

INDEPENDENT AUDITORS' REPORT

To the Members of JSW Jharkhand Steel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of JSW Jharkhand Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 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 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 standalone financial statements give the information required by the Companies Act, 2013 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 its profit/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 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.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditors' report.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 standalone 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, the Board of Directors 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 the Board of Directors 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 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.

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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

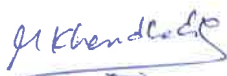


- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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**"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W



Hitesh R. Khandhadia

Partner

M.No. 158148

Place: Mumbai

Date: April 30, 2019



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the Company for the year ended March 31,2019:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on yearly basis. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- 2) There was no inventory held by the company. Accordingly, the provisions of clause 2 (a) & (b) of the Order are not applicable to the Company.
- 3) According to the 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, the provisions of clause 3 (ii) (a) and (b) of the Order are not applicable to the Company.
- 4) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on which they become payable.



- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, Duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loans either from banks, financial institutions or from the Government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 4 (xii) of the Order is not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, 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 to the Company.
- 16) In our opinion, 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 **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W



Hitesh R. Khandhadia

Partner

M.No. 158148

Place: Mumbai

Date: April 30, 2019



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JSW JHARKHAND STEEL LIMITED

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 **JSW Jharkhand Steel Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 auditors' 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 March 31, 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 **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W



Hitesh R. Khandhadia

Partner

M.No. 158148

Place: Mumbai

Date: April 30, 2019



JSW Jharkhand Steel Limited
Balance Sheet as at 31st March 2019

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
1 Non-current assets:			
(a) Property, Plant and Equipment	3	450,968,880	451,212,729
(b) Capital work-in-progress	4	311,991,840	314,291,840
(c) Other non-current assets	5	8,894,303	8,523,277
		771,855,023	774,027,846
(2) Current assets:			
(a) Financial Assets			
(i) Cash and cash equivalents	6	1,467,022	1,455,854
(ii) Bank Balances other than (i) above	6A	-	2,000,000
(iii) Short term Loans & advances	7	4,282,087	2,173,833
(b) Other current assets	8	12,826	107,986
		5,761,935	5,737,673
TOTAL ASSETS		777,616,958	779,765,519
EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	9	880,338,530	837,859,530
(b) Other equity	10	(115,153,578)	(68,210,913)
		765,184,952	769,648,617
LIABILITIES:			
(1) Non-current liabilities:			
Provisions	11	5,775,674	4,956,889
Total non-current liabilities		5,775,674	4,956,889
(2) Current liabilities:			
(a) Other current liabilities	12	770,118	2,215,507
(b) Provisions	13	5,886,214	2,944,506
		6,656,332	5,160,013
TOTAL EQUITY AND LIABILITIES		777,616,958	779,765,519
SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES	1,2 & 18		

The accompanying notes form an integral part of standalone financial statements

As per our report of even date attached

For HPVS & Associates

Chartered Accountants

Firm Registration No.: 137533W

Hitesh Khandhadia

Hitesh Khandhadia

Partner

M No: 158148

Place: Mumbai

Date : 30th April 2019



For and on behalf of the Board of Directors

Ram Nath Choubey
RAMNATH CHOUBEY
Director

Anunay Kumar
ANUNAY KUMAR
Director

Ragesh Bihari
RAGESH BIHARI
CFO

Priti Moonka
PRITI MOONKA
Company secretary

JSW Jharkhand Steel Limited
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2019

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(I) INCOME:			
Other Income	14	70,314	112,072
TOTAL INCOME (I)		70,314	112,072
(II) EXPENSES:			
Employee benefits expense	15	36,219,944	30,052,318
Depreciation and amortisation expense	16	369,637	490,197
Other Expenses	17	5,113,062	5,615,932
TOTAL EXPENSES (II)		41,702,643	36,158,447
Profit /(Loss) before Tax (I-II)		(41,632,329)	(36,046,375)
TAX EXPENSE:			
Current Tax	16(i)	17,194	28,859
Deferred Tax		-	-
Profit /(Loss) after Tax		(41,649,523)	(36,075,234)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset	15(i)	(247,142)	75,397
Total Other Comprehensive Income, net of taxes		(247,142)	75,397
Total Comprehensive Income for the period		(41,896,665)	(35,999,837)
Earnings per equity share:			
(Face value per equity share of Rs 10 each)			
Basic	18(h)	(0.4853)	(0.4388)
Diluted		(0.4853)	(0.4388)
SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES	1,2 & 18		

The accompanying notes form an integral part of standalone financial statements

As per our report of even date attached

For HPVS & Associates

Chartered Accountants

Firm Registration No.: 137533W

Hitesh Khandhadia

Partner

M No: 158148

Place: Mumbai

Date : 30th April 2019



For and on behalf of the Board of Directors

RAMNATH CHOUBEY

Director

Ragesh Bihari
RAGESH BIHARI
CFO

ANUNAY KUMAR

Director

PRITI MOONKA
Company secretary

JSW JHARKHAND STEEL LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2019

(Amount in Rs.)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	(41,896,665)	(35,999,837)
Adjustments for :		
Depreciation	369,637	490,197
Profit on sale of Fixed Asset	-	(9,879)
Operating profit before working capital changes	(41,527,028)	(35,519,519)
Changes in Working capital		
Other receivables	(371,026)	5,136,784
Other Payables	2,315,104	(6,604,843)
Increase/Decrease in Loans & Advances by Redemption/(Investment) in Short Term Fund	(2,108,254) 95,160	(85,748) (102,193)
Net Cash used in operating activities	(41,596,044)	(37,175,519)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(125,788)	(20,903)
Sale of Fixed Asset	-	183,308
Investment in Fixed Deposit	2,000,000	(2,000,000)
Pre-operative Expenses to be capitalised	2,300,000	(5,416,123)
Net Cash used in investing activities	4,174,212	(7,253,718)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Capital	37,433,000	35,113,000
Share Application Money Received	-	5,046,000
Net Cash generated from financing activities	37,433,000	40,159,000
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	11,168	(4,270,237)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,455,854	5,726,091
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	1,467,022	1,455,854

Notes :

- The above cash flow statement has been prepared by using the "indirect method" set out in Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" and presents the cash flows by operating, investing, and financing activities of the Company.
- Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

As per our attached report of even date

For HPVS & Associates

Chartered Accountants

Firm Registration No.: 137533W

Hitesh Khandhadia
Hitesh Khandhadia

Partner

M No: 158148

Place: Mumbai

Date : 30th April 2019



For and on behalf of the Board of Directors

Ram Nath Choubey
RAMNATH CHOUBEY
Director

Ragesh Bihari
RAGESH BIHARI
CFO

Anunay Kumar
ANUNAY KUMAR
Director

Priti Moonka
PRITI MOONKA
Company secretary

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2019

1. CORPORATE INFORMATION

JSW Jharkhand Steel Ltd is a 100% subsidiary of JSW Steel Ltd. The company is in the process of setting up a 10 MTPA Integrated Steel Plant and 800 MW Captive Power Plant in Sonahatu Block of Ranchi District, Jharkhand. Land purchase and various approvals with regard to Water, Railway Siding and Environment are in process. Expert Appraisal committee, Ministry of Environment (MOEF) & Climate Change (CC) has recommended Environment Clearance for the Project.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance:

The financial statements of the Company which comprise the Balance Sheets as at 31st March 2019, the Statement of Profit and Loss, the Statements of Cash Flows and the Statements of Changes in Equity for the year period ended 31st March 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter ("Ind AS") and the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Financial Statements have been approved by the Board of Directors in its meeting held on April 30, 2019.

2.2 Use of estimates and judgments

The preparation of financial statements in conformity with generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and



differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

2.3 **Basis of Preparation and presentation**

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

2.4 **Financial instrument, Financial assets, Financial liabilities**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial Assets

Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Classification

The Company determines the classification of its financial assets at initial recognition. The financial assets are classified in the following measurement categories as:

- Those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss], and
- Those subsequently measured at amortized cost



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Subsequent Measurement

Subsequent measurement of is in accordance with the Company's business model for managing the asset and the contractual cash flows characteristics of the asset. There are three measurement categories into which the company may classify its debt instruments:

- **Amortized Cost:** Assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding.
- **Fair Value through Other Comprehensive Income:** Assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding.
- **Fair Value through Profit or Loss:** Financial assets which are not classified as measured at amortized cost or fair value through other comprehensive income are classified as fair value through profit or loss.

Impairment:

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial



recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

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. 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 asset 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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.



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Financial Liabilities and equity instruments:

(i) Classification as debt or equity:

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments:

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

(iv) Subsequent measurement:

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Derecognition:

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.



2.5 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Borrowing costs

Borrowing 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 their intended use or sale.

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

The Company suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.



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Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



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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 recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets, the carrying amounts of such properties are presumed to be recovered entirely through sale.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they are related to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 **Property, plant and equipment**

The cost of property, plant and equipment comprises of

- Purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities),
- Any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and
- Any expected costs of decommissioning.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improve the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.



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Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalized.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on a straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the certain categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Intangible assets are amortized over their estimated useful lives on straight line method.

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul



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cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Impairment of Property, plant and equipment and other intangible assets.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2.10 **Intangible assets:**

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated Amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and Amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized



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immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Derecognition of intangible assets:

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the Statement of Profit and Loss when the asset is derecognized.

2.11 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:



- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.12 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company



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revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the statement of profit and loss for the year.

2.13 Provisions, contingencies and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognized because:



- i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

2.14 Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options. Potential common shares are calculated using the treasury stock method and represent incremental shares issuable upon exercise of the Company's outstanding stock options.

2.15 Statement of Cash Flows

The cash flow statement is prepared using the "indirect method" set out in Indian Accounting Standard 7 "Statement of Cash Flows" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered, highly liquid bank balances.

3. Changes in accounting policies and disclosures

New and amended standards -

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.



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Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers -

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Company did not apply any of the other available optional practical expedients.

The change did not have a material impact on the profit or revenue of the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's consolidated financial statements.



4. Applicability of new and revised Ind AS:

New Standard issued but not yet effective:

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company plans to adopt the modified retrospective approach on applying Ind AS 116. The Company will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Company has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.



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JSW Jharkhand Steel Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 Property, Plant and Equipment

Amount in Rs.

Particulars	Freehold Land	Computer Equipments	Office Equipment	Furniture & Fixtures	Vehicles & Aircrafts	Total
Cost						
At 1st April 2016	449,997,383	600,580	1,687,037	510,442	2,660,032	455,455,474
Additions	-	5,110	17,800	9,720	-	32,630
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
At 31st March 2017	449,997,383	605,690	1,704,837	520,162	2,660,032	455,488,104
Additions	-	-	20,903	-	-	20,903
Disposals	-	-	-	-	173,429	173,429
Other Adjustments	-	-	-	-	-	-
At 31st March 2018	449,997,383	605,690	1,725,740	520,162	2,486,603	455,335,578
Additions	88,500	-	37,288	-	-	125,788
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
At 31st March 2019	450,085,883	605,690	1,763,028	520,162	2,486,603	455,461,366
Accumulated depreciation and impairment						
At 31st March 2016	-	386,930	802,085	260,033	874,461	2,323,509
Depreciation charge for the year	-	43,148	482,334	74,330	348,691	948,503
Disposals / transfers	-	-	-	-	-	-
Other Adjustments	-	-	360,640	-	-	360,640
At 31st March 2017	-	430,078	1,645,059	334,363	1,223,152	3,632,652
Depreciation charge for the year	-	59,985	62,929	63,375	303,908	490,197
At 31st March 2018	-	490,063	1,707,988	397,738	1,527,060	4,122,849
Depreciation charge for the year	-	62,071	12,571	48,472	246,523	369,637
At 31st March 2019	-	552,134	1,720,559	446,210	1,773,583	4,492,486
Net book value						
At 31st March 2016	449,997,383	213,650	884,952	250,409	1,785,571	453,131,965
At 31st March 2017	449,997,383	175,612	59,778	185,799	1,436,880	451,855,452
At 31st March 2018	449,997,383	115,627	17,752	122,424	959,543	451,212,729
At 31st March 2019	449,997,383	53,556	42,469	73,952	713,020	450,968,880
Useful Life of the assets (range) (years)	NA	3-5 Years	3-6 Years	10 Years	8 Years	
Method of depreciation (SLM/WDV/etc)	NA	SLM	SLM	SLM	SLM	

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JSW Jharkhand Steel Limited
Notes forming part of financial statements

Note 4: Capital Work in Progress

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	314,291,840	308,875,717
Add:		
Rent	-	-
Power & Fuel	-	-
Salaries, wages & bonus	-	-
Contribution to Provident Fund	-	-
Staff Welfare	-	-
Recruitment & Joining	-	-
Insurance	-	-
Repairs & Maintenance	-	-
Travelling Expenses	-	-
Taxi Hiring Charges	-	-
Petrol & Diesel Expenses	-	-
CSR Expenses	-	-
Legal & Professional & Filing Fees	(2,300,000)	-
Miscellaneous Expenses/Office/Guest House Exp	-	5,416,123
Telephone Expenses	-	-
Postage & Courier Expenses	-	-
Printing & Stationery	-	-
Bank Charges	-	-
Depreciation	-	-
Total	311,991,840	314,291,840

Note 5: Other non current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances	8,167,860	8,167,860
Indirect Tax balances	726,443	355,417
Total	8,894,303	8,523,277

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Note 6: Cash and cash equivalents		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
- in current account	1,419,834	1,446,826
Cash on hand	47,188	9,028
Total	1,467,022	1,455,854
Total	1,467,022	1,455,854
Note 6A: Bank Balance other than Cash and Cash Equivalent		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposit with original maturity for more than 3months but less than 12months	-	2,000,000
Total	-	2,000,000
Note 7: Short term loans and advances		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits	422,389	272,389
Receivable from Related Parties	3,486,198	1,255,729
Other Loans & Advances	373,500	645,715
Total	4,282,087	2,173,833
Note 8: Other current assets		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance income tax	5,793	5,793
TDS Deducted by Bank	7,033	10,220
Accrued Interest Income	-	91,973
Total	12,826	107,986

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JSW Jharkhand Steel Limited
Notes forming part of financial statements

Particulars	As at 31st March, 2019	As at 31st March, 2018
Note 9 : SHARE CAPITAL		
Authorised : 10,00,00,000 (Previous Year: 10,00,00,000) Equity Shares of Rs.10 each	1,000,000,000	1,000,000,000
Issued 8,80,33,853 (Previous Year: 8,37,85,953) Equity Shares of Rs.10 each fully paid up	880,338,530	837,859,530
Subscribed and Paid up: 8,80,33,853 (Previous Year: 8,37,85,953) Equity Shares of Rs.10 each fully paid up	880,338,530	837,859,530
	880,338,530	837,859,530

NOTE 9(a) : Reconciliation of number of shares

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
Shares outstanding at the beginning of the year	83,785,953	80,011,053
Shares issued during the year	4,247,900	3,774,900
Shares outstanding at the closing of the year	88,033,853	83,785,953
	Rs.	Rs.
Shares outstanding at the beginning of the year	837,859,530	800,110,530
Shares issued during the year	42,479,000	37,749,000
Shares outstanding at the closing of the year	880,338,530	837,859,530

NOTE 9(b) : Equity Shares

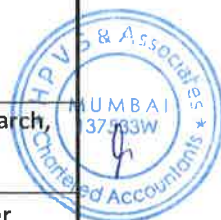
The company has one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share. 100% shares are held by JSW Steel Ltd , the Holding Company.

NOTE 9(c) : Shares held by its holding company are as follows:

Equity Shares	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
JSW Steel Limited (Holding Company) along with its nominees	88,033,853	83,785,953
	Rs.	Rs.
JSW Steel Limited (Holding Company) along with its nominees	880,338,530	837,859,530

NOTE 9(d) : Details of shareholders holding more than 5% shares in the company:

Equity shares of Rs. 10 each fully paid up	As at 31st March, 2019	As at 31st March, 2018
	Number	Number
JSW Steel Limited (Holding Company) along with its nominees	88,033,853	83,785,953
	% of holding	% of holding
JSW Steel Limited (Holding Company) along with its nominees	100%	100%



Note 10: Other Equity: Amount in Rs.
Surplus / (Deficit) balance in Statement of Profit and Loss

Particulars	Amount
Retained Earnings :	
Balance as at 01st April, 2016	(9,807,240)
Other Comprehensive Income / (Loss) for the year	(27,449,836)
Balance as at 31st March, 2017	(37,257,076)
Balance as at 01st April, 2017	(37,257,076)
Other Comprehensive Income / (Loss) for the year	(35,999,837)
Balance as at 31st March, 2018	(73,256,913)
Balance as at 01st April, 2018	(73,256,913)
Other Comprehensive Income / (Loss) for the year	(41,896,665)
Balance as at 31st March, 2019	(115,153,578)
Share Application Money :	
Balance as at 01st April, 2016	-
Add: Share application pending allotment	2,636,000
Less: Shares allotted and transferred to Equity Share Capital	-
Balance as at 31st March, 2017	2,636,000
Balance as at 01st April, 2017	2,636,000
Add: Share application pending allotment	5,046,000
Less: Shares allotted and transferred to Equity Share Capital	(2,636,000)
Balance as at 31st March, 2018	5,046,000
Balance as at 01st April, 2018	5,046,000
Add: Share application pending allotment	-
Share Application money received during the year	37,433,000
Less: Shares allotted and transferred to Equity Share Capital	(42,479,000)
Balance as at 31st March, 2019	-
Total	(115,153,578)

Note 11: Long term provisions :

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Provision for compensated absences	2,406,197	2,077,162
Provision for gratuity	3,369,477	2,879,727
Total	5,775,674	4,956,889

Note 12: Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Statutory liabilities	770,118	563,054
Payable to related party	-	1,652,453
Others	-	-
Total	770,118	2,215,507

Note 13: Short term provisions:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits :		
Provision for compensated absences	304,006	267,793
Provision for Gratuity	1,976,005	1,567,715
Provision for LTA, Bonus & Other	3,587,921	955,139
Other provisions	-	125,000
Provision for Income Tax (Refer Note 18(e))	18,282	28,859
Total	5,886,214	2,944,506



JSW Jharkhand Steel Limited
Notes forming part of financial statements

14 Other Income		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest income	70,314	102,193
Profit on Sale of Fixed Asset	-	9,879
Total	70,314	112,072

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JSW Jharkhand Steel Limited
Notes forming part of financial statements

15 Employee benefits expense

Amount in Rs.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Salaries and wages	33,779,425	27,845,766
Contribution to provident and other funds	2,268,679	2,022,011
Staff welfare expenses	171,840	184,541
Total	36,219,944	30,052,318

15(i) Other Comprehensive Income

Particulars	As at 31st March, 2019	As at 31st March, 2018
Remeasurement of the net defined benefit liability / asset (Gratuity)	247,142	(75,397)
Total	247,142	(75,397)

16 Depreciation and Amortisation Expenses

Particulars	As at 31st March, 2019	As at 31st March, 2018
Depreciation on tangible assets	369,637	490,197
Total	369,637	490,197

16(i) Current Tax

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Tax	17,194	28,859
Total	17,194	28,859

17 Other Expenses

Particulars	As at 31st March, 2019	As at 31st March, 2018
Rent	858,440	867,250
Power and Fuel	142,191	109,441
Insurance	586,891	673,768
Travelling Expenses	232,430	611,214
Taxi Hiring Charges	145,690	97,894
Petrol & Diesel/Vehicle Maintenance Expenses	907,610	965,622
CSR Expenses	126,793	75,100
Miscellaneous Expenses/Office/Guest House Expenses	1,160,795	1,055,665
Legal and Professional fees	429,046	440,252
Postage, Telephone & Telex Expenses	177,610	256,069
Printing & Stationary	69,152	95,523
Bank Charges	9,414	4,184
Audit Fees (Refer Note 18 J)	125,000	125,000
Auditor's Out of Pocket Expenses	12,000	14,950
Other Expenses	30,000	35,000
Director sitting fees	100,000	189,000
Total	5,113,062	5,615,932



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18. OTHER NOTES TO FINANCIAL STATEMENT

a) Contingent Liabilities and Commitments:

Contingent Liabilities-

To the extent not provided for "Nil" (Previous Year "Nil").

Commitments-

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

b) JSW Jharkhand Steel Ltd is a 100% subsidiary of JSW Steel Ltd. The company is in the process of setting up a 10 MTPA Integrated Steel Plant and 800 MW Captive Power Plant in Sonahatu Block of Ranchi District, Jharkhand. The Company is currently in the process of acquiring land and securing the various regulatory approvals required for the project. Efforts are being made by the Company to secure long term linkages of key raw materials like Iron ore and Coal and are hopeful of establishing the same.

c) Segment Reporting:

There is/are no reportable segment (business and/or geographical) in accordance with the requirements of Indian Accounting Standard 108 – 'Operating Segments' issued by the ICAI.

d) Employee Share based Payment Plans:

ESOP SCHEME 2016

The Board of Directors (JSW Steel Ltd.) of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016('ESOP Plan'). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

During the year, ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its subsidiaries in India.



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Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of the Individuals fixed salary compensation 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the 4th year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price would be determined by the scope community as a certain discussion to the primary market price on the date of grant.

The expenses recognized for employees services received during the year are 6, 58, 828 (31st March 2018: 2, 97, 178)

The outstanding position as at 31 March 2019 is summarized below:

Particulars	ESOP 2016		
	1 st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)	3rd Grant (L-16 and above Grade)
Date of grant	17-May-16	16-May-17	14-May-18
Outstanding as on 01.04.2018	NIL	9,234	NIL
Forfeited/Cancelled during the year	-	-	-
Exercised during the year	NIL	NIL	NIL
Outstanding as on 31.03.2019	NIL	9234	6108
Vesting Date	31-03-20	31-03-21	31-03-22
Method of settlement	Cash	Cash	Cash
Exercise Price	103.65	161.36	263.24

The method used and the assumptions made to incorporate the effects of expected early exercise is Black-Scholes Options pricing model.

e) Income Tax:

Particulars	F.Y. 2018-19	F.Y. 2017-18
Current Income Tax	18,282	28,859
Tax Credit under Minimum Alternate Tax (if any)	-	-
Deferred Tax Expense / (benefit)	-	-
Total Expense reported in statement of Profit And Loss	18,282	28,859



Effective Tax Reconciliation

Particulars	F.Y. 2018-19	F.Y. 2017-18
Profit / (Loss) before tax	(4,18,79,471)	(3,59,95,919)
Income treated in different head of Income	70,314	1,12,072
Expense not allowed for tax purpose	4,19,49,785	3,58,83,847
Tax rate applicable (25%+4%)	26%	25.75%
Current Tax	18,282	28,859

Income Tax expense represents the sum of the tax currently payable.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

f) Related parties disclosure:

List of Related Parties

Parties with whom the Company has entered into transactions during the

Year:

i. Holding Company:

JSW Steel Limited

ii. Fellow Subsidiary:

Rohne Coal Company Private Limited

iii. Key Management Personnel:

Mr. Ramnath Choubey

Mr. Ragesh Bihari

Ms. Priti Moonka

Transactions with related parties:

Amount in Rs.

Party's Name	2018-19	2017-18
Expenses incurred by us on behalf of		
Holding Company JSW Steel Limited	22,51,750	13,87,231
Total	22,51,750	13,87,231
Investments / Share Application Money received during the Year		
Holding Company		



JSW Steel Limited	4,24,79,000	4,01,59,000
Total	4,24,79,000	4,01,59,000
Remuneration to key managerial personnel		
Mr. Ramnath Choubey	50,57,388	49,74,480
Mr. Ragesh Bihari	9,67,440	8,38,056
Ms. Priti Moonka	1,80,000	1,80,000
Total	62,04,828	59,92,536
Reimbursement of Expenses incurred by us on behalf of		
Rohne Coal Company Private Limited	22,57,414	46,36,720
Total	22,57,414	46,36,720

Closing balances of related parties

Amount in Rs.

Closing balances of related parties:	As at 31.03.2019	As at 31.03.2018
Share Capital including Share Application		
JSW Steel Ltd.	88,03,38,530	83,78,59,530
Total	88,03,38,530	83,78,59,530
Expenses incurred by us on behalf of		
JSW Steel Ltd.	-	2,03,05,653
Rohne Coal Company Private Limited	12,45,729	12,55,729
Total	12,45,729	2,15,61,382

g) Employee Benefit Expenses:

Defined benefit plan:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity (Non - Funded):

Amount in Rs

	2018-19	2017-18
Opening Net Liability	44,47,442	49,87,859
Current service cost	3,04,987	3,96,648
Interest cost	3,46,011	3,68,603
Actuarial (Gain)/losses recognized in OCI	2,47,142	(75,397)
Liability transfer In	-	-



	2018-19	2017-18
Liability transfer out	-	(12,30,271)*
Benefit paid directly by the Employer	-	-
Net Liability / (Asset) recognized in Balance Sheet	53,45,582	44,47,442
Category of Assets		
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instrument	-	-
Corporate Bonds	-	-
Cash and Cash Equivalent	-	-
Insurance fund	-	-
Asset – Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Other Details		
No of Active Members	16	17
Per Month Salary For Active Members	10,93,559	10,20,735
Weighted Average Duration of the Projected Benefit Obligation	7	8
Average Expected Future Services	13	13
Projected Benefit Obligation	53,45,582	44,47,442
Prescribed Contribution For Next Year (12months)	-	-
Net Interest Cost for Next Year		
Present Value of Benefit Obligation at the End of the Period	53,45,582	44,47,442
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	53,45,582	44,47,442
Interest Cost	4,14,817	3,46,011
Interest Income	-	-
Net Interest Cost for Next Year	4,14,817	3,46,011
Expenses Recognized in the Statement of Profit or Loss for Next Year		
Current Service Cost	3,26,940	3,04,987
Net Interest Cost	4,14,817	3,46,011
(Expected Contributions by the Employees)	-	-
Expenses Recognized	7,41,757	6,50,998
Maturity Analysis of the Benefit Payments: From the fund		
Projected Benefits Payable in Future Years from the Date of reporting		
1 st Following Year	-	-
2 nd Following Year	-	-
3 rd Following Year	-	-
4 th Following Year	-	-
5 th Following Year	-	-
Sum of Years 6 to 10	-	-
Sum of Years 11 and above	-	-
Maturity Analysis of the Benefit Payments: From the Employer		
Projected Benefits Payable in Future Years from the Date of Reporting		



	2018-19	2017-18
1 st Following Year	19,76,005	15,67,715
2 nd Following Year	1,02,984	86,946
3 rd Following Year	1,08,269	92,110
4 th Following Year	1,13,883	96,822
5 th Following Year	1,19,852	1,01,831
Sum of Years 6 to 10	24,53,988	20,36,423
Sum of Years 11 and above	49,71,091	47,83,972
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	53,45,582	44,47,442
Delta Effect of + 1% Change in Rate of Discounting	(2,95,295)	(2,73,262)
Delta Effect of + 1% Change in Rate of Discounting	3,36,655	3,13,810
Delta Effect of + 1% Change in Rate of Salary Increase	3,39,213	3,16,262
Delta Effect of + 1% Change in Rate of Salary Increase	(3,02,554)	(2,80,006)
Delta Effect of + 1% Change in Rate of Employee Turnover	41,730	36,312
Delta Effect of + 1% Change in Rate of Employee Turnover	(46,292)	(40,748)
c) Principal actuarial assumptions		
Rate of discounting	7.76%	7.78%
Expected return on plan assets	NA	NA
Rate of increase in salaries	6.00%	6.00%
Attrition rate	NA	NA

Experience adjustments:-

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Defined benefit obligation	53,45,582	44,47,442	49,87,859	38,58,828	26,40,238
Plan assets	-	-	-	-	-
Surplus / (deficit)	53,45,582	44,47,442	49,87,859	38,58,828	26,40,238
Experience adjustments on plan liabilities - loss/(gain)	2,40,754	41,784	2,41,715	8,29,570	2,14,839
Experience adjustments on plan assets - gain/(loss)	-	-	-	-	-

h) Disclosure Required as per Indian Accounting Standard 33-Earnings per Share (EPS):

		2018-19	2017-18
Profit/ (Loss) after Tax	Rs.	(4,18,96,665)	(3,60,75,234)
Earning per share - Basic	Rs.	(0.4881)	(0.4397)
Earning per share - Diluted	Rs.	(0.4881)	(0.4397)
Nominal value per share	Rs.	10	10
Weighted average number of equity shares for Basic EPS (denominator)	Nos.	8,58,30,967	8,20,45,954
Weighted average number of equity shares for Diluted EPS (denominator)	Nos.	8,58,30,967	8,20,45,954



- i) The Company has not received any intimation from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to this amounts unpaid as at the year end together with interest paid / payable as required under the said act have not been given.

j) Auditor's Remuneration:

Amount in Rs.

	As at 31.03.2019	As at 31.03.2018
Statutory Audit fees	125,000	1,25,000
Out of Pocket expenses	12,000	14,950
Total	1,37,000	1,39,950

- k) The Company is yet to receive any Balance confirmations in respect of Long Term Borrowings, Loans & Advances given and Sundry Creditors. The management does not expect any material difference affecting the current year's financial statements due to the same.
- l) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.

m) Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, interest rate risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below-

(i) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other



price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings & deposits.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

n) Subsequent Events:-

No Significant event has occurred after the balance sheet date which may have material effect on the Company's financial statement.

o) Operating Lease

As Lessee:

Lease rentals charged to profit & loss for right to use following assets are:

Amount in Rs.

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Office Premises, Residential Flats etc.	8,58,440	8,67,250
Total	8,58,440	8,67,250

The agreements are executed for a period of 11 to 12 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 month.

p) Categories of Financial Instruments

The accounting classification of each category of financial instrument, and their carrying amounts, are set out below:



As at 31st March 2019

Amount in Rs.

Particulars	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
Financial Assets					
Investments in FD	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and Cash equivalents	14,67,022	-	-	14,67,022	14,67,022
Loans & Advances	42,82,087	-	-	42,82,087	42,82,087
Total	57,49,109	-	-	57,49,109	57,49,109

As at 31st March 2018

Amount in Rs.

Particulars	Amortised Cost	Fair Value through Other Comprehensive Income	Fair Value through Profit and Loss	Total Carrying Value	Total Fair Value
Financial Assets					
Investments in FD	20,00,000	-	-	20,00,000	20,00,000
Trade receivables	-	-	-	-	-
Cash and Cash equivalents	14,55,854	-	-	14,55,854	14,55,854
Loans & Advances	21,73,833	-	-	21,73,833	21,73,833
Total	56,29,687	-	-	56,29,687	56,29,687

q) Liquidity Risk Management

Liquidity risk refers to the risk of Financial Distress or extraordinary high financing cost arising due to shortage of liquid fund in a situation where business conditions unexpectedly deteriorate and requiring financing the company requires fund both for short term operation needs as well as for long term capital expenditure growth projects. The company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investment provide liquidity in the short term and long term. The company has established and appropriate liquidity risk management framework for the management of the company's short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves banking facility and reserve borrowing facilities, by continuously



monitoring forecast and actual cash flow, and by matching the maturity profiles of financial assets and liabilities.

The following table details the company's remaining contractual maturity for its non derivative financial liabilities with agree repayment years and its non derivative financial assets. The tables have been drawn up based on the undiscounted cash flow of Financial Liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principle cash flows.

To the extent that interest flows are floating rates the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the company may be required to pay.

Liquidity exposure as at 31 March 2019

Particulars	< 1 Year	1-5 Year s	>5 Years	Total
Financial Assets				
Non Current Investments	-	-	-	-
Current Investments				
Cash and cash equivalents	14,67,022	-	-	14,67,022
Bank balances other than cash and cash equivalents	-	-	-	-
Short term Loans & Advances	42,82,087			42,82,087
Total Financial Assets	57,49,109	-	-	57,49,109

Liquidity exposure as at 31 March 2018

Particulars	< 1 Year	1-6 Years	>5 Years	Total
Financial Assets				
Non Current Investments	-	-	-	-
Current Investments				
Cash and cash equivalents	14,55,854	-	-	14,55,854
Bank balances other than cash and cash equivalents	20,00,000	-	-	20,00,000
Short term Loans & Advances	21,73,833			21,73,833
Total Financial Assets	56,29,687	-	-	56,29,687

- r) The Company has not made any sales till now and hence no disclosures for Ind AS 115 – Revenue from contracts has been made.



- s) In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 'Leases' which replaces Ind AS 17 'Leases'. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

The Company is in the process of evaluating the effect of amendment on its financial statements.

- t) Additional Information Pursuant to Schedule III of the Companies Act, 2013 is either Nil or Not Applicable.

For and on Behalf of the Board


RAMNATH CHOUBEY
Director


ANUNAY KUMAR
Director


RAGESH BIHARI
CFO


PRITI MOONKA
Company Secretary

