

Bhushan Steel (South) Limited
FINANCIAL STATEMENTS
for the year ended March 31, 2022



TABLE OF CONTENTS

| | Page no. |
|---|-----------------|
| <i>BALANCE SHEET as at March 31, 2022</i> | 3 |
| <i>STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2022</i> | 4 |
| <i>STATEMENT OF CHANGES IN EQUITY</i> | 5 |
| <i>STATEMENT OF CASH FLOWS</i> | 6 |
| <i>NOTES FORMING PART OF FINANCIAL STATEMENTS</i> | 7-26 |

INDEPENDENT AUDITOR'S REPORT

To the Members of Bhushan Steel (South) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bhushan Steel (South) Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Reporting of Key audit matters are not applicable on the Company being unlisted entity.



Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statements 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.

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



Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) The Company has not paid any remuneration to its directors during the year, therefore no compliance under section 197 read with Schedule V of the Act is required;
- (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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

Date: April 27, 2022
Place: Noida (Delhi – NCR)



For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E


Bimal Kumar Sipani
Partner

Membership No. 088926
UDIN : 22088926AHWMPN5084

Annexure A to Independent Auditor's Report of even date to the members of Bhushan Steel (South) Limited on the financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)

- (i) The Company has no property, plant & equipment and intangible assets. Therefore, the provisions of clause 3(i) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) The Company has no transaction with respect to loan, investment, guarantee and security covered under section 185 and 186 of the Companies Act, 2013 during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1) of the Act read with companies (Cost Records and Audit) Rules, 2014, as amended for the services provided by the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute.
- (viii) According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

- (ix) a. The Company did not have any outstanding loan or borrowing. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.
- b. According to information and explanations given by the management, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- c. The Company has not obtained term loans during the year. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.
- d. The Company has not raised funds on short term basis during the year. Therefore, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.
- e. The Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f. The Company has not raised any loan during the year. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.
- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. We have not come across any instance of fraud, therefore report under sub-section 12 of section 143 of the Companies Act, 2013 is not required to be filed by us in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) As per records of the Company examined by us, the Company has not entered into any transactions with the related parties which is required to be disclosed by the applicable Indian Accounting Standards in the financial statements.
- (xiv) In our opinion and based on our examination, the Company does not have internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.



- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, the Group has 6 CIC as part of the Group.
- (xvii) The Company has incurred cash losses ₹ 2.28 Lakhs in the current financial year and ₹ 2.82 Lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) The Company is not required to spent any amount under section 135 of the Companies Act, 2013 towards Corporate Social Responsibility. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.
- (xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

Date: April 27, 2022
Place: Noida (Delhi – NCR)



For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner

Membership No. 088926
UDIN : 22088926AHWMPN5084

Annexure B to Independent Auditor's Report of even date to the members of Bhushan Steel (South) Limited on the financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)

We have audited the internal financial controls with reference to financial statements of Bhushan Steel (South) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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



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

Meaning of Internal Financial Controls with reference to financial statements

A Company's Internal Financial Controls with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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.

Date: April 27, 2022
Place: Noida (Delhi – NCR)



For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E


Bimal Kumar Sipani
Partner

Membership No. 088926
UDIN : 22088926AHWMPN5084

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| I Non-current assets | | | |
| (a) Financial assets | | | |
| (i) Investments | 2 | 0.00 | 0.00 |
| Total non-current assets | | 0.00 | 0.00 |
| II Current assets | | | |
| (a) Financial assets | | | |
| (i) Cash and cash equivalents | 3 | 22.96 | 125.21 |
| (b) Other Current assets | 4 | 0.10 | - |
| Total current assets | | 23.06 | 125.21 |
| Total assets | | 23.06 | 125.21 |
| EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 5 | 130.00 | 130.00 |
| (b) Other equity | 6 | (111.48) | (109.20) |
| Total Equity | | 18.52 | 20.80 |
| II Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 7 | - | 100.00 |
| (b) Other current liabilities | 8 | 4.54 | 4.41 |
| Total current liabilities | | 4.54 | 104.41 |
| Total equity and liabilities | | 23.06 | 125.21 |
| The accompanying notes are forming part of financial statements | 1-21 | | |

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E


Bimal Kumar Sipani

Partner
Membership No. 088926

Place: Noida (Delhi - NCR)
Date: April 27, 2022



For and on behalf of the Board of Directors



SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place : Mumbai



RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place : Kolkata

BHUSHAN STEEL (SOUTH) LIMITED
STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2022


(₹ in Lakhs)

| Particulars | Note | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|------|--------------------------------------|--------------------------------------|
| I Revenue | | | |
| (a) Other Income | 9 | - | 0.88 |
| Total income | | - | 0.88 |
| II Expenses: | | | |
| (a) Other expenses | 10 | 2.28 | 3.70 |
| Total expenses | | 2.28 | 3.70 |
| III Profit/(Loss) before exceptional items and tax (I-II) | | (2.28) | (2.82) |
| IV Exceptional items | | - | - |
| V Profit/(loss) before tax (III+IV) | | (2.28) | (2.82) |
| VI Tax expense: | | | |
| (a) Current tax | | - | - |
| (b) Deferred tax | | - | - |
| Total tax expense | | - | - |
| VII Profit/ (loss) for the period (V-VI) | | (2.28) | (2.82) |
| VIII Other comprehensive income | | | |
| (a) (i) Items that will not be reclassified to profit or loss | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| (b) (i) Items that will be reclassified to profit and loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total other comprehensive income | | - | - |
| IX Total comprehensive income for the period (VII+VIII) | | (2.28) | (2.82) |
| X Earnings per share (not annualized) [having face value of ₹ 10 each] | | | |
| Basic (₹) | 11 | (0.18) | (2.13) |
| Diluted (₹) | 11 | (0.18) | (2.13) |
| The accompanying notes are forming part of the financial statements | 1-21 | | |

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E



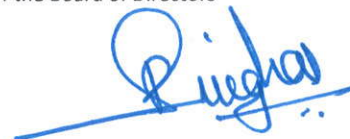

Bimal Kumar Sipani
Partner
Membership No. 088926

Place: Noida (Delhi - NCR)
Date: April 27, 2022

For and on behalf of the Board of Directors



SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place : Mumbai



RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place : Kolkata

BHUSHAN STEEL (SOUTH) LIMITED
CASH FLOW STATEMENT for the year ended March 31, 2022

(₹ in Lakhs)


| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| (A) CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit/(loss) after taxes | (2.28) | (2.82) |
| Adjustments for: | | |
| Depreciation and amortisation expenses | - | - |
| Operating cash flows before working capital changes | (2.28) | (2.82) |
| Change in Working Capital: | | |
| Trade & Other Receivables | (0.10) | - |
| Trade and Other Payables | 0.13 | 2.81 |
| Provisions | - | - |
| | 0.03 | 2.81 |
| Cash generated from operations | (2.24) | (0.01) |
| Direct taxes paid | - | - |
| Net cash generated from operating activities | (2.24) | (0.01) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Intangible Assets | - | - |
| Net cash generated in Investing Activities | - | - |
| (C) CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from issue of Equity share capital | | 125.00 |
| Redemption of Preference shares | (100.00) | (100.00) |
| Net cash generated/(used) in Financing Activities | (100.00) | 125.00 |
| Net (decrease)/increase in Cash and Cash Equivalents (A+B+C) | (102.24) | 124.99 |
| Opening Cash and Cash Equivalents | 125.21 | 0.21 |
| Closing Cash and Cash Equivalents (Refer note no 3) | 22.96 | 125.21 |

The accompanying notes are forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E


Bimal Kumar Sipani
Partner
Membership No. 088926



Place: Noida (Delhi - NCR)
Date: April 27, 2022


SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place : Mumbai


RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place : Kolkata

BHUSHAN STEEL (SOUTH) LIMITED
STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

| | Balance as at March 31, 2021 | Changes in accounting policy or prior period errors | Restated balance at the beginning of the year | Changes during the year | Balance as at March 31, 2022 |
|--|---------------------------------|---|---|----------------------------|---------------------------------|
| Equity Shares of ₹ 10 each issued, subscribed and fully paid | 130.00 | - | 130.00 | - | 130.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | Balance as at March 31, 2020 | Changes in accounting policy or prior period errors | Restated balance at the beginning of the year | Changes during the year | Balance as at March 31, 2021 |
|--|---------------------------------|---|---|----------------------------|---------------------------------|
| Equity Shares of ₹ 10 each issued, subscribed and fully paid | 5.00 | - | 5.00 | 125.00 | 130.00 |

B. OTHER EQUITY

| | Reserves and Surplus | Items of Other Comprehensive Income | Total Equity |
|---|----------------------|---|-----------------|
| Balance as at March 31, 2020 | (106.38) | - | (106.38) |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | (106.38) | - | (106.38) |
| Profit for the year | (2.82) | - | (2.82) |
| Transfers | - | - | - |
| Other comprehensive income for the year | - | - | - |
| Balance as at March 31, 2021 | (109.20) | - | (109.20) |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the year | (109.20) | - | (109.20) |
| Profit for the year | (2.28) | - | (2.28) |
| Transfers | - | - | - |
| Other comprehensive income for the year | - | - | - |
| Balance as at March 31, 2022 | (111.48) | - | (111.48) |

The accompanying notes are forming part of the financial statements

As per our report of even date attached
For Singh & Co.
Chartered Accountants
Firm Reg. No. 302049E



Bimal Kumar Sipani
Partner
Membership No. C88926

Place: Noida (Delhi - NCR)
Date: April 27, 2022

For and on behalf of the Board of Directors

Sanjib Nanda
SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place : Mumbai

Rajeev Singhal
RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place : Kolkata

BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

1. Corporate information

Bhushan Steel (South) Ltd ("the Company") is a public limited company incorporated in India under the provisions of Companies Act. The address of registered office is The Mira Corporate Suites, Ground Floor, Block A & O, Old Ishwar Nagar, New Delhi - 110065 India. The company is a subsidiary of Tata Steel Limited.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended time to time.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- (a) Certain assets and liabilities that are required to be carried at fairvalues by Indian Accounting Standards (Ind AS); and
- (b) Defined benefit liabilities / (assets): Present value of defined benefit obligation less fair value of plan assets.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

These financial statements for the year ended March 31, 2022 were approved by the Board of Directors and approved for issue on April 27, 2022.

2. Summary of significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset / liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle, as explained in Schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.

b. Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

c. Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided on straight line method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less.

d. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

e. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

f. 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

g. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in OCI or statement of profit or loss, respectively).

h. Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets is offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised. Deferred tax liabilities are generally recognised for all the temporary differences.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

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

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

i. Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance is made in accordance with the Statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.



(12)

BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

j. Leases

Company as a lessee

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

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract. Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

k. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

i. Earnings per share

Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

o. Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

p. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment and geographical segment.

r. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments** - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

iii. **Financial assets at fair value through Profit & Loss (FVTPL)**

Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

s. Compound Financial Instrument

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

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 for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets: A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Derivative financial instruments: In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Non-derivative financial liabilities



BHUSHAN STEEL (SOUTH) LTD

CIN: U27100DL2010PLC202027

Notes to the Financial Statements for the year ended March 31, 2022

Subsequent measurement: Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

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

Offsetting of financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- ii. **Ind AS 16 – Proceeds before intended use** -The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.



FINANCIAL ASSETS

2. INVESTMENTS

NON-CURRENT

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (₹ in Lakhs) | | |
| Investment carried at fair value through other comprehensive income | | |
| a. Investments in ordinary shares (unquoted) | | |
| Bhushan Steel (Orissa) Limited - 10 (31 March, 2021 10) equity shares of ₹ 10 each fully paid up (March 31, 2021: ₹ 10/- each) | 0.00 | 0.00 |
| Bhushan Steel Madhya Bharat Limited - 10 (31 March, 2021 10) equity shares of ₹ 10 each fully paid up (March 31, 2021: ₹ 10/- each) | 0.00 | 0.00 |
| | 0.00 | 0.00 |
| Other disclosures | | |
| Aggregate value of unquoted investments | 0.00 | 0.00 |
| Aggregate value of impairment in value of unquoted investments | 0.00 | 0.00 |

3. CASH AND CASH EQUIVALENTS

CURRENT

| | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (₹ in Lakhs) | | |
| (a) Cash in hand | 0.01 | 0.01 |
| (b) Balance with banks | | |
| - In current accounts | 22.95 | 125.20 |
| - Deposit with original maturity less than three months | - | - |
| | 22.96 | 125.21 |

4. OTHER CURRENT ASSETS

CURRENT

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| (₹ in Lakhs) | | |
| (Unsecured, considered good) | | |
| (a) Advance Recoverable | | |
| Unsecured, considered doubtful* | 75.00 | 75.00 |
| Less:- Provision on doubtful Advances | (75.00) | (75.00) |
| (b) Prepaid Expenses | - | - |
| (c) Others | 0.10 | - |
| | 0.10 | - |

* A sum of ₹ 75 Lakhs was advance given in earlier years, the repayment due thereafter could not be realised and consequently full amount was provided for as doubtful of recovery.



5. EQUITY SHARE CAPITAL

| | As at | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| a) Authorised: | | |
| 20,00,000 (March 31, 2021: 20,00,000) equity shares of ₹ 10/- each (March 31, 2021: ₹ 10/- each) | 200.00 | 200.00 |
| | 200.00 | 200.00 |
| b) Issued, Subscribed and Paid-up: | | |
| 13,00,000 (March 31, 2021: 13,00,000) equity shares of ₹ 10/- each (March 31, 2021: ₹ 10/- each) | 130.00 | 130.00 |
| | 130.00 | 130.00 |

1) In previous year, pursuant to the applicable provisions of Companies Act, 2013, and with the consent of the members taken through resolution passed in Annual General Meeting held on December 29, 2020, the company had increased its authorised equity share capital from the then existing ₹ 10 lakhs (divided into 1 lakh equity shares of ₹ 10 each) to ₹ 200 lakhs (divided into 2 lakh equity shares of ₹ 10 each).

2) During the previous year, the company had issued equity shares of ₹ 125 lakhs (12.50 lakhs equity shares of face value of ₹ 10 each) on right basis to Tata Steel BSL Limited. The shares were allotted post resolution passed by circulation of board of directors on March 8, 2021.

c) Reconciliation of number of shares outstanding at the beginning and at the end of the period

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Number of shares | Amount (₹ in Lakhs) | Number of shares | Amount (₹ in Lakhs) |
| Shares outstanding at the beginning of the period | 13,00,000 | 130.00 | 50,000 | 5.00 |
| Shares issued during the period | - | - | 12,50,000 | 125.00 |
| Shares bought back / cancelled during the period | - | - | - | - |
| Shares outstanding at the end of the period | 13,00,000 | 130.00 | 13,00,000 | 130.00 |

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

The Company has only one class of equity share having a par value of ₹ 10/- each (March 31, 2021: ₹ 10/- each). 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.

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Tata Steel Limited (formerly known as Tata Steel BSL Limited) * | 13,00,000 | 100.00% | 13,00,000 | 100.00% |
| (Holding company) | - | - | - | - |
| Total | 13,00,000 | 100.00% | 13,00,000 | 100.00% |

*Including Nominees Shares

f) Details of the Promoters Equity Shareholding

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Tata Steel Limited ("Holding Company") | 13,00,000 | 100.00% | 13,00,000 | 100.00% |

Note: There is no change in % of shareholding of promoters during the current year and previous year.

6. OTHER EQUITY

| | As at | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Retained earnings | | |
| Balance as at the beginning of the period | (109.20) | (106.38) |
| Profit/(loss) for the period | (2.28) | (2.82) |
| Other Comprehensive Income for the period | - | - |
| Balance as at the end of the period | (111.48) | (109.20) |



(f) Retained earnings - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders including tax thereon, if any, and can be utilised as per the Companies Act, 2013

FINANCIAL LIABILITIES

7. BORROWINGS

CURRENT

| | (₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 10% Non Cumulative, Redeemable Preference Shares | - | 100.00 |
| | - | 100.00 |

Terms/ Rights attached to Preference Shares

- a) The Company has only one class of preference shares i.e. 10% Non Cumulative, Redeemable Preference Shares having a par value of ₹ 10/-.
b) During the year, the Company has redeemed preference shares at par.

d) Reconciliation of number of shares outstanding at the beginning and at the end of the period

Preference share capital

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | Number of shares | Amount (₹ in Lakhs) | Number of shares | Amount (₹ in Lakhs) |
| Shares outstanding at the beginning of the period | 10,00,000 | 100.00 | 10,00,000 | 100.00 |
| Shares issued during the period | - | - | - | - |
| Shares redeemed during the period | 10,00,000 | 100.00 | - | - |
| Shares outstanding at the end of the period | - | - | 10,00,000 | 100.00 |

e) Details of the preference shareholders holding more than 5% share in the Company

Preference shares of ₹ 10/- each fully paid up

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|--------------------------|--------------|-------------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Angul Energy Limited (formerly Bhushan Energy Limited) | - | - | 5,00,000 | 50.00% |
| Bhushan Infrastructure Private Limited | - | - | 5,00,000 | 50.00% |
| Total | - | - | 10,00,000 | 100% |

8. OTHER CURRENT LIABILITIES

CURRENT

| | (₹ in Lakhs) | |
|-------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (a) TDS Payable | 0.41 | 0.06 |
| (b) Other Payable | 4.13 | 4.35 |
| | 4.54 | 4.41 |



BHUSHAN STEEL (SOUTH) LIMITED
NOTES TO FINANCIAL STATEMENTS

9. OTHER INCOME

| | | (₹ in Lakhs) |
|----------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Miscellaneous Income | - | 0.88 |
| | - | 0.88 |

10. OTHER EXPENSES

| | | (₹ in Lakhs) |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (a) Rates and taxes | 0.06 | - |
| (b) Legal and professional charges | 1.32 | 2.81 |
| (c) Payment to Auditors: Statutory Audit fees (including GST) | 0.89 | 0.89 |
| (d) Bank Charges | 0.02 | 0.01 |
| | 2.28 | 3.70 |



BHUSHAN STEEL (SOUTH) LIMITED
NOTES TO FINANCIAL STATEMENTS

11. EARNING PER SHARE

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

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 period 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:

| | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| (a) Profit/ (loss) for the year (₹ in Lakhs) | (2.28) | (2.82) |
| (b) Face value per share (₹) | 10.00 | 10.00 |
| (c) Number of equity shares at the beginning of the period (No.) | 13,00,000 | 50,000 |
| Add: Issued during the period (No.) | - | 12,50,000 |
| Number of equity shares at the end of the period (No.) | 13,00,000 | 13,00,000 |
| (d) Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) * | 13,00,000 | 1,32,192 |
| (e) Effect of dilution | - | - |
| (f) Weighted average number of equity shares for diluted EPS* | 13,00,000 | 1,32,192 |
| (g) Earning Per Share: | | |
| Basic (₹ / share) [(a)/(c)] | (0.18) | (2.13) |
| Diluted (₹ / share) [(a)/(c)] | (0.18) | (2.13) |

During the previous year, the Company has issued equity shares of ₹ 125 lakhs (12.50 lakhs equity shares of face value of ₹ 10 each) on right basis to Tata Steel Ltd. The shares were allotted post resolution passed by circulation by the Board of Directors on March 8, 2021. This had an impact on outstanding weighted average no of equity shares as at the year end.

12. Employee benefits

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

13. Segment Reporting

According to AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decision about allocating resources to the segment and assessing its performance. The company is yet to initiate its operations and therefore disclosure requirement of Ind AS 108 is not applicable.



14 Related party disclosures

Names of related parties and description of relationship

A Relationship

i) **Entity having significant influence over the holding company**
Tata Sons Private Limited

ii) **Holding Company**
Tata Steel Limited

iii) **Fellow Subsidiary ^**
Angul Energy Limited (Formerly known as Bhushan Energy Ltd.)
^ where transactions has taken placed during the year.

iv) **Key Management Personnel**
Mr. Sanjib Nanda (Non-Executive Director)
Mr. Rajeev Singhal (Non-Executive Director)
Ms. Neha Harlalka (Non-Executive Director)

B During the period ended March 31, 2022, the Company has redeemed its preference shares for a consideration of ₹ 100 lakhs. Out of these, shares with nominal value of ₹ 50 lakhs were held by Angul Energy Limited (fellow subsidiary) and accordingly, on redemption ₹ 50 lakhs have been paid to the fellow subsidiary during the period. There are no dues payable or recoverable from other related parties as at March 31, 2022.



15 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% Non-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.

Defined benefit plans and other long term benefit plan (gratuity benefits and leave encashment)

The cost and present value of the defined benefit gratuity plan and leave encashment (other long term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the market yield on government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.



16 Financial Instruments - Fair value and Risk management

i. Fair value Measurement

A Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| | | As at March 31, 2022 | | As at March 31, 2021 | |
|------------------------------|----------------|-------------------------|------------|-------------------------|------------|
| Measured at | | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets | | | | | |
| Cash and cash equivalents | Amortized Cost | 22.96 | 22.96 | 125.21 | 125.21 |
| Financial Liabilities | | | | | |
| Borrowings | Amortized Cost | - | - | 100.00 | 100.00 |

The management assessed that cash and cash equivalents and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 sale.

B) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or

ii. Financial Risk Management Framework

The Company's principal financial liabilities, other than derivatives, comprises employees emoluments. The main purpose of these financial liabilities is to render services to Company's customers. The Company's principal financial assets include cash and cash equivalents which it derives directly from its operations.

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.

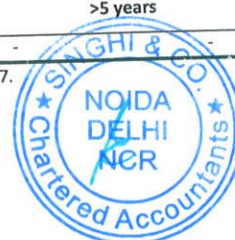
B. Liquidity Risk

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, 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

| | | | | | | | (₹ in Lakhs) |
|---------------------------|-----------|--------------------|----------------|--------------|----------|--------|--------------|
| Year ended March 31, 2022 | | | | | | | |
| Particulars | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | Total | |
| Trade and other payables | | | | | | | |
| Year ended March 31, 2021 | | | | | | | |
| Particulars | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | Total | |
| Trade and other payables | 100.00 * | | | | | 100.00 | |

*represents preference shares redeemable at par at the option of the Company or holder of instrument. Refer Note No.7.



C. Market Risk

a. Interest rate risk

The Company has not borrowed or advanced 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 does not have any risk from changes in commodities prices or equity prices.



17 Disclosure of Ratios

| | As at March 31, 2022 | As at March 31, 2021 | (₹ Lakhs) Reason for variation more than 25% |
|---|-------------------------|-------------------------|--|
| Current ratio (Current Assets / Current Liability) (in times) | 5.08 | 1.20 | Due to redemption of preference shares |
| Debt/Equity ratio (Total debt/ Shareholder's Equity) | Not Applicable | Not Applicable | Not Applicable |
| Debt service coverage ratio (Earning available for debt service / Debt service) | Not Applicable | Not Applicable | Not Applicable |
| Return on equity ratio (Net profit after taxes / Average Shareholder's Equity) (in times) | -0.03 | -0.03 | Not Applicable |
| Inventory Turnover ratio (Sales / Average Inventory) | Not Applicable | Not Applicable | Not Applicable |
| Trade receivable turnover ratio (Net credit sales / Average accounts receivable) (in %) | Not Applicable | Not Applicable | Debtors realised |
| Trade payable turnover ratio (Net credit Purchases/ Average Trade Payable) | Not Applicable | Not Applicable | Not Applicable |
| Net capital turnover ratio (Net Sales / Average working capital) (in times) | Not Applicable | Not Applicable | Not Applicable |
| Net profit ratio (Net Profit / Net Sales) (in %) | NIL | -320.38% | No revenue during the year |
| Return on capital employed (Earning before interest & taxes / Capital employed) | -0.12 | -0.14 | Not Applicable |
| Return on investment (in %) (Income generated from invested funds / Average invested fu | Not Applicable | Not Applicable | Not Applicable |

18 Corporate Social Responsibility

The Company is not required to spent any amount under section 135 of the Companies Act, 2013 towards Corporate Social Responsibility.

19 Capital Management

(₹ in Lakhs)

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 company. 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 equity as given below:

| | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------------|-------------------------|-------------------------|
| Borrowings | - | 100.00 |
| Other Liabilities | - | - |
| Trade and other payables | 4.54 | 4.41 |
| Less: Cash and short term deposits | 22.96 | 125.21 |
| Net debts/(Surplus) | (18.42) | (20.80) |
| Equity | 130.00 | 130.00 |
| Other Equity | (111.48) | (109.20) |
| Total Capital | 18.52 | 20.80 |
| Net debt to total equity | (0.99) | (1.00) |

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. However, the company does not have any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

20 Contingent Liabilities & Capital Commitments

There are no contingent liabilities, contingent assets or capital commitments as identified or assessed by the management of the company.

21 Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.

As per our report of even date attached
For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926

Place: Noida (Delhi - NCR)
Date: April 27, 2022



For and on behalf of board of directors

Sanjib Nanda Rajeev Singhal
SANJIB NANDA RAJEEV SINGHAL
DIRECTOR DIRECTOR
(DIN : 01045306) (DIN : 02719570)
Place : Mumbai Place : Kolkata