

## **INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS**

### **TO THE BOARD OF DIRECTORS OF AMBA RIVER COKE LIMITED**

#### **Opinion**

We have audited the Financial Results for the year ended March 31, 2020 included in the accompanying "Statement of Audited Financial Results for the six months and Year Ended March 31, 2020" of **AMBA RIVER COKE LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2020:

- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



### **Management's Responsibilities for the Statement**

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements for the year ended March 31, 2020. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for audit of Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is 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 this Financial Results.

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

SAS

# Deloitte Haskins & Sells LLP

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Financial Results.

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.

SAS

# Deloitte Haskins & Sells LLP

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.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Samir R. Shah  
Partner  
(Membership No. 101708)  
(UDIN: 20101708AAAABN7658)

Place: Mumbai  
Date: May 14, 2020

**STATEMENT OF FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2020**

(Rs. in crores)

Sr. No.	Particulars	6 Months ended		Year ended	
		31.03.2020 Unaudited	31.03.2019 Unaudited	31.03.2020 Audited	31.03.2019 Audited
	Revenue from operations	1,834.27	2,631.06	3,902.74	5,133.74
	Other income	16.69	6.74	41.15	19.65
1	<b>Total income</b>	<b>1,850.96</b>	<b>2,637.80</b>	<b>3,943.89</b>	<b>5,153.39</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	1,385.36	2,028.78	3,062.14	3,964.72
	b) Purchases of traded goods	67.16	171.22	119.54	357.10
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-15.05	15.84	-21.42	7.43
	d) Employee benefits expense	14.88	13.46	29.69	27.40
	e) Finance costs	83.55	89.96	164.25	178.61
	f) Depreciation expense	60.06	0.69	60.76	1.36
	g) Power and fuel	85.40	90.27	170.28	175.33
	h) Other expenses	84.40	88.56	154.60	168.21
	<b>Total expenses</b>	<b>1,765.76</b>	<b>2,498.78</b>	<b>3,739.84</b>	<b>4,880.16</b>
3	<b>Profit before tax</b>	<b>85.20</b>	<b>139.02</b>	<b>204.05</b>	<b>273.23</b>
4	<b>Tax expense</b>				
	a) Current tax	16.42	31.14	38.24	61.46
	b) Deferred tax	-49.24	17.64	-28.62	35.36
5	<b>Net profit after tax</b>	<b>118.02</b>	<b>90.24</b>	<b>194.43</b>	<b>176.41</b>
6	<b>Other comprehensive income (OCI)</b>				
	i) Items that will not be reclassified to profit or loss	-16.50	8.24	-21.84	-1.34
	ii) Income tax relating to items that will not be reclassified to profit or loss	0.13	-0.02	0.10	-0.07
	iii) Items that will be reclassified to profit or loss	-4.84	13.21	-14.13	15.02
	iv) Income tax relating to items that will be reclassified to profit or loss	1.69	-4.62	4.94	-5.25
	<b>Total other comprehensive income / (loss)</b>	<b>-19.52</b>	<b>16.81</b>	<b>-30.93</b>	<b>8.36</b>
7	<b>Total comprehensive income</b>	<b>98.50</b>	<b>107.05</b>	<b>163.50</b>	<b>184.77</b>
8	Paid up equity share capital (face value of Rs. 10 per share)			931.90	931.90
9	Other equity excluding revaluation reserves			928.01	764.51
10	Debenture redemption reserve			-	-
11	Paid up debt capital			803.99	945.80
12	Net worth			1,859.91	1,696.41
13	Earnings per share (not annualised)				
	- Basic (Rs.)	1.27	0.97	2.09	1.89
	- Diluted (Rs.)	1.27	0.97	2.09	1.89
14	Debt-Equity ratio (refer (i) below)	0.43	0.56	0.43	0.56
15	Debt service coverage ratio (refer (ii) below)	1.86	1.26	1.47	1.10
16	Interest service coverage ratio (refer (iii) below)	3.17	2.67	3.14	2.72

(i) Debt-Equity Ratio = Total Borrowings / Net Worth

(ii) Debt Service Coverage Ratio = Profit before tax, depreciation and net finance charges / (Net Finance Charge + Long term borrowings scheduled principal repayments during the period)

(iii) Interest Service Coverage Ratio = Profit before tax, depreciation and net finance charges / Net Finance Charges  
 (Net finance charges: Finance Cost - Interest Income)

SPS



**STATEMENT OF ASSETS AND LIABILITIES**
**(Rs. in crores)**

Particulars		As at	As at
		31.03.2020	31.03.2019
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, plant and equipment	2,064.81	28.19
	(b) Capital work-in-progress	10.57	17.04
	(c) Financial assets		
	(i) Investments	30.79	52.38
	(ii) Finance lease receivable	-	2,019.80
	(iii) Other financial assets	121.07	99.42
	(d) Current tax assets (net)	18.59	-
	(e) Other non-current assets	187.57	110.06
	<b>Total non-current assets</b>	<b>2,433.40</b>	<b>2,326.89</b>
2	<b>Current assets</b>		
	(a) Inventories	573.11	445.64
	(b) Financial assets		
	(i) Trade receivables	12.04	50.99
	(ii) Cash and cash equivalents	10.14	0.21
	(iii) Bank balances other than (ii) above	16.70	7.45
	(iv) Finance lease receivable	-	100.18
	(v) Loans	310.58	421.57
	(vi) Other financial assets	72.18	171.91
	(c) Other current assets	68.85	160.37
	<b>Total current assets</b>	<b>1,063.60</b>	<b>1,358.32</b>
	<b>TOTAL - ASSETS</b>	<b>3,497.00</b>	<b>3,685.21</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	(a) Equity share capital	931.90	931.90
	(b) Other equity	928.01	764.51
	<b>Total equity</b>	<b>1,859.91</b>	<b>1,696.41</b>
2	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	496.35	756.88
	(b) Deferred tax liabilities (net)	-	33.66
	(c) Provisions	4.04	3.18
	(d) Other non-current liabilities	-	334.73
	<b>Total non-current liabilities</b>	<b>500.39</b>	<b>1,128.45</b>
3	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	0.01	1.61
	(ii) Trade payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	0.45	-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises #	756.08	576.43
	(iii) Other financial liabilities	335.15	252.21
	(b) Other current liabilities	44.77	28.97
	(c) Provisions	0.24	0.16
	(d) Current tax liabilities (net)	-	0.97
	<b>Total-current liabilities</b>	<b>1,136.70</b>	<b>860.35</b>
	<b>Total liabilities</b>	<b>1,637.09</b>	<b>1,988.80</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,497.00</b>	<b>3,685.21</b>
	# includes acceptances		



**Notes :**

- 1 Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on that date using the modified retrospective method. On that date, the Company recognised a lease liability measured at the present value of the remaining lease payments using the lessee's incremental borrowing rate as at April 01, 2019, and corresponding Right of Use (ROU) asset measured at an amount equivalent to the lease liability, adjusted by the amount of prepaid lease payment. Therefore, there is no effect of adopting Ind AS 116 on retained earnings as at April 1, 2019, and comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. The above has resulted in recognition of Right-of-Use asset of Rs. 0.24 crores and the corresponding Lease liability of Rs. 0.24 crores as at April 01, 2019. The effect of this adoption is insignificant on the profit and earning per share for the year ended March 31, 2020.
- 2 The short term debt/ facilities of the Company continues to be rated at the highest level of "A1+" by CARE. Long term debt facilities/ NCD's have been revised to "CARE AA-" with Stable Outlook by CARE Ratings.
- 3 The listed non-convertible debentures of the Company aggregating to Rs. 300 crores as on March 31, 2020 are secured by way of charge on all movable and immovable property, plant and equipment both present and future of pellet project situated at Village Jui Bapuji, Taluka Alibaug, District Raigad, Maharashtra with minimum fixed assets cover of 1.25 times.

4 **Details of Secured Non-Convertible Debentures are as follow. (Rs. in crores)**

Non-Convertible Debentures	Nos.	Value	Previous payment due date		Next payment due date			
			Principal	Interest	Principal		Interest	
					Amount	Date	Amount	Date
Series I (8.65% NCD)	1200	120	-	10.02.2020	120	12.05.2020*	2.61	12.05.2020*
Series II (8.75% NCD)	1800	180	-	10.02.2020	180	10.02.2022	15.75	10.02.2021

\* Already Paid on 12th May 2020

- 5 The Company has only one business segment i.e. manufacturing of raw materials for steel products.
- 6 The pellet and coke supply agreements with the parent company have been modified with effect from September 30, 2019. The modifications, inter alia, reduces tenure with revised payment terms. The management has assessed the effect of the modifications, and concluded that had the modified terms been in effect at the inception of the agreements, the leases would have been classified as operating leases. Accordingly, the modifications have been accounted for as operating leases of the plants, and the carrying amounts of the plants have been recognised, and measured as the net investment in lease immediately before September 30, 2019.
- 7 Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective from 01 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax Rate') subject to certain conditions.  
 The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit. However, in accordance with the accounting standards, the Company has also evaluated the outstanding deferred tax liability and written back an amount to the extent of Rs.75 crores to the statement of Profit & Loss. This is arising from the remeasurement of deferred tax liability that is expected to reverse in future when the company would migrate to the new tax regime.
- 8 In terms of the disclosure requirement to comply with SEBI circular regarding Fund raising by issuance of Debt Securities by Large Entities, the Company has not raised any funds during the year through incremental borrowings with original maturity of more than one year."
- 9 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on May 14, 2020. The statutory auditors of the Company has conducted audit of the above audited financial results for the year ended March 31, 2020.
- 10 Pellet manufacturing facilities of the Company in Dolvi, Maharashtra were closed on March 24, 2020 following countrywide lockdown due to COVID-19 however the Coke manufacturing facilities remained operational throughout the March 2020 month. The Company has since obtained required permissions and restarted its Pellet and Coke manufacturing facilities partially on April 4, 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with management of parent company, vendors and service providers, the Company believes it would be able to serve the parent company orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. In view of take or pay agreement with the parent company for supply of pellets and coke, the Management does not foresee any material adverse impact of COVID-19 on its business.

SBS

Date: May 14, 2020  
 Place: Mumbai

For Amba River Coke Limited



Prem Pushkar Varma  
 Whole-time Director



14<sup>th</sup> May, 2020

**BSE Limited,**  
Phizore Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**Ref : Non-convertible Debentures –**  
**ISIN No : INE503N07015 / INE503N07023**  
**BSE Scrip Code – 955707 / 955708**

**Sub: Declaration pursuant to Regulation 52(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016**

Pursuant to Regulation 52(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016, we hereby declare that the Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountant (Firm Regn. No. 117366W/W-100018) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended 31<sup>st</sup> March, 2020.

Thanking you,

Yours Faithfully,  
For **Amba River Coke Limited**



**Prem Pushkar Varma**  
**Whole-time Director**