



AMK & ASSOCIATES
Chartered Accountants

Stesalit Tower, Room No: 303 3rd floor,
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Ph- 91 (33) 40630482, 40697147

Sunshine Tower, 7th Floor, Unit No.: 716,
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAKCHI STEEL LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of Sakchi Steel Limited ("the Company") which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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, 2019, loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no Key audit matters to communicate in our report.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

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

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Companies act, 2013, 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





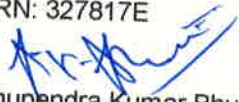
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- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For AMK & Associates
Chartered Accountants
FRN: 327817E


Bhupendra Kumar Bhutia
Partner
M.No.: 059363
Place: Kolkata
Date: 23-04-2019





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Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) The Company does not have any fixed assets. Thus, paragraph 3(i) of the Order is not applicable to the Company.
- (ii) The Company is a manufacturing company, primarily manufacturing steel. . However, it does not hold any physical inventories 31st March 2019. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has not made any investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, goods and service tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, duty of customs, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures, as at the balance sheet date the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.






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- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has not appointed any managerial persons under the provisions of section 197 read with Schedule V to the Act during the financial year ended 31.03.2019. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For AMK & Associates
Chartered Accountants
FRN: 327817E


Bhupendra Kumar Bhutia
Partner
M.No.: 059363
Place: Kolkata
Date: 23-04-2019





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Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Sakchi Steel Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

Auditors' Responsibility

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

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

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





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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AMK & Associates
Chartered Accountants
FRN: 327817E


Bhupendra Kumar Bhutia
Partner
M.No.: 059363
Place: Kolkata
Date: 23-04-2019



SAKCHI STEEL LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

		(Amount in ₹)	
	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
I Non-current assets			
Total non-current assets		-	-
II Current assets			
(i) Cash and cash equivalents	3	19,138	100,000
(v) Other financial assets	4	10,000	-
Total current assets		29,138	100,000
TOTAL ASSETS		29,138	100,000
EQUITY AND LIABILITIES			
III Equity			
(a) Equity Share Capital	5 (A)	100,000	100,000
(b) Other equity	5 (B)	(11,740)	(25,875)
Total Equity		(11,740)	74,125
IV Non-current liabilities			
Total non-current liabilities		-	-
IV Current liabilities			
(i) Other financial liabilities	6	40,878	25,875
Total current liabilities		40,878	25,875
TOTAL EQUITY AND LIABILITIES		29,138	100,000
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board

For AMK & Associates
Chartered Accountants
FRN:327817E



Bhupendra Kumar Bhutia
Bhupendra Kumar Bhutia
Partner
Membership No - 059363

Samita
Samita Shah
Director
DIN - 02350176

Mumbai, 23rd April 2019

Pratosh Gupta
Pratosh Gupta
Director
DIN - 06826971

SAKCHI STEEL LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year Ended 31st March 2019	For the period 16th Jan'18 to 31st Mar'18
(A) CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxes	(85,865)	(25,875)
Operating profit before working capital changes	(85,865)	(25,875)
Adjustments for:		
Non-Current/Current financial and other assets	-	-
Non-Current/Current and other financial liabilities/ provisions	15,003	25,875
	15,003	25,875
Cash generated from operations	(70,862)	-
Direct taxes paid	-	-
Net cash from/(used in) operating activities	(70,862)	-
(B) CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed deposits with banks (placed)/realised	(10,000.00)	-
Net cash from/(used in) Investing Activities	(10,000)	-
(B) CASH FLOWS FROM INVESTING ACTIVITIES:		
(C) CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	-	100,000
Net Cash from/(used in) Financing Activities	-	100,000
(D) Net increase/(decrease) in cash and cash equivalents	(80,862)	100,000
(E) Opening cash and cash equivalents (Refer Note 4)	100,000	-
(F) Closing cash and cash equivalents (Refer Note 4)	19,138	100,000

In terms of our report attached

For and on behalf of the Board

For AMK & Associates
Chartered Accountants
FRN: 327817E

Bhupendra Kumar Bhutia
Partner
Membership No - 059363



Samita

Samita Shah
Director
DIN - 02350176

Prakash

Prakash Gupta
Director
DIN - 06826971

Mumbai, 23rd April 2019

SAKCHI STEEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL

Balance as at March 31, 2018	Changes during the period	(Amount in ₹) Balance as at March 31, 2019
100,000.0	-	100,000

Balance as at January 19, 2018	Changes during the period	(Amount in ₹) Balance as at March 31, 2018
-	100,000	100,000

B. OTHER EQUITY

	Retained Earnings	Other Comprehensive Income reserves	Other reserves	Share application money pending allotment	(Amount in ₹) Total Equity
Balance as at March 31, 2018	(25,875)	-	-	-	(25,875)
Profit for the period	(85,865)	-	-	-	(85,865)
Other Comprehensive income	-	-	-	-	-
Total Comprehensive income	(85,865)	-	-	-	(85,865)
Balance as at March 31, 2019	(111,740)	-	-	-	(111,740)

	Retained Earnings	Other Comprehensive Income reserves	Other reserves	Share application money pending allotment	Total Equity
Balance as at January 19, 2018	-	-	-	-	-
Profit for the period	(25,875)	-	-	-	(25,875)
Other Comprehensive income	-	-	-	-	-
Total Comprehensive income	(25,875)	-	-	-	(25,875)
Balance as at March 31, 2018	(25,875)	-	-	-	(25,875)

In terms of our report attached

For AMK & Associates
Chartered Accountants
FRN:327817E



Bhupendra Kumar Bhutia
Partner
Membership No - 059363

Mumbai, 23rd April 2019

For and on behalf of the Board

Samita

Samita Shah
Director
DIN - 02350176

Pratosh

Pratosh Gupta
Director
DIN - 06826971

SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. COMPANY INFORMATION

Sakchi Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Tarapur, Thane, Maharashtra, India.

The Company was incorporated on 16th January 2018 with the main object of setting up of iron and steel making facilities and having presence across all the entire value chain of steel manufacturing, from mining and processing of all kinds of minerals to producing and distributing finished products

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2019, Tata Steel Limited owns 100% of the Ordinary shares of the Company, and has the ability to influence the Company's operations

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

(c) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the 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 the 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. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of the qualifying assets.

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

(d) Intangible assets (excluding goodwill)

Patents, trademarks and software costs are included in the balance sheet as intangible assets where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

- (i) completion of the development is technically feasible.
- (ii) it is the intention to complete the intangible asset and use or sell it.
- (iii) it is clear that the intangible asset will generate probable future economic benefits.
- (iv) adequate technical, financial and other resources to complete the development and to use or sell the intangible assets are available and;
- (v) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Subsequent, to initial recognition, intangible assets with definite useful lives are reported at cost less accumulated amortisation and accumulated impairment losses.

(e) Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced 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, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use. The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

	Estimated useful life (years)
Plant and Machinery	4 to 6 years
Vehicles	5 years
Furniture, Fixtures and Office Equipments	4 to 6 years
Computer Software	5 years
Freehold land is not depreciated.	



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(f) Impairment

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(g) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company as lessor

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

(ii) **Finance lease** – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(h) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Cash and bank balances

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

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



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(i) Employee benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

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.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Stores and spare parts are carried at lower of cost and net realisable value.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(k) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

(l) Income taxes

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

(m) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sale of services

Revenue from business process services contracts priced on the basis of time and material or unit of delivery is recognized as services are rendered or the related obligation is performed.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Commission income

Commission income is recognised when the services are rendered.

(n) Foreign currency transactions and translations

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

(o) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as borrowing costs when paid.

(p) Earnings per Share (EPS)

Basic EPS are calculated by dividing the profit or loss for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

The company did not have any potentially dilutive securities during the period.



SAKCHI STEEL LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****3. CASH & CASH EQUIVALENTS**

		(Amount in ₹)	
		As at March 31, 2019	As at March 31, 2018
(a)	Cash in hand	-	-
(b)	Unrestricted balances with banks	19,138	100,000
		19,138	100,000

There are no repatriation restrictions with regard to cash & cash equivalents at the end of the reporting period. The cash and cash equivalents are denominated and held in Indian rupees.

4. OTHER FINANCIAL ASSETS

		(Amount in ₹)	
		As at March 31, 2019	As at March 31, 2018
(a)	Security Deposit with NSDL	10,000	-
		10,000	-

5 (A) EQUITY SHARE CAPITAL

		(Amount in ₹)	
		As at March 31, 2019	As at March 31, 2018
Authorised:			
10,000	Ordinary Shares of ₹ 10 each	100,000	100,000
		100,000	100,000
Issued:			
10,000	Ordinary Shares of ₹ 10 each	100,000	100,000
		100,000	100,000
Subscribed:			
10,000	Ordinary Shares of ₹ 10 each	100,000	100,000
		100,000	100,000

Tata Steel Limited owns 100% of the Ordinary shares of the Company, and has the ability to influence the Company's operations.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

MOVEMENT IN EQUITY SHARE CAPITAL

	No of Equity Shares	Equity Share Capital (Amount in ₹)
Balance as at March 31, 2018	10,000	100,000
Shares issued during the period	-	-
Balance as at March 31, 2019	10,000	100,000

	No of Equity Shares	Equity Share Capital (Amount in ₹)
Balance as at January 16, 2018	-	-
Shares issued during the period	10,000	100,000
Balance as at March 31, 2018	10,000	100,000

5 (B) RETAINED EARNINGS

	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Retained Earnings	(111,740)	(25,875)
	(111,740)	(25,875)

	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	(25,875)	-
Profit/ (loss) for the period	(85,865)	(25,875)
Other Comprehensive income	-	-
Total Comprehensive income	(85,865)	(25,875)
Dividend (incl tax on dividend)	-	-
Closing Balance	(111,740)	(25,875)



SAKCHI STEEL LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****6. OTHER FINANCIAL LIABILITIES****A. Current****(Amount in ₹)**

	As at March 31, 2019	As at March 31, 2018
(a) Creditors for other liabilities		
(1) Creditors for capital supplies/services	-	-
(2) Other credit balances	40,878	25,875
	40,878	25,875

7. OTHER EXPENSES**(Amount in ₹)**

	For the Year Ended 31st Mar' 2019	For the period 16th Jan'18 to 31st Mar'18
(a) Legal & other professional cost	36,547	8,175
(b) Auditors remuneration - As Auditor	23,600	17,700
(C) Rates & Taxes	24,892	-
(d) Other general expenses	826	-
	85,865	25,875

8. EARNINGS PER SHARE**(Amount in ₹)**

	For the Year Ended 31st Mar'19	For the period 16th Jan'18 to 31st Mar'18
(a) Profit/ (loss) after tax	(85,865)	(25,875)
Profit/ (loss) attributable to Ordinary Shareholders- for Basic and Diluted EPS	(85,865)	(25,875)
	Nos.	Nos.
(b) Weighted average number of Ordinary Shares for Basic EPS	10,000	10,000
Weighted average number of Ordinary Shares for Diluted EPS	10,000	10,000
(c) Nominal value of Ordinary Shares (₹)	10.00	10.00
(d) Basic and Diluted Earnings per Ordinary Share (₹)	(8.59)	(2.59)



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS

a) FINANCIAL INSTRUMENTS BY CATEGORY

As at March 31, 2019

(Amount in ₹)

	Amortised cost	Fair value through other	Derivative instrument in	Derivative instrument	Fair value through	Total Carrying	Total Fair value
Financial assets							
Cash and bank balances	19,138	-	-	-	-	19,138	19,138
Trade receivables	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other financial assets	10,000	-	-	-	-	10,000	10,000
	29,138	-	-	-	-	29,138	29,138
Financial liabilities							
Trade and other payables	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Other financial liabilities	40,878	-	-	-	-	40,878	40,878
	40,878	-	-	-	-	40,878	40,878

As at March 31, 2018

(Amount in ₹)

	Amortised cost	Fair value through other comprehensive income	Derivative instrument in hedging relationship	Derivative instrument not in hedging relationship	Fair value through statement of profit and loss	Total Carrying value	Total Fair value value
Financial assets							
Cash and bank balances	100,000	-	-	-	-	100,000	100,000
Trade receivables	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
	100,000	-	-	-	-	100,000	100,000
Financial liabilities							
Trade and other payables	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
Other financial liabilities	25,875	-	-	-	-	25,875	25,875
	25,875	-	-	-	-	25,875	25,875

A. FINANCIAL RISK MANAGEMENT

The entity monitors and manages the financial risks relating to the operations of the entity through its risk management policy. These risks include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk.



SAKCHI STEEL LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a) Market Risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

As at 31st March, 2019, the Company does not have any market risk.

b) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

As at 31st March, 2019, the Company does not have any credit risk.

c) 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.

As at 31st March, 2019, the Company does not have any liquidity risk as the financial liabilities would be discharged within a year.

10. CONTINGENT LIABILITIES & OTHER SIGNIFICANT LITIGATIONS

As at 31st March, 2019, the Company does not have any contingent liability or significant litigation.

11. RELATED PARTY TRANSACTIONS

a) List of related party and relationship

Party	Relationship
Tata Steel Limited	Holding Company
Kalimati Global Shared Services	Fellow Subsidiary



SAKCHI STEEL LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****b) Transaction with related party**

(Amount in ₹)

Particulars	Name of the Company	2018-19	2017-18
Services Received	Kalimati Global Shared Services Limited	9,103	-
Expenses Incurred	Tata Steel Limited	-	8,175

c) Outstanding balance with related party

(Amount in ₹)

Particulars	Name of the Company	2018-19	2017-18
Outstanding Payable	Kalimati Global Shared Services Limited	9,103	-
Outstanding Payable	Tata Steel Limited	8,175	8,175

12. Figures for the previous year have been regrouped where necessary to confirm with figures for the current year.

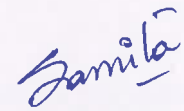
For AMK & Associates
Chartered Accountants
FRN:327817E



Bhupendra Kumar Bhutia
Partner
Membership No - 059363



For and on behalf of the Board



Samita Shah
Director
DIN - 02350176



Prashant Gupta
Director
DIN - 06826971

Mumbai, 23rd April 2019