2.19 Financial instruments

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

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

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

Non-derivative financial assets

Financial assets at amortised cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

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

Notes forming part of the financial statements

(All amounts are in Rupees Lakh except for share date or otherwise stated)

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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

2.20 Changes in Accounting Standards and other recent accounting pronouncements

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

The Company is evaluating the effect of the above on its financial statements.

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

Notes to the financial statements for the year ended 31 March 2019
 (All amounts are in Rupees Lakh except for share date or otherwise stated)

3 Property, Plant and Equipment

Description of Assets	Freehold land	Buildings and roads	Plant and machinery	Vehicles	Computer systems	Office equipments	Furniture and fixtures	Total
I. Gross carrying amount								
Balance as at 1 April 2018	1,383.39	1,543.08	12,292.04	38.24	6.67	18.10	36.44	15,317.96
Additions	-	4.04	47.09	-	1.39	0.34	2.44	55.30
Disposals	-	-	-	(7.67)	-	-	-	(7.67)
Balance as at 31 March 2019	1,383.39	1,547.12	12,339.13	30.57	8.06	18.44	38.88	15,365.59
II. Accumulated depreciation								
Balance as at 1 April 2018	-	136.09	840.52	8.78	3.48	10.10	12.62	1,011.59
Depreciation expense for the year	-	68.63	426.53	4.53	0.96	2.67	6.22	509.54
Eliminated on disposal of assets	-	-	-	(7.29)	-	-	-	(7.29)
Balance as at 31 March 2019	-	204.72	1,267.05	6.02	4.44	12.77	18.84	1,513.84
III. Net carrying amount (I-II)	1,383.39	1,342.40	11,072.08	24.55	3.62	5.67	20.04	13,851.75

I. Gross carrying amount								
Balance as at 1 April 2017	1,383.39	1,537.64	12,196.96	24.99	4.48	18.10	34.95	15,200.51
Additions	-	5.44	98.13	13.25	2.19	-	1.49	120.50
Disposals	-	-	(3.05)	-	-	-	-	(3.05)
Balance as at 31 March 2018	1,383.39	1,543.08	12,292.04	38.24	6.67	18.10	36.44	15,317.96
II. Accumulated depreciation								
Balance as at 1 April 2017	-	67.95	419.96	3.88	2.61	5.16	6.29	505.85
Depreciation expense for the year	-	68.14	421.41	4.90	0.87	4.94	6.33	506.61
Eliminated on disposal of assets	-	-	(0.85)	-	-	-	-	(0.85)
Balance as at 31 March 2018	-	136.09	840.52	8.78	3.48	10.10	12.62	1,011.59
III. Net carrying amount (I-II)	1,383.39	1,406.99	11,451.52	29.46	3.19	8.00	23.82	14,306.37

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

Notes to the financial statements for the year ended 31 March, 2019
(All amounts are in Rupees Lakh except for share date or otherwise stated)

	<u>As at</u> <u>31 March, 2019</u>	<u>As at</u> <u>31 March, 2018</u>
4 Investments		
Current		
Investments in Mutual Fund - Quoted		
Aditya Birla Mutual Fund - 3,872,636.723 units of ₹ 13.67 each	529.37	-
	<hr/>	<hr/>
Cost of the investment ₹ 500.00 Lakh and Market value of investment of ₹ 529.37 Lakh		
5 Trade receivables		
Current		
Trade receivables		
(a) Unsecured, considered good	638.04	817.08
(b) Unsecured, considered doubtful	49.57	49.57
Less: Provision for expected credit loss	<u>(49.57)</u>	<u>(49.57)</u>
	<hr/>	<hr/>
	638.04	817.08
	<hr/>	<hr/>
Movement in provision for expected credit losses		
As at 1 April, 2018	(49.57)	(49.57)
Movement during the year	-	-
As at 31 March, 2019	(49.57)	(49.57)
6 Other Financial Assets		
Non-current		
Security deposits - unsecured, considered good	34.19	34.19
	<hr/>	<hr/>
	34.19	34.19
	<hr/>	<hr/>
Current		
Security deposits - unsecured, considered good	0.28	34.38
Interest accrued but not due on deposits	23.33	14.74
	<hr/>	<hr/>
	23.61	49.12
	<hr/>	<hr/>
7 Deferred tax assets		
MAT credit entitlement	47.37	29.38
	<hr/>	<hr/>
	47.37	29.38
	<hr/>	<hr/>
Reconciliation of effective tax rate:	Year ended	Year ended
	31 March, 2019	31 March, 2018
Profit before tax	453.87	440.96
Applicable tax rate	26.00%	25.75%
Income Tax expenses calculated at the applicable tax rate	<u>118.01</u>	<u>113.55</u>
	<hr/>	<hr/>
Adjustment on account of:-		
Carry forward of business loss/depreciation	(118.01)	(113.55)
Tax applicable as per section 115JB of Income Tax Act, 1961	17.99	-
	<hr/>	<hr/>
	(100.02)	(113.55)
	<hr/>	<hr/>
Income tax expenses recognised in statement of profit and loss	17.99	-
	<hr/>	<hr/>

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

Notes to the financial statements for the year ended 31 March 2019
(All amounts are in Rupees Lakh except for share date or otherwise stated)

	<u>As at</u> <u>31 March, 2019</u>	<u>As at</u> <u>31 March, 2018</u>
8 Cash and bank balances		
Cash on hand	0.03	0.04
Balances with Banks		
In current accounts	82.30	345.74
Deposit accounts	1,670.20	800.09
Cash and bank balances as per cash flow statement	<u>1,752.53</u>	<u>1,145.87</u>
Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months	<u>147.64</u>	<u>338.56</u>
	<u>1,900.17</u>	<u>1,484.43</u>
9 Other current and non current assets		
Non-current		
Capital advances	48.32	23.01
Advance income tax and TDS (net of provision)	157.72	131.38
	<u>206.04</u>	<u>154.39</u>
Current		
Prepaid expenses	12.68	6.74
Balances with government authorities	3.65	11.16
Less: Provision for doubtful receivables	<u>(3.65)</u>	<u>(3.65)</u>
	-	7.51
Advance to suppliers		
Considered good	42.65	13.27
Considered doubtful	23.12	2.96
Less: Provision for doubtful advances	<u>(23.12)</u>	<u>(2.96)</u>
	42.65	13.27
	<u>55.33</u>	<u>27.51</u>

10 Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised Equity shares of ₹ 10 each with voting rights	100,000,000	10,000.00	100,000,000	10,000.00
(b) Issued, subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	93,379,705	9,337.97	93,379,705	9,337.97
	93,379,705	9,337.97	93,379,705	9,337.97

Notes:

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

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

Notes to the financial statements for the year ended 31 March 2019
 (All amounts are in Rupees Lakh except for share date or otherwise stated)

Particulars	Opening balance	Fresh issue	Bonus / other changes	Closing balance
Equity shares with voting rights				
As at 31 March, 2019				
- Number of shares	93,379,705	-	-	93,379,705
- Amount (in ₹ lakhs)	9,337.97	-	-	9,337.97
As at 31 March, 2018				
- Number of shares	93,379,705	-	-	93,379,705
- Amount (in ₹ lakhs)	9,337.97	-	-	9,337.97

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

The Company has only one class of equity share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Directors is subject to approval by the Shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% of share holding	Number of shares held	% of share holding
Equity shares with voting rights				
The Sandur Manganese & Iron Ores Limited, Holding Company	75,240,000	80.58	75,240,000	80.58
Euro Industrial Enterprises Private Limited	18,109,705	19.39	18,109,705	19.39

As at **As at**
31 March, 2019 **31 March, 2018**

11 Trade payables :

(a) Total outstanding dues of Micro and Small Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	203.28	294.33
	203.28	294.33

The above has been compiled by the Management to the extent possible by obtaining the information from the suppliers. This has been relied upon by the auditors.

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

Notes to the financial statements for the year ended 31 March 2019
(All amounts are in Rupees Lakh except for share date or otherwise stated)

	<u>As at</u> <u>31 March, 2019</u>	<u>As at</u> <u>31 March, 2018</u>
12 Other current liabilities :		
Statutory remittances	17.24	18.72
Payables on purchase of fixed assets	143.33	143.33
Advances from customers	-	2.51
Security / other deposits received	-	1.00
	<u>160.57</u>	<u>165.56</u>
13 Provisions		
Non-current		
Provision for gratuity	1.36	1.03
Provision for compensated absences	0.84	0.84
	<u>2.20</u>	<u>1.87</u>
Current		
Provision for gratuity	14.26	5.85
Provision for compensated absences	2.13	2.06
	<u>16.39</u>	<u>7.91</u>
14 Revenue from Operations		
Other operating income		
Leasing income	1,020.00	1,020.00
	<u>1,020.00</u>	<u>1,020.00</u>
15 Other Income		
a) Interest income on:		
Bank deposits carried at amortised cost	96.24	40.10
Security deposits carried at amortised cost	1.57	1.95
	<u>97.81</u>	<u>42.06</u>
b) Other non-operating income		
Sale of scrap	1.16	74.22
Provisions / liabilities no longer required written back	3.25	43.07
Profit on sale / withdrawal of fixed assets	0.28	0.85
Gain on investments carried at fair value through profit & loss	29.37	-
Net foreign exchange gain	-	0.07
Miscellaneous income	-	0.04
	<u>34.06</u>	<u>118.25</u>
	<u>131.87</u>	<u>160.31</u>

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

	<u>As at</u> <u>31 March, 2019</u>	<u>As at</u> <u>31 March, 2018</u>
16 Employee benefits expense		
Salaries and wages	100.22	103.91
Contribution to provident funds (refer note 21C)	3.38	3.03
Gratuity (refer note 21A)	0.79	0.45
Staff welfare expenses	2.32	1.98
	<u>106.71</u>	<u>109.37</u>
17 Finance costs		
Interest on delayed payment of income tax and other taxes	-	0.03
	<u>-</u>	<u>0.03</u>
18 Depreciation		
Depreciation of property, plant and equipment	509.54	506.61
	<u>509.54</u>	<u>506.61</u>
19 Other expenses		
Repairs and maintenance - Others	0.27	0.03
Insurance	7.13	6.60
"Rates and taxes (Net of recoveries ₹ 422.68 lakhs - 31 March, 2018 ₹ 248.40 lakhs)"	21.68	22.53
Travelling and conveyance	2.05	2.31
Vehicle expenses	2.24	1.81
Legal and professional charges	8.21	27.31
Payments to auditors (Refer note 26)	8.02	8.13
Capital work in progress written off	1.80	26.22
Provision for loans and advances/current assets	20.15	3.65
Loans and advances written off	-	5.20
Expenditure on corporate social responsibility	0.29	11.91
"Miscellaneous expenses (Net of recoveries ₹ 29.77 lakhs, 31 March, 2018 ₹ 20.84 lakhs)"	9.91	7.63
	<u>81.75</u>	<u>123.33</u>
20 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities (Claims against the company not acknowledged as debt)		
Customs duty	355.05	334.63
Differential rate relating to sale of power, including interest	248.57	228.87

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

21 Employee benefit plan:

A. Defined Benefit Plan - Unfunded:

Details of post retirement gratuity plan are as follows:

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

	<u>For the year ended 31 March, 2019</u>	<u>For the year ended 31 March, 2018</u>
Obligations at the beginning of the year	6.88	5.21
Add: Current service cost	0.27	0.24
Add: Past service cost	0.23	-
Add: Interest cost	0.29	0.21
Add/ (Less): Actuarial losses/(gains) on obligations	7.95	1.22
(Less): Benefits paid during the year	-	-
Obligations at the end of the year	15.63	6.88

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

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

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

Present value of obligation	15.63	6.88
(Less): Fair value of plan assets	-	-
Amount recognised in the balance sheet		
- Current	14.26	5.85
- Non-current	1.36	1.03
	<u>15.63</u>	<u>6.88</u>

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

Current service cost	0.27	0.24
Add: Past service cost	0.23	-
Add: Interest cost	0.29	0.21
(Less): Expected return on plan assets	-	-
	<u>0.79</u>	<u>0.45</u>

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

	7.95	1.22
--	-------------	-------------

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

f) Principal actuarial assumptions:

Discount rate per annum	7.50%	7.65%
Salary escalation rate	6.00%	6.00%
Attrition rate	6.00%	6.00%
Retirement age	60 years	60 years
Mortality rate	IALM (2012-14) UIT Table	IALM (2006-08) UIT Table

g) Summary of defined benefit obligation / plan assets and experience adjustments:	2018-19	2017-18	2016-17	2015-16	2014-15
Defined benefit obligation	15.63	6.88	5.21	6.19	23.29
Plan assets	-	-	-	-	-
(Deficit) / surplus	(15.63)	(6.88)	(5.21)	(6.19)	(23.29)
Experience adjustments on plan liabilities – gain / (loss)	(7.95)	(1.22)	0.91	21.26	(2.63)
Experience adjustments on plan assets – gain / (loss)	-	-	-	-	-

H) Sensitivity analysis for significant assumptions is as below: **As at 31 March, 2019** **As at 31 March, 2018**

Impact on obligation: Increase/(decrease)

Impact of increase in 50 basis point in discount rate	-0.58%	-1.04%
Impact of decrease in 50 basis point in discount rate	0.63%	1.13%
Impact of increase in 50 basis point in salary escalation	0.63%	1.15%
Impact of decrease in 50 basis point in salary escalation	-0.59%	-1.06%

B. Other long term benefit – Unfunded **As at 31 March, 2019** **As at 31 March, 2018**

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

Liability for compensated absence at the year end		
- Current	2.13	2.06
- Non-current	0.84	0.84
	<u>2.97</u>	<u>2.90</u>

The actuarial valuation has been carried out using project unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation for the financial year ended 31 March, 2019.

Notes:

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

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

C. Defined Contribution Plan:

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 3.38 Lakhs (year ended 31 March, 2018 ₹ 3.03 Lakhs) for contribution to provident fund in note 16 in the statement of profit and loss (as part of contribution to provident fund). The contributions payable to the plan by the Company are at rates specified in the rules of the scheme.

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

22 Segment reporting

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

23 Related Party Disclosures

A Names of related parties and description of relationship

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

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

Sl. No.	Nature of Transactions / Balances outstanding	Holding Company	Key Management Personnel	Total
1	Salaries and wages: - A. G. Suresh	- (-)	51.00 (60.96)	51.00 (60.96)
2	Sale of materials / stores and spares / power - on behalf of SMIORE (Refer note iii)	525.10 (228.62)	- (-)	525.10 (228.62)
3	Leasing income - from SMIORE (Refer note iii)	1,020.00 (1,020.00)	- (-)	1,020.00 (1,020.00)
4	Recovery of expense - from SMIORE	452.45 (269.24)	- (-)	452.45 (269.24)
5	Liabilities written back - SMIORE	- (0.76)	- (-)	- (-)
6	Amount receivable on behalf of SMIORE transferred to SMIORE as at period end	87.54 (88.65)	- (-)	87.54 (88.65)

Previous year figures are in brackets.

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

Balances as at the year end:

7 Amount due as at year end:

Sl. No.	Particulars	As at 31 March, 2019	As at 31 March, 2018
1	from SMIORE	633.13	810.08
2	to A.G.Suresh	3.08	1.70

Notes:

- (i) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.
- (ii) The above transactions are compiled from the date from which these parties became related.
- (iii) Pursuant to the facility lease agreement entered into with SMIORE which is cancellable in nature and expires on 31 March, 2020, the Company acts as an agent of SMIORE whereby, it raises invoices towards sale of power for and on behalf of SMIORE and also makes collections of the said receivables on behalf of SMIORE. The Company settles such collections with SMIORE after adjusting trade receivables towards leasing income and other dues from SMIORE.
- (iv) There are no amounts written off /written back during the year with respect to debts due from or to related parties except as disclosed above.
- (v) Also refer Note 1 on hypothecation of Company's assets.

24 Operating leases as Lessor:

The Company has entered into operating leases with its Holding Company which expires on 31 March, 2020 in respect of assets at ferroalloys & power plant, office and residential premise. The leasing arrangement is cancellable and is renewable by mutual consent. During the year, the Company has received rental income of ₹ 1,020 Lakh (PY: ₹ 1,020 Lakh) which is disclosed under note 14. There is no contingent rent.

25 Earnings per share

	<u>For the year ended 31 March, 2019</u>	<u>For the year ended 31 March, 2018</u>
Nominal value of equity share (in ₹)	10	10
Weighted average number of equity shares outstanding	93,379,705	93,379,705
Profit after taxation considered for calculation of basic and diluted earnings per share (in ₹ lakhs)	453.87	440.96
Earnings Per Share – Basic and Diluted (in ₹)	0.49	0.47

26 Payment to auditors

	<u>For the year ended 31 March, 2019</u>	<u>For the year ended 31 March, 2018</u>
For Statutory audit	4.00	4.00
For Tax audit	1.00	1.00
For Other services	3.00	3.00
For Reimbursement of out of pocket expenses and levies	0.02	0.13
Total	<u>8.02</u>	<u>8.13</u>

- 27** The Company has adopted Ind AS 115 - Revenue from contract with customers and appendix B to Ind AS 21 - Foreign currency transactions and advance considerations, w.e.f 1 April, 2018. The same did not have any impact on the Company's financial statements as at and for the year ended 31 March, 2019.

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

Notes to the financial statements for the year ended 31 March 2019
 (All amounts are in Rupees Lakh except for share date or otherwise stated)

28 Financial Instruments-Accounting Classification and fair values

A. Financial Instruments

A. Accounting Classification and Fair Values

		Carrying Amount			
31 March, 2019		FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets:					
Other financial assets	Non-Current	-	-	34.19	34.19
Investment in mutual fund	Current	529.37	-	-	529.37
Trade receivables	Current	-	-	638.04	638.04
Cash and bank balances	Current	-	-	1,900.17	1,900.17
Other financial assets	Current	-	-	23.61	23.61
Total Financial Assets		529.37	-	2,596.01	3,125.38
Financial Liabilities:					
Trade payables	Current	-	-	203.28	203.28
Total Financial Liabilities		-	-	203.28	203.28
		Carrying Amount			
31 March, 2018		FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets:					
Other financial assets	Non-Current	-	-	34.19	34.19
Trade receivables	Current	-	-	817.08	817.08
Cash and bank balances	Current	-	-	1,484.43	1,484.43
Other financial assets	Current	-	-	49.12	49.12
Total Financial Assets		-	-	2,384.82	2,384.82
Financial Liabilities:					
Trade payables	Current	-	-	294.33	294.33
Total Financial Liabilities		-	-	294.33	294.33

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

Notes to the financial statements for the year ended 31 March 2019
 (All amounts are in Rupees Lakh except for share date or otherwise stated)

29 Risk management framework

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

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

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

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

A. Credit Risk

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

Trade and other receivables:-

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

Cash and bank balances

The Company held cash and bank balances of ₹ 1,900.17 lakhs at March 31, 2019 (31 March, 2018: ₹ 1,484.43 Lakhs).

B. LIQUIDITY RISKS:

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

Maturities of Financial Liabilities:

	31 March, 2019					31 March, 2018				
	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total	Within 1 year	Due from 1 to 2 years	Due from 2 to 5 years	After 5 years	Total
Trade Payables	203.28	-	-	-	203.28	294.33	-	-	-	294.33
Total	203.28	-	-	-	203.28	294.33	-	-	-	294.33

Capital Management

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

The Company does not have any current and non-current borrowings as at 31 March, 2019 and 31 March, 2018. The capital structure of the Company represents total equity which is as follows:

	31 March, 2019	31 March, 2018
Total Equity	16,903.43	16,457.51

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

Notes to the financial statements for the year ended 31 March 2019

(All amounts are in Rupees Lakh except for share date or otherwise stated)

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

See accompanying notes forming part of the financial statements

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

Nazim Sheikh
Director
DIN: 00064275

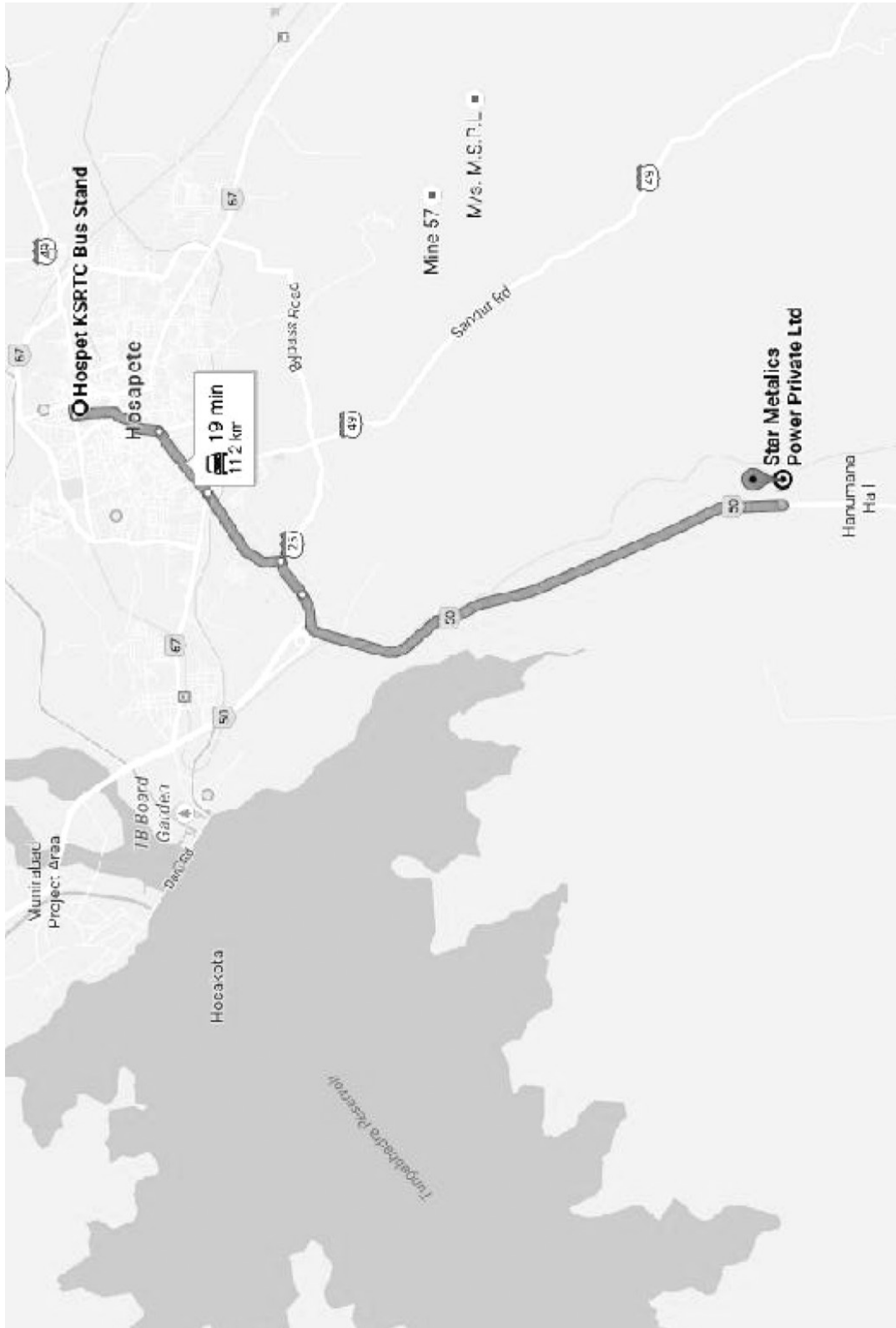
A G Suresh
Director
DIN: 00065014

Place : Bengaluru
Date : May 25, 2019

V. Murali
Company Secretary

Sachin Sanu
Chief Financial Officer

ROUTE MAP TO THE VENUE OF THE AGM



Star Metallics and Power Private Limited

CIN:U40102KA2007PTC043446

Registered Office: Metal & Ferroalloys Plant, Vyasankere,
Mariyammanahalli - 583 222, Hospet Taluk, Ballari Dist., Karnataka

PROXY FORM

Form MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member (s) :

Registered Address :

E-mail Id :

Folio No / Client Id :

DP ID. :

I / We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Mr./Ms. _____, _____ (name of the proxy), _____ (signature of proxy)

Address
Email:

or failing him/her

2. Mr./Ms. _____, _____ (name of the proxy), _____ (signature of proxy)

Address
Email:

or failing him/her

3. Mr./Ms. _____, _____ (name of the proxy), _____ (signature of proxy)

Address
Email:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held on Saturday, 21 September 2019, at 3.30 p.m. IST, and at any adjournment thereof in respect of such resolution as are indicated below:

RESOLUTIONS	FOR	AGAINST
Item No.1		
Item No.2		
Item No.3		

RESOLUTIONS	FOR	AGAINST
Item No.4		
Item No.5		
Item No.6		

Signed this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy Holder(s) _____

Affix
Revenue
Stamp

NOTE: THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Star Metallics and Power Private Limited

CIN:U40102KA2007PTC043446

Registered Office: Metal& Ferroalloys Plant, Vyasankere,
Mariyammanahalli - 583 222, Hospet Taluk, Ballari Dist., Karnataka

BALLOT PAPER

Sl. No.

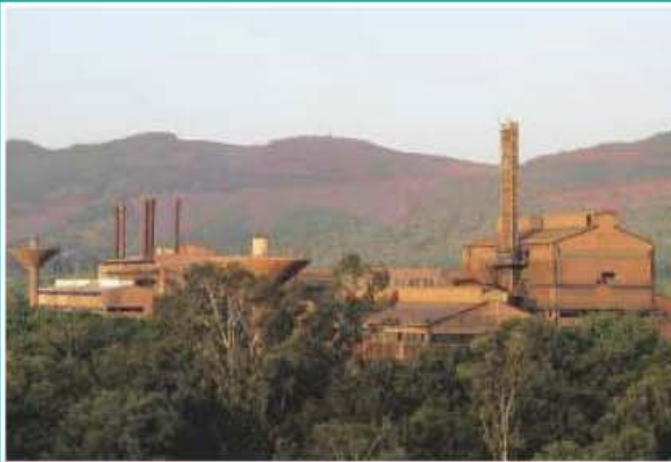
1.	Name(s) of Shareholder(s) (in BLOCK LETTERS) (including Joint Holders, if any)	
2.	Registered Address of the Sole / First Named Shareholder	
3.	Regd. Folio / DP ID & Client ID No.:	
4.	Number of Shares held:	

I/We hereby exercise my/our vote in respect of the ordinary resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	ITEM	No. of Shares	I / We "ASSENT" to the resolution (FOR)	I / We "DISSENT" to the resolution (AGAINST)
1	Adoption of Audited Financial Statement of the Company for the financial year ended 31 March 2019 together with the report of Auditors and Directors			
2	To appoint a Director in place of Mr. Nazim Sheikh (DIN-00064275), who retires by rotation and being eligible, offers himself for re-appointment			
3	To appoint a Director in place of Mr. A. G. Suresh (DIN-00065014), who retires by rotation and being eligible, offers himself for re-appointment			
4	To appoint R. Subramaniam and Company LLP, Chartered Accountants, as Statutory Auditors of the Company			
5	To consider re-appointment of Mr. A. G. Suresh (DIN-00065014), as Director (Projects) for a period of 2 years			
6	To consider appointment of Mr. Lakshmanan Natuvilmadham Subramanian (DIN-00062105), as Non-Executive Director			

Place :
Date :

Signature of the Shareholder



If undelivered please return to:

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

1A & 2C, 'Redifice Signature'
No. 6, Hospital Road, Shivaji Nagar, Bengaluru - 560 001, Karnataka, INDIA.
Ph: +91 80 4152 0176 - 80, Fax: +91 80 4152 0182