

Bhushan Steel (South) Limited
Un-audited Balance Sheet as at 31st March, 2020
(All amounts in Rupees except as otherwise stated)

Particulars	Notes	As at 31st March, 2020	As at 31st March 2019
I ASSETS			
(1) Non-current assets			
Financial assets			
Investments	2	200	200
Total Non-current Assets		<u>200</u>	<u>200</u>
(2) Current assets			
Financial assets			
Cash and cash equivalents	3	21,463	21,640
Other Current Assets	4	-	-
Total current Assets		<u>21,463</u>	<u>21,640</u>
Total Assets		<u>21,663</u>	<u>21,840</u>
II EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	5	5,00,000	5,00,000
Other Equity	6.	(1,06,38,412)	(1,06,00,425)
Total Equity		<u>(1,01,38,412)</u>	<u>(1,01,00,425)</u>
(2) LIABILITIES			
(a) Current liabilities			
Financial liabilities			
(i) Borrowings	7	1,00,00,000	1,00,00,000
(ii) Other Financial Liabilities	8	1,60,075	1,22,265
Total Current Liabilities		<u>1,01,60,075</u>	<u>1,01,22,265</u>
Total Equity and Liabilities		<u>21,663</u>	<u>21,840</u>

Notes & Significant Accounting Policies

1 to 19

For and on behalf of board of directors

SANJIB NANDA
DIRECTOR
(DIN : 01045306)

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Place: New Delhi
Dated:

Bhushan Steel (South) Limited**Un-audited Statement of Profit and Loss for the year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

Particulars	Notes	For the Year ended 31st March, 2020	For the Year ended 31st March 2019
I REVENUE			
Revenue from operations		-	-
Other income		-	-
Total Revenue (I)		-	-
II EXPENSES			
Other expenses	9	37,987	60,181
Total expenses (II)		37,987	60,181
III Profit before exceptional items and tax (I-II)		(37,987)	(60,181)
IV Exceptional Items			
V Profit/(loss) before tax (III-IV)		(37,987)	(60,181)
VI Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
VII Profit (Loss) for the Year (V-VI)		(37,987)	(60,181)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income (VII+VIII)		(37,987)	(60,181)
Earnings per equity share	10		
(1) Basic earnings per share		-0.76	-1.20
(2) Diluted earnings per share		-0.76	-1.20
Notes & Significant Accounting Policies	1 to 19		

For and on behalf of board of directors

SANJIB NANDA
DIRECTOR
(DIN : 01045306)RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)Place: New Delhi
Dated:

Bhushan Steel (South) Limited
Un-audited Statement of Change in Equity for the Year ended 31st March, 2020
(All amounts in Rupees except as otherwise stated)

(a) Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	No of Shares	Share Capital
At 1 April 2019	50,000	5,00,000
At 31st March, 2020	50,000	5,00,000
At 1 April 2018	50,000	5,00,000
At 31 March 2019	50,000	5,00,000

(b) Other equity

Particulars	Reserves and surplus	Items of Other Comprehensive Income	Total
	Retained Earning		
	Note 5	Note 5	
As at April 01, 2018	(1,05,40,244)	-	(1,05,40,244)
Profit for the period	(60,181)	-	(60,181)
Other Comprehensive Income			-
Total Comprehensive Income	(60,181)	-	(60,181)
Cash Dividend		-	-
Redemption premium		-	-
Dividend distribution tax		-	-
Transfer to general reserve		-	-
At March 31, 2019	(1,06,00,425)	-	(1,06,00,425)
Profit for the period	(37,987)		(37,987)
Other Comprehensive Income			-
Total Comprehensive Income	(37,987)	-	(37,987)
Cash Dividend		-	-
Dividend distribution tax		-	-
Transfer to general reserve		-	-
At March 31, 2020	(1,06,38,412)	-	(1,06,38,412)
Notes & Significant Accounting Policies	1 to 19		

For and on behalf of board of directors

SANJIB NANDA
DIRECTOR
(DIN : 01045306)

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Place: New Delhi
Dated:

Bhushan Steel (South) Limited
Un-audited Statement of Cash Flow for the Year ended 31st March, 2020
(All amounts in Rupees except as otherwise stated)

Particulars	Notes	For the Year ended 31st March, 2020	For the Year ended 31st March 2019
A Cash Flow from Operating Activities			
1 Profit Before Tax			
Profit before tax from continuing operations		(37,987)	(60,181)
2 Adjustments for :			
3 Operating Profit before Working Capital Changes (1+2)		<u>(37,987)</u>	<u>(60,181)</u>
4 Change in Working Capital: (Excluding Cash & Bank Balances)			
Trade and Other Payables		37,810	59,060
Loans & Advances		-	-
Change in Working Capital		<u>37,810</u>	<u>59,060</u>
5 Cash Generated From Operations (3+4)		<u>(177)</u>	<u>(1,121)</u>
6 Less : Taxes paid			
7 Net Cash Flow from Operating Activities (5-6)		<u>(177)</u>	<u>(1,121)</u>
B Cash Flow from Investing Activities:			
Purchase of Investments		-	-
Net Cash Generated/(Used) in Investing Activities:		<u>-</u>	<u>-</u>
C Net Cash Flow From Financing Activities:			
Net Cash Generated/(Used) from Financing Activities:		<u>-</u>	<u>-</u>
D Net Change in Cash & cash equivalents (A+B+C)		<u>(177)</u>	<u>(1,121)</u>
E - 1 Cash & cash equivalents as at end of the Year		21,463	21,640
E - 2 Cash & cash equivalents as at the beginning of Year		21,640	22,761
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		<u>(177)</u>	<u>(1,121)</u>
Cash & cash equivalents comprises:-			
Bank Balances - Current account		20,520	20,697
Cheques, Drafts in hand			
Cash Balances, Including Imprest		943	943
Cash credit/ Bank overdraft			
		<u>21,463</u>	<u>21,640</u>
Reconciliation of cash and cash equivalents			
Cash & cash equivalents as per statement of cash flows		21,463	21,640
Adjustment: Cash credit/ Bank overdraft		-	-
Cash & cash equivalents as per Balance sheet		<u>21,463</u>	<u>21,640</u>

Notes & Significant Accounting Policies

1 to 19

For and on behalf of board of directors

SANJIB NANDA
DIRECTOR
(DIN : 01045306)

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Place: New Delhi
Dated:

Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

2 Financial assets

Particulars	Non Current	
	As at	As at
	31st March, 2020	31st March 2019

Investments Investments carried at fair value through other comprehensive income:**Investment in Equity Instruments**

Bhushan Steel (Orissa) Limited - 10 (31 March, 2019 10) equity shares of INR 10 each fully paid up. - Unquoted	100	100
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Bhushan Steel Madhya Bharat Limited - 10 (31 March, 2019 10) equity shares of INR 10 each fully paid up. - Unquoted	100	100
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Total Investments	200	200
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Aggregate amount of unquoted investments	200	200
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Aggregate amount of impairment in value of investments	-	-
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Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

3 Cash and cash equivalents

Particulars	As at	As at
	31st March, 2020	31st March 2019
a) Balance with banks		
- In current accounts	20,520	20,697
b) Cash on hand	943	943
	<u>21,463</u>	<u>21,640</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at	As at
	31st March, 2020	31st March 2019
a) Balance with banks		
- In current accounts	20,520	20,697
b) Cash on hand	943	943
	<u>21,463</u>	<u>21,640</u>

4 Other Current Assets

Particulars	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2020	31st March 2019	31st March, 2020	31st March 2019

Advances at amortised cost**Advances recoverable****From Others**

Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful*	-	-	75,00,000	75,00,000
Less:- Provision on doubtful Advances			(75,00,000)	(75,00,000)
Total Advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

* A sum of Rs.75 Lakhs was an advance given in earlier years, the repayment of which received in last year could not be realised and full amount has been provided for as doubtful of Recovery.

Bhushan Steel (South) Limited
Notes to the Financial Statements for the Year ended 31st March, 2020
(All amounts in Rupees except as otherwise stated)

5 Share Capital

Particulars	As at	As at
	31st March, 2020	31st March 2019

a) Authorised Share Capital

i) Equity share capital 1,00,000 (March 31, 2019: 1,00,000) equity shares of Rs. 10/- each	10,00,000	10,00,000
Total	10,00,000	10,00,000

b) Issued capital

Equity share capital 50,000 (March 31, 2019: 50,000) equity shares of Rs. 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

c) Subscribed and paid up capital

Equity share capital 50,000 (March 31, 2019: 50,000) equity shares of Rs. 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

d) Reconciliation of number of shares outstanding and the amount of share capital

i) Equity share capital

Particulars	As at		As at	
	31st March, 2020		31st March 2019	
	Number of shares	Amount (In Rupees)	Number of shares	Amount (In Rupees)
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

e) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity share having a par value of INR 10/- each per share. Each shareholder is eligible for one vote for every share held and are entitled to dividend declared from time to time.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

f) Details of the Shareholders holding more than 5% share in the Company

Particulars	As at		As at	
	31st March, 2020		31st March 2019	
	Number of shares held	% of holding	Number of shares held	% of holding

Equity shares of INR 10/- each fully paid up

Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)*	50,000	100.00%	50,000	100.00%
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*Including Nominees Shares

Bhushan Steel (South) Limited

Notes to the Financial Statements for the Year ended 31st March, 2020

(All amounts in Rupees except as otherwise stated)

6. Other Equity

Particulars	Amount
Retained earnings	
At 01 April 2018	(1,05,40,244)
Profit/(loss) during the period	(60,181)
At 31 March 2019	(1,06,00,425)
Profit/(loss) during the period	(37,987)
Closing balance	(1,06,38,412)

Bhushan Steel (South) Limited
Notes to the Financial Statements for the Year ended 31st March, 2020
(All amounts in Rupees except as otherwise stated)

7 Financial liabilities

Current borrowings

Particulars	Current	
	As at	As at
	31st March, 2020	31st March 2019
10% Non Cumulative, Redeemable Preference	1,00,00,000	1,00,00,000
Total current borrowings	<u>1,00,00,000</u>	<u>1,00,00,000</u>

Terms/ Rights attached to Preference Shares

- The Company has only one class of preference shares i.e. 10% Non Cumulative, Redeemable Preference Shares having a par value of ₹ 10/-.
- The said preference shares shall be redeemed at par on or before the expiry of ten years from the date of allotment i.e. 8th May 2013.
- The holder of the preference shares or the Board/ Company have the option after one year from the date of allotment to redeem the preference shares at any time prior to their maturity provided one month notice showing the intention regarding the redemption of the preference shares is given.
- The preference shares shall be non-convertible and shall not carry any voting rights.

e. Reconciliation of number of shares outstanding and the amount of share capital

Preference share capital

Particulars	As at		As at	
	31st March, 2020		31st March 2019	
	Number of shares	Amount (In Rupees)	Number of shares	Amount (In Rupees)
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>10,00,000</u>	<u>1,00,00,000</u>	<u>10,00,000</u>	<u>1,00,00,000</u>

f. Details of the Preference Shareholders holding more than 5% share in the Company

Particulars	As at		As at	
	31st March, 2020		31st March 2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of INR 10/- each fully paid up				
Bhushan Energy Ltd	5,00,000	50.00%	5,00,000	50.00%
Bhushan Infrastructure Private Ltd	5,00,000	50.00%	5,00,000	50.00%

8 Other Financial Liabilities

Particulars	Current	
	As at	As at
	31st March, 2020	31st March 2019
Creditor for other liabilities		
Dues of Micro, Small and Medium Enterprises	-	-
Dues to others	1,60,075	1,22,265
	<u>1,60,075</u>	<u>1,22,265</u>

Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

9 Other Expenses

Particulars	For the year ended	For the year ended
	31st March, 2020	31st March 2019
Rates and taxes	3,000	12,600
Legal and professional charges	17,110	28,480
Payment to Auditors:		
Statutory Audit fees	17,700	17,700
Bank Charges	177	1,401
Total	37,987	60,181

Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

10 Earning per share

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31st March, 2020	As at 31st March 2019
Profit attributable to equity holders for basic earnings	(37,987)	(60,181)
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	(37,987)	(60,181)
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	50,000	50,000

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Earning Per Share

Basic	-0.76	-1.20
Diluted	-0.76	-1.20

Bhushan Steel (South) Limited

Notes to the Financial Statements for the Year ended 31st March, 2020

(All amounts in Rupees except as otherwise stated)

11 Employee benefits

There is no employee, hence no provision is required for retirement benefits.

12 Dues to Micro, Small and Medium Enterprises

To the extent of information available with the company, no amount is due under Micro, Small and Medium Enterprises Development Act 2006.

13 Related party disclosures

Names of related parties and description of relationship

A Relationship

i) Holding Company

Tata Steel BSL Limited (Formerly Known as Bhushan Steel Limited)

ii) Fellow Subsidiary

Bhushan Steel Australia Pty Ltd

Bowen Energy Ltd.

Bowen Coal Pty Ltd

Bowen Consolidated Pty Ltd.

Bhushan Steel Madhya Bharat Ltd

Bhushan Steel (Orissa) Ltd

Angul Energy Limited (Formerly known as Bhushan Energy Ltd.)

iii) Enterprises over which KMP & their relatives are able to exercise significant influence

Bhushan Infrastructure Private Limited

B There are no related party transactions as identified by the company during the period and relied upon by the auditors. There are no dues payable or recoverable from related parties as at 31st March, 2020 or at any time during the period.

Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

14 Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGEMENTS

In the process of applying the company's accounting policies, management has made judgements, which may have significant effect on the amounts recognised in the financial statements.

Measurement of Preference Shares

The Company had issued 10% Con-Cumulative Redeemable Preference Shares in May 2013. These instruments have been classified as borrowings since they entitle the Company as well as the holder of the instrument to call or put the instrument for redemption at one month notice at par value. The Company has considered such an instrument as borrowings without any equity component attached to it since such instruments are redeemable at the option of the holder of the instrument at par value, being the maximum amount Company is obliged to pay in view of guidance in Ind AS 109 and Ind AS 32.

ESTIMATES AND ASSUMPTIONS

Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur. The company has not made any major estimates and assumptions which may affect the carrying amounts of assets and liabilities in future periods.

15 Financial Instruments & Financial risk management objectives and policies

Categories of Financial Instruments

	As at 31st March, 2020	As at 31st March 2019
Financial assets		
Investments	200	200
Cash and cash equivalents	21,463	21,640
Loans	-	-
	21,663	21,840
Financial liabilities		
Borrowings	1,00,00,000	1,00,00,000
Other Financial Liabilities	1,60,075	1,22,265
	1,01,60,075	1,01,22,265

Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

A. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Period ended 31st March, 2020

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	1,00,00,000*	-	1,60,075	-	-	1,60,075

Year ended 31st March, 2019

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	1,00,00,000*	-	1,22,265	-	-	1,22,265

*represents preference shares redeemable at par at the option of the Company or holder of instrument. Refer Note No.6.

C. Market Risk

a. Interest rate risk

The Company has not borrowed or lent any funds. Therefore exposure to interest rate risk is insignificant.

b. Foreign currency risk

The Company has no outstanding exposure in foreign currency at the end of the reporting period. Therefore exposure to foreign currency risk is insignificant.

c. Price risk

The Company has insignificant risk from changes in commodities prices or equity prices considering the amount of investment.

Bhushan Steel (South) Limited**Notes to the Financial Statements for the Year ended 31st March, 2020**

(All amounts in Rupees except as otherwise stated)

16 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	At 31st March, 2020	At 31 March, 2019
Borrowings (preference share capital)	1,00,00,000	1,00,00,000
Trade and other payables	1,60,075	1,22,265
Less: Cash and short term deposits	21,463	21,640
Net debts	1,01,38,612	1,01,00,625
Equity	5,00,000	5,00,000
Other Equity	(1,06,38,412)	(1,06,00,425)
Total Capital	(1,01,38,412)	(1,01,00,425)
Capital and net debt	200	200
Gearing ratio (%)	5069306.00%	5050312.50%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31 March, 2019.

17 Fair value measurement

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation. The management assessed fair value of cash and cash equivalents and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Particulars	Measured At	Level of Input	As at	
			31st March, 2020	31st March 2019
Financial assets				
Investments	FVTOCI	Level III	200	200
Cash and cash equivalents	Amortised Cost	-	21,463	21,640
Loans	Amortised Cost	-	-	-
			21,663	21,840
Financial liabilities				
Borrowings	Amortised Cost	-	1,00,00,000	1,00,00,000
Other Financial Liabilities	Amortised Cost	-	1,60,075	1,22,265
			1,01,60,075	1,01,22,265

18 Contingent Liabilities & Capital Commitments

There are no contingent liabilities or obligation towards capital contributions as at 31st March, 2020.

19 Previous year figures have been regrouped/rearranged wherever necessary to make them comparable in line with current period figures.

For and on behalf of board of directors

SANJIB NANDA
DIRECTOR
(DIN : 01045306)

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Place: New Delhi
Dated:

Bhushan Steel (South) Limited
Notes to Financial Statements

Note 1

A) Company Information

Bhushan Steel (South) Limited (“The Company”) is a public limited company incorporated in India under the provisions of Companies Act. The address of registered office is The Mire Corporate Suites, Ground Floor, Block A & O, Old Ishwar Nagar, New Delhi-110065 India. The Principal activities of the company as per the Memorandum and Article of Association are to establish various types of Steel plants. The Company is a subsidiary of Tata Steel BSL Limited.

The financial statements for the year ended March 31, 2020 were approved by the Boards of Directors.

B) Significant Accounting Policies

I) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013

II) Basis of preparation

The financial statements have been prepared on a historical cost basis, except certain assets and liabilities measured at fair value, wherever applicable.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Ind AS 1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in Rs. and all values are rounded to the nearest Rs., except when otherwise indicated.

III) Use of estimates and judgements

The preparation of financial statements in conformity with IND AS requires the management to make judgements, estimates and assumptions that effect the reported

amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

IV) Revenue recognition

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

The following specific revenue recognition criteria must also be met before revenue is recognized:

Dividends

Dividend on Investments is accounted for as and when the right to receive the same is established.

Interest

Interest Income is recognised on accrual basis.

V) Property, Plant and Equipment

Tangible assets (except freehold land which is carried at cost) are carried at cost of acquisition or construction in the year of capitalization less accumulated depreciation and accumulated impairment losses, if any. The cost comprises its purchase price, including import duties, directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualifying asset over the period upto the date the asset is ready to commence commercial production in the manner intended by management and initial estimated costs of dismantling, removing the item and restoring the site on which it is located, if any. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable tangible assets are capitalized.

Depreciation on property, plant and equipment (Fixed Assets) is provided to the extent of Depreciable amount on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Individual assets costing Rs. 5,000/- or less are depreciated in full, in the year of purchase. Depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets. Depreciation includes multiple shift allowance where applicable.

VI) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

VII) Borrowing Costs

Interest and other costs in connection with borrowing of funds to the extent related / attributed to the acquisition / construction of qualifying assets are capitalised upto the date when such assets are ready for its intended use and other borrowing cost are charged to statement of profit and loss.

VIII) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

IX) Provision and contingent liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in the financial statements unless possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Show cause notices issued by various Government Authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company then these are classified as possible obligation based on judgements of the management after due consideration of the facts and circumstances.

X) Employee Benefits

Provision of retirement benefits is made as and when the employees become entitled to such benefits.

XI) Income taxes

Income tax comprises current and deferred tax.

Current income tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the company intends to settle the assets and liabilities on a net basis

Deferred taxes

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.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets & liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

XII) Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its common equity shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common equity

shares outstanding, for the effects of all dilutive potential common shares from the conversion of the convertible debentures.

XIII) Financial Instruments

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

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

i. Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii. Subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

At Amortised Cost

Financial assets are subsequently measured at amortised cost using the Effective Interest Rate method (EIR) if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to bank deposits, loans and other financial assets.

At fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at FVTOCI on initial recognition.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. In balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of financial assets.

Derecognition

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method except those measured at FVTPL.

Financial liabilities are measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category applies to trade and other payables.

Financial liabilities that arise when a transfer of a financial asset does not qualify of derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the company are measured at FVTPL.

XIV) Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

XV) Accounting standards or amendments in the accounting standards adopted on/from April 1, 2019:

Ind AS 116, Leases:

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases which has replaced Ind-AS 17 "Leases". This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

Adoption of this standard have no impact on the financial statements of the Company as there is no lease as per Ind AS 116 in the company

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes - "Uncertainty over Income Tax Treatments". This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under Ind-AS 12. The Company adopted the following amendments which did not have any material impact on the financial statements of the Company.

Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that 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 recognized those past transactions or events in accordance with Ind-AS 109. The Company adopted the following amendments which did not have any impact on the financial statements of the Company.

Further on March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company adopted the following amendments which did not have any impact on the financial statements of the Company.

Further on March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company adopted the following amendments which did not have any material impact on the financial statements of the Company.

There is no recent accounting pronouncements effective for annual periods beginning on or after April 1, 2020 on the date of signing of financial statement.