

INDEPENDENT AUDITOR'S REPORT

To
The Members of Bhushan Steel (South) Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **BIUSHAN STEEL (SOUTH) LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2019 and 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 financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion.

We conducted our audit of Ind AS financial statements 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 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 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 financial statements for the current period. These matters were addressed in the context of our Audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide our separate opinion on these matters.

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

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Sector 44, Gurgaon - 122003.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, there is no material misstatement contained in other information the extent made available to us prior to the date of this auditor's report. The management intends to prepare and issue Director Report, Annual return and other related information for FY 2018-19 in due course and has represented to us that Ind AS financial statements and other information will be consistent with one another.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 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 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. Those Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibilities for the Audit of 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 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 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 the paragraph 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, the Statement of Changes in Equity 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 relevant Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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:
- i. The Company does not have any pending litigation 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; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

FOR MEHRA GOEL & CO.

Chartered Accountants

Registration No.: 000517N

Vaibhav Jain



Vaibhav Jain

Partner

M. No. : 515700

Place: New Delhi

Dated: April 9, 2019

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements of **BLIUSHIAN STEEL (SOUTH) LIMITED** for the year ended 31st March 2019, we report that:

i) In respect of its Fixed Assets:

The Company does not have any fixed assets. Thus, paragraph 3(i)(a) to 3(i) (c) of the Order is not applicable.

ii) In respect of Inventory:

The Company does not have any inventory. Thus, paragraph 3(ii) of the Order is not applicable.

iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a company, firm, LLP or other entity covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of sub-paragraph (a) and (b) of the Order are not applicable.

iv) In our opinion and according to information and explanations given to us, the company has not given any loan, guarantee and security covered under the provisions of section 185 and 186 of the Companies Act, 2013.

v) According to the information and explanations given to us, the Company has not accepted any deposits which are covered under the provisions of section 73 to 76 of the Companies Act, 2013.

vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013.

vii) According to the information and explanations given to us, in respect of Statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess goods and service tax and any other material statutory dues to the appropriate authorities, wherever applicable and there were no undisputed dues in arrears as at 31st March., 2019 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of goods and service tax, sales tax, duty of excise, service tax, value added tax and other statutory dues have not been deposited by the Company on account of disputes.



- viii) According to the information and explanations given to us, we are of the opinion that the Company has not taken any loan from banks and financial institutions or debenture holders, the said clause is not applicable.
- ix) To the best of our knowledge and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments and term loans during the year, the said clause is not applicable.
- x) To the best of our knowledge and 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.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not paid any managerial remuneration.
- 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, the company has not entered any transactions with the related parties during the year.
- xiv) According to the information and explanations give 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.
- xvi) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

FOR MEHRA GOEL & CO.

Chartered Accountants

Registration No.: 000517N

Vaibhav Jain

Vaibhav Jain

Partner

M. No. : 515700

Place: New Delhi

Dated: April 9, 2019



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 **BHUSHAN STEEL (SOUTH) LIMITED** ("the Company") as of 31 March 2019 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 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 financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 MEHRA GOEL & CO.

Chartered Accountants

Registration No.: 000517N

Vaibhav Jain

Vaibhav Jain

Partner

M. No. : 515700

Place: New Delhi

Dated: April 9, 2019



Bhushan Steel (South) Limited
Balance Sheet as at 31st March 2019
(All amounts in Rupees except as otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
I ASSETS			
(1) Non-current assets			
Financial assets			
Investments	2	200	200
Total Non-current Assets		200	200
(2) Current assets			
Financial assets			
Cash and cash equivalents	3	21,640	22,761
Other Current Assets	4	-	-
Total current Assets		21,640	22,761
Total Assets		21,840	22,961
II EQUITY AND LIABILITIES			
(1) Equity			
Equity share capital	5	5,00,000	5,00,000
Other Equity	6.	(1,06,00,425)	(1,05,40,244)
Total Equity		(1,01,00,425)	(1,00,40,244)
(2) LIABILITIES			
(a) Current liabilities			
Financial liabilities			
(i) Borrowings	7	1,00,00,000	1,00,00,000
(ii) Other Financial Liabilities	8	1,22,265	63,205
Total Current Liabilities		1,01,22,265	1,00,63,205
Total Equity and Liabilities		21,840	22,961

Notes & Significant Accounting Policies

1 to 19

In terms of report attached

For MEHRA GOEL & CO.
Chartered Accountants
(Registration No.: 000517N)

Vaibhav Jain

VAIBHAV JAIN
PARTNER
M. No.: 515700



Place: New Delhi
Dated: 9th April, 2019

For and on behalf of board of directors

Sanjib Nanda

SANJIB NANDA
DIRECTOR
(DIN : 01045306)

Rajeev Singhal

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Bhushan Steel (South) Limited
Statement of Profit and Loss for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

Particulars	Notes	For the Year ended 31st March 2019	For the Year ended 31st March 2018
I REVENUE			
Revenue from operations		-	-
Other income		-	-
Total Revenue (I)		-	-
II EXPENSES			
Other expenses	9	60,181	75,31,082
Total expenses (II)		60,181	75,31,082
III Profit before exceptional items and tax (I-II)		(60,181)	(75,31,082)
IV Exceptional Items			
V Profit/(loss) before tax (III-IV)		(60,181)	(75,31,082)
VI Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
VII Profit (Loss) for the Year (V-VI)		(60,181)	(75,31,082)
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income (VII+VIII)		(60,181)	(75,31,082)
Earnings per equity share	10		
(1) Basic earnings per share		-1.20	-150.62
(2) Diluted earnings per share		-1.20	-150.62

Notes & Significant Accounting Policies

1 to 19

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 (Registration No.: 000517N)

Vaibhav Jain
VAIBHAV JAIN
 PARTNER
 M. No.: 515700



For and on behalf of board of directors

Sanjib Nanda
SANJIB NANDA
 DIRECTOR
 (DIN : 01045306)

Rajeev Singhal
RAJEEV SINGHAL
 DIRECTOR
 (DIN : 02719570)

Place: New Delhi
 Dated: 9th April, 2019

Bhushan Steel (South) Limited
 Statement of Change in Equity for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

(a) Equity Share Capital

Equity shares of Rs. 10 each issued,
 subscribed and fully paid

	No of Shares	Share Capital
At 1 April 2018	50,000	5,00,000
At 31 March 2019	50,000	5,00,000
At 1 April 2017	50,000	5,00,000
At 31 March 2018	50,000	5,00,000

(b) Other equity

Particulars	Reserves and surplus	Items of Other Comprehensive Income	Total
	Retained Earning		
As at April 01, 2017	Note 5 (30,09,162)	Note 5 -	(30,09,162)
Profit for the period	(75,31,082)	-	(75,31,082)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	(75,31,082)	-	(75,31,082)
Cash Dividend	-	-	-
Redemption premium	-	-	-
Dividend distribution tax	-	-	-
Transfer to general reserve	-	-	-
At March 31, 2018	(1,05,40,244)	-	(1,05,40,244)
Profit for the period	(60,181)	-	(60,181)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	(60,181)	-	(60,181)
Cash Dividend	-	-	-
Dividend distribution tax	-	-	-
Transfer to general reserve	-	-	-
At March 31, 2019	(1,06,00,425)	-	(1,06,00,425)

Notes & Significant Accounting Policies

1 to 19

In terms of report attached

For MEHRA GOEL & CO.
 Chartered Accountants
 (Registration No.: 000517N)

For and on behalf of board of directors

Vaibhav Jain

VAIBHAV JAIN
 PARTNER
 M. No.: 515700



Sanjib Nanda

SANJIB NANDA
 DIRECTOR
 (DIN : 01045306)

Rajeev Singhal

RAJEEV SINGHAL
 DIRECTOR
 (DIN : 02719570)

Place: New Delhi
 Dated: 9th April, 2019

Bhushan Steel (South) Limited
Statement of Cash Flow for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

Particulars	Notes	For the Year ended 31st March 2019	For the Year ended 31st March 2018
A Cash Flow from Operating Activities			
1 Profit Before Tax			
Profit before tax from continuing operations		(60,181)	(75,31,082)
2 Adjustments for :			
3 Operating Profit before Working Capital Changes (1+2)		(60,181)	(75,31,082)
4 Change in Working Capital: (Excluding Cash & Bank Balances)			
Trade and Other Payables		59,060	17,088
Loans & Advances		-	-
Change in Working Capital		59,060	17,088
5 Cash Generated From Operations (3+4)		(1,121)	(75,13,994)
6 Less : Taxes paid			
7 Net Cash Flow from Operating Activities (5-6)		(1,121)	(75,13,994)
B Cash Flow from Investing Activities:			
Purchase of Investments		-	-
Net Cash Generated/(Used) in Investing Activities:		-	-
C Net Cash Flow From Financing Activities:			
Net Cash Generated/(Used) from Financing Activities:		-	-
D Net Change in Cash & cash equivalents (A+B+C)		(1,121)	(75,13,994)
E - 1 Cash & cash equivalents as at end of the Year		21,640	22,761
E - 2 Cash & cash equivalents as at the beginning of Year		22,761	75,36,755
NET CHANGE IN CASH & CASH EQUIVALENTS (E 1-2)		(1,121)	(75,13,994)
Cash & cash equivalents comprises:-			
Bank Balances - Current account		20,697	21,818
Cheques, Drafts in hand			
Cash Balances, Including Imprest		943	943
Cash credit/ Bank overdraft			
		21,640	22,761
Reconciliation of cash and cash equivalents			
Cash & cash equivalents as per statement of cash flows		21,640	22,761
Adjustment: Cash credit/ Bank overdraft		-	-
Cash & cash equivalents as per Balance sheet		21,640	22,761

Notes & Significant Accounting Policies

1 to 19

In terms of report attached

For and on behalf of board of directors

For MEHRA GOEL & CO.
Chartered Accountants
(Registration No.: 000517N)

Vaibhav Jain

VAIBHAV JAIN
PARTNER
M. No.: 515700



Place: New Delhi
Dated: 9th April, 2019

Sanjib Nanda

SANJIB NANDA
DIRECTOR
(DIN : 01045308)

Rajeev Singhal

RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)

Bhushan Steel (South) Limited
Notes to Financial Statements

Note 1

A) Company Information

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

The financial statements for the year ended March 31, 2019 were approved by the Boards of Directors.

B) Significant Accounting Policies

I) Statement of Compliance

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

II) Basis of preparation

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

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

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

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

III) Use of estimates and judgements

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



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

IV) Revenue recognition

Revenue is recognized when it can be reliably measured and when all significant risk & rewards/ ownership are transferred to the customer. Revenue are inclusive of revenue during trial run, excise duty, custom duty.

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

Dividends

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

Interest

Interest Income is recognised on accrual basis.

V) Property, Plant and Equipment

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

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

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



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V) Property, Plant and Equipment

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

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

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



VI) Impairment of non-financial assets

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

VII) Borrowing Costs

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

VIII) Cash and Cash Equivalents

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

IX) Provision and contingent liability

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

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

X) Employee Benefits

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

XI) Income taxes

Income tax comprises current and deferred tax.

Current income tax

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



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

Deferred taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

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

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

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

XII) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its common equity shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common equity shares outstanding, for the effects of all dilutive potential common shares from the conversion of the convertible debentures.

XIII) Financial Instruments

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

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



i. Initial recognition and measurement

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

ii. Subsequent measurement

Financial Assets

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

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

At Amortised Cost

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

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

At fair value through other comprehensive income (FVTOCI)

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

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

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



Impairment of financial assets

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

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

Derecognition

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

Financial liabilities

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

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

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

XIV) Fair value Measurement

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



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

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

XV) Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018.

- ❖ Ind AS 115 – Revenue from contracts with customers.
- ❖ Ind AS 21 – The Effect of Changes in Foreign Exchange Rates.

The Company has evaluated the effect of this on the financial statements and there is no impact on the Company.



Bhushan Steel (South) Limited

Notes to the Financial Statements for the year ended 31st March 2019

(All amounts in Rupees except as otherwise stated)

2 Financial assets

Particulars	Non Current	
	As at	As at
	31st March 2019	31st March 2018

Investments Investments carried at fair value through other comprehensive income:

Investment in Equity Instruments

Bhushan Steel (Orissa) Limited - 10 (31 March, 2018 10) equity shares of INR 10 each fully paid up. - Unquoted 100 100

Bhushan Steel Madhya Bharat Limited - 10 (31 March, 2018 10) equity shares of INR 10 each fully paid up. - Unquoted 100 100

Total Investments 200 200

Aggregate amount of unquoted investments 200 200

Aggregate amount of impairment in value of investments - -



Bhushan Steel (South) Limited
 Notes to the Financial Statements for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

3. Cash and cash equivalents

Particulars	As at	As at
	31st March 2019	31st March 2018
a) Balance with banks		
- In current accounts	20,697	21,818
b) Cash on hand	943	943
	<u>21,640</u>	<u>22,761</u>

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

Particulars	As at	As at
	31st March 2019	31st March 2018
a) Balance with banks		
- In current accounts	20,697	21,818
b) Cash on hand	943	943
	<u>21,640</u>	<u>22,761</u>

4 Other Current Assets

Particulars	Non Current	
	As at	As at
	31st March 2019	31st March 2018

Current	
As at	As at
31st March 2019	31st March 2018

Advances at amortised cost

Advances recoverable

From Others

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

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



Bhushan Steel (South) Limited
Notes to the Financial Statements for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

5 Share Capital

Particulars	As at	
	31st March 2019	31st March 2018
a) Authorised Share Capital		
i) Equity share capital		
1,00,000 (March 31, 2018: 1,00,000) equity shares of Rs. 10/- each	10,00,000	10,00,000
Total	10,00,000	10,00,000

b) Issued capital		
i) Equity share capital		
50,000 (March 31, 2018: 50,000) equity shares of Rs. 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

c) Subscribed and paid up capital		
i) Equity share capital		
50,000 (March 31, 2018: 50,000) equity shares of Rs. 10/- each	5,00,000	5,00,000
	5,00,000	5,00,000

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

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number of shares	Amount (In Rupees)	Number of shares	Amount (In Rupees)
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

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

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

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

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

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of INR 10/- each fully paid up				
Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)*	50,000	100.00%	50,000	100.00%

*Including Nominees Shares



Bhushan Steel (South) Limited

Notes to the Financial Statements for the year ended 31st March 2019

(All amounts in Rupees except as otherwise stated)

6. Other Equity

Particulars	Amount
Retained earnings	
At 01 April 2017	(30,09,162)
Profit/(loss) during the period	(75,31,082)
At 31 March 2018	(1,05,40,244)
Profit/(loss) during the period	(60,181)
Closing balance	(1,06,00,425)



Bhushan Steel (South) Limited
Notes to the Financial Statements for the year ended 31st March 2019
 (All amounts in Rupees except as otherwise stated)

7 Financial liabilities

Current borrowings

Particulars	Current	
	As at	As at
	31st March 2019	31st March 2018
10% Non Cumulative, Redeemable Preference	1,00,00,000	1,00,00,000
Total current borrowings	1,00,00,000	1,00,00,000

Terms/ Rights attached to Preference Shares

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

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

Preference share capital

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number of shares	Amount (In Rupees)	Number of shares	Amount (In Rupees)
Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

f. Details of the Preference Shareholders holding more than 6% share in the Company

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of INR 10/- each fully paid up				
Bhushan Energy Ltd	5,00,000	50.00%	5,00,000	50.00%
Bhushan Infrastructure Private Ltd	5,00,000	50.00%	5,00,000	50.00%

8 Other Financial Liabilities

Particulars	Current	
	As at	As at
	31st March 2019	31st March 2018
Creditor for other liabilities		
Dues of Micro, Small and Medium Enterprises	-	-
Dues to others	1,22,265	63,205
	1,22,265	63,205



Bhushan Steel (South) Limited
Notes to the Financial Statements for the year ended 31st March 2019
(All amounts in Rupees except as otherwise stated)

9 Other Expenses

Particulars	For the year ended	For the year ended
	31st March 2019	31st March 2018
Provision for Doubtful Advances	-	75,00,000
Accounting Charges	-	2,000
Rates and taxes	12,600	7,200
Legal and professional charges	28,480	3,250
Payment to Auditors:		
Statutory Audit fees	17,700	18,150
Bank Charges	1,401	482
Total	60,181	75,31,082



Bhushan Steel (South) Limited**Notes to the Financial Statements for the year ended 31st March 2019**

(All amounts in Rupees except as otherwise stated)

10 Earning per share

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

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

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

Particulars	As at	As at
	31st March 2019	31st March 2018
Profit attributable to equity holders for basic earnings	(60,181)	(75,31,082)
Dilution effect	-	-
Profit attributable to equity holders adjusted for dilution effect	<u>(60,181)</u>	<u>(75,31,082)</u>
Weighted Average number of equity shares used for computing Earning Per Share (Basic & Diluted) *	50,000	50,000

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

Earning Per Share

Basic	-1.20	-150.62
Diluted	-1.20	-150.62



Bhushan Steel (South) Limited

Notes to the Financial Statements for the year ended 31

(All amounts in Rupees except as otherwise stated)

11 Employee benefits

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

12 Dues to Micro, Small and Medium Enterprises

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

13 Related party disclosures

Names of related parties and description of relationship

A Relationship

i) Holding Company

Bhushan Steel Limited

ii) Fellow Subsidiary

Bhushan Steel Australia Pty Ltd

Bowen Energy Ltd.

Bowen Coal Pty Ltd

Bowen Consolidated Pty Ltd.

Bhushan Steel Madhya Bharat Ltd

Bhushan Steel (Orissa) Ltd

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

Bhushan Energy Limited

Bhushan Infrastructure Private Limited

B There are no related party transactions as identified by the company during the year and relied upon by the auditors. There are no dues payable or recoverable from related parties as at 31st March 2019 or at any time during the year.



Bhushan Steel (South) Limited

Notes to the Financial Statements for the year ended 31st March 2019

(All amounts in Rupees except as otherwise stated)

14 Significant accounting judgements, estimates and assumptions

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

JUDGEMENTS

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

Measurement of Preference Shares

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

ESTIMATES AND ASSUMPTIONS

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



15 Financial Instruments & Financial risk management objectives and policies

Categories of Financial Instruments

	As at 31st March 2019	As at 31st March 2018
Financial assets		
Investments	200	200
Cash and cash equivalents	21,840	22,761
Loans	-	-
	21,840	22,961
Financial liabilities		
Borrowings	1,00,00,000	1,00,00,000
Other Financial Liabilities	1,22,265	63,205
	1,01,22,265	1,00,63,205

Financial Risk Management Framework

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

A. Credit Risk

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

Financial Instruments and cash deposits

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

B. Liquidity Risk

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

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

Year ended 31st March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	1,00,00,000*	-	1,22,265	-	-	1,22,265
Year ended 31st March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	1,00,00,000*	-	63,205	-	-	63,205

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

C. Market Risk

a. Interest rate risk

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

b. Foreign currency risk

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

c. Price risk

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



16 Capital Management

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

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

	At 31 March 2019	At 31 March 2018
Borrowings (preference share capital)	1,00,00,000	1,00,00,000
Trade and other payables	1,22,265	63,205
Less: Cash and short term deposits	21,840	22,761
Net debts	1,01,00,625	1,00,40,444
Equity	5,00,000	5,00,000
Other Equity	(1,08,00,425)	(1,05,40,244)
Total Capital	(1,01,00,425)	(1,00,40,244)
Capital and net debt	200	200
Gearing ratio (%)	6050312.60%	6020222.00%

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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

17 Fair value measurement

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

Particulars	Measured At	Level of Input	As at	
			31st March 2019	31st March 2018
Financial assets				
Investments	FVTOCI	Level III	200	200
Cash and cash equivalents	Amortised Cost	-	21,840	22,761
Loans	Amortised Cost	-	-	-
			21,840	22,961
Financial liabilities				
Borrowings	Amortised Cost	-	1,00,00,000	1,00,00,000
Other Financial Liabilities	Amortised Cost	-	1,22,265	63,205
			1,01,22,265	1,00,63,205

18 Contingent Liabilities & Capital Commitments

There are no contingent liabilities or obligation towards capital contributions as at 31st March 2019.

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

In terms of report attached

For MEHRA GOEL & CO.
Chartered Accountants
(Registration No.: 000517N)

Vaibhav Jain
VAIBHAV JAIN
PARTNER
M. No.: 616700



Place: New Delhi
Dated: 9th April, 2019

For and on behalf of board of directors

Sanjib Nanda
SANJIB NANDA
DIRECTOR
(DIN : 01045306)

Rajeev Singhal
RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)