

INDEPENDENT AUDITORS' REPORT

**To the Members of
Bhushan Power & Steel Limited**

Report on the Audit of Financial Statements**Opinion**

We have audited the accompanying financial statements of **Bhushan Power & Steel Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), its 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 Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

Attention is drawn to note no. 45 of the financial statements regarding pending adjudication of appeals filed by erstwhile promoters of the Company, certain operational creditors and the Directorate of Enforcement with the Hon'ble Supreme Court against the Order of NCLAT; the financial statements of previous year have been prepared after giving impact of the resolution plan approved by NCLAT including the adjustments made during the measurement period in accordance with IND AS 103 "Business Combination".

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to the Board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

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.

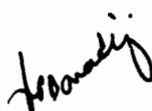


- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial performance in its financial statements. [Refer note no 47 to financial statements]
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. [Refer Note no. 54 to the financial statements]
 - v. The Company has not declared or paid any dividend during the financial year 2022-23. Accordingly, reporting under Rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E



Place: Mumbai
Date: May 09, 2023


R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTQZH2044

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Bhushan Power and Steel Limited for the year ended March 31, 2023:

- i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
- A. The Company has maintained proper records, showing full particulars including quantitative details and situation of PPE and relevant details of right-to-use assets.
- B. The Company has maintained proper records, showing full particulars of intangible assets.
- b. As explained to us and on the basis of the our examination of the records of the Company, the Company has a phased program for physical verification of all the PPE over a period of three years. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE. Pursuant to the program of the physical verification of PPE, physical verification of certain PPE has been carried out during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements included under PPE (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company) are held in the name of the Company except the following:

Description of Property	Gross carrying amount (Rs. in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held: indicate a range, where appropriate	Reason for not being held in the name of Company
Katarbaga	0.79	Ashwini Dharua	None	January 16, 2012	These land parcels were purchased on March 26, 2021 through implementation of resolution plan duly approved by NCLAT and now the new management is in the process to get the same transferred in the name of the Company.
Katarbaga	0.98	Dasrath Parekh	None	July 18, 2005 and October 10, 2005	
Tamperkela, Sripura, Saharaposi, Keonjhar, Katarbaga, Kanika, Jangala, Derba, Brahminipali	4.59	Durga Prasad Sasni	Employee	10 to 20 years	
Katarbaga	0.31	Parmeshwar Kichhu	None	May 29, 2012	
Katarbaga	1.76	Rajeev Kumar Mohanty	None	January 16, 2012	
Hemgir	0.25	Rakesh Khandelwal	None	August 22, 2012	
Jangala	0.25	Ranjit Ghosh	Employee	June 21, 2012	
Tamperkela	2.66	Rishi Pal	None	April 24, 2009 & February 24, 2010	
Katarbaga	3.06	Sanjay Mehta	None	June 05, 2012 and	



				June 19, 2012	
Sripura, Dhubenchhappar, Tamperkela, Ghumkarama, Derba, Bomaloi	7.20	Saraswati Kuanr	Employee	10 to 20 years	
Sripura	0.36	Subhash Sharma	None	March 23, 2011 and May 14, 2008	
Kanika	1.72	Varinder Singh	None	May 17, 09 & 11, 2012	
Katarbaga	0.22	Varinder Verma	None	July 06, 2012	
Tamperkela, Katarbaga, Brahminipali, Derba	4.31	Vikas Gupta	Employee	10 to 20 years	

- d. The Company has not revalued any of its PPE (including right-of-use assets) and intangible assets during the year. Hence reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit and those lying with third parties. The procedures and coverage of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. Goods in transit and inventories lying with third parties have been verified by way of subsequent receipt/confirmations. As per the information and explanations given to us and on the basis of examination of records of the Company, no discrepancies of 10% or more in the aggregate for each class of inventory was noticed on physical verification of inventories as compared to book records.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. According to the information and explanations given to us, and on the basis of our examination of the books and records of the Company, the quarterly returns or statements comprising stock and book debt statements, filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters. The Company has not been sanctioned any working capital facility from financial institutions.
- iii. In respect of Investments made, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:
- (a) The Company has not provided any loans or advances in the nature of loans or guarantee or provided security to any entity during the year and hence, reporting under Clause 3(iii)(a) is not applicable to the Company.
- (b) According to the information and explanations given to us, the investment made are in the ordinary course of business and in our opinion, prima facie, not prejudicial to the Company's interest.



- (c) The Company has not granted any loans or advances in the nature of loans and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any investments, given any loans nor provided any guarantee and security during the year to parties covered under Section 185 and 186 of the Act. Hence, reporting under Clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us and on the basis of examination of records, no deposits or amounts which are deemed to be deposits have been accepted by the Company within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under Clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required and therefore, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues mentioned in Clause vii (a) which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of dues	Amount Rs. in crores	Period to which the amount relates	Forum where dispute is pending
The OED Act, 1961	Electricity Duty	31.34*	July, 2017 to March, 2018	High Court, Orissa
Maharashtra Goods Service Tax Act, 2017	GST	1.44**	July, 2017 to March, 2018	Appellate Authority, Pune

*Net of payment made under protest of Rs. 20 crores

** Net of Payment made under protest of Rs. 0.08 crores

- viii. According to the information and explanations given to us and based on our examination of records of the Company, there were no amounts to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under Clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.



- (d) On an overall examination of the financial statements, in our opinion, the Company has not utilized funds raised on short term basis for long term purposes.
- (e) The Company does not have any subsidiary, associate or joint venture and hence reporting under Clause 3(ix)(e) and (f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) Since no fraud by the Company or any fraud on the Company has been noticed or reported during the year, reporting under Clause 3 (xi)(b) is not applicable to the Company.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, during the year, no whistle blower complaint was received by the Company and hence, reporting under Clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence, reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable accounting standard. Refer note. 48 to the financial statements.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. (a) 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) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities which require a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There is one registered Core Investment Company (CIC) and three unregistered CICs forming part of the Group.



- xvii. The Company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under Clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of records of the Company, there are no unspent amount in respect of other than ongoing projects requires to be transferred to a fund specified in Schedule VII to Act in compliance with second proviso to sub-section (5) of Section 135 of the Act and hence, reporting under Clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The Company has transferred on April 28, 2023, unspent amount of Rs. 10.70 crores to a specified bank account within the stipulated period of 30 days from the end of the said financial year in compliance with the provision of Section 135 (6) of the Act.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya

R. P. Baradiya
Partner

Membership No. 44101
UDIN: **23044101BGTQZH2044**



Place: Mumbai
Date: May 09, 2023

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Bhushan Power & Steel Limited for the year ended March 31, 2023:

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Bhushan Power & Steel Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 component 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 Act.

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 deemed to be prescribed under Section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements. (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the entity from time to time.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

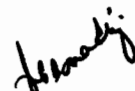
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, to the best of our information and according to the explanations given to us, the Company has, broadly, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential component 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 **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

Place: Mumbai
Date: May 09, 2023



R. P. Baradiya
Partner
Membership No. 44101
UDIN: 23044101BGTQZH2044



BHUSHAN POWER & STEEL LIMITED
BALANCE SHEET

(₹ in crores)

	Note No.	As at 31 March 2023	As at 31 March 2022
I ASSETS			
Non current assets			
(a) Property, plant and equipment	2	12,188.92	12,486.85
(b) Capital work-in-progress	3(a)	1,428.67	883.74
(c) Right-of-use	4	900.98	898.53
(d) Goodwill	5(a)	359.47	359.47
(e) Other intangible assets	5(b)	7.56	13.59
(f) Intangible assets under development	3(b)	4.15	3.41
(g) Financial assets			
(i) Investments	6	-	-
(ii) Loans	7	-	0.23
(iii) Other financial assets	8	140.57	156.20
(h) Income tax assets (net)	9	38.10	26.97
(i) Other non-current assets	10	118.89	87.74
Total non current assets		15,187.31	14,916.73
Current assets			
(a) Inventories	11	5,450.55	4,856.65
(b) Financial assets			
(i) Investments	12	-	1.60
(ii) Trade receivables	13	1,135.05	694.33
(iii) Cash and cash equivalents	14	1,134.99	545.06
(iv) Bank balances other than (iii) above	15	170.93	575.78
(v) Loans	16	-	1.78
(vi) Other financial assets	17	93.20	3.57
(c) Other current assets	18	669.90	636.99
Total current assets		8,654.62	7,315.76
Total assets		23,841.93	22,232.49
II EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	19	100.00	100.00
(b) Other equity	20	12,036.42	11,772.91
Total equity		12,136.42	11,872.91
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	21 (a)	1,942.11	5,870.56
(ii) Lease liabilities	49	9.11	8.93
(iii) Other financial liabilities	22	376.14	10.66
(b) Provisions	23	33.37	53.08
Total non current liabilities		2,360.73	5,943.23
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21 (b)	4,644.06	647.01
(ii) Lease liabilities	49	1.11	2.04
(iii) Trade payables	24		
- total outstanding dues of micro enterprises & small enterprises		133.62	115.32
- total outstanding dues of creditors other than micro enterprises & small enterprises		3,973.45	3,001.58
(iv) Other financial liabilities	25	344.31	390.53
(b) Other current liabilities	27	234.25	256.60
(c) Provisions	26	13.98	3.27
Total current liabilities		9,344.78	4,416.35
Total liabilities		11,705.51	10,359.58
Total equity and liabilities		23,841.93	22,232.49

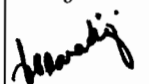
Significant accounting policies
Notes forming part of accounts

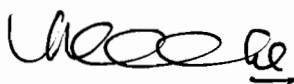
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2 to 56


The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
For LODHA & COMPANY
Chartered Accountants
Firm Registration No.:301051E

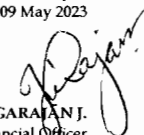
For and on behalf of Board of Directors

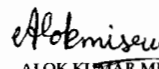

R. P. BARADIYA
Partner
Place: Mumbai
Date : 09 May 2023


DR. VINOD NOWAL
Chairman
DIN: 00046144
Place : Sambalpur
Date : 09 May 2023


ANIL KUMAR SINGH
President & Whole time Director
DIN: 02059903
Place : Sambalpur
Date : 09 May 2023

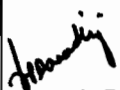
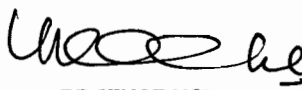








NAGARAJAN J.
Chief Financial Officer
Place : Sambalpur
Date : 09 May 2023


ALOK KUMAR MISHRA
Company Secretary
ICSI Membership No. ACS 15967
Place : Sambalpur
Date : 09 May 2023

BHUSHAN POWER & STEEL LIMITED
STATEMENT OF PROFIT & LOSS

(₹ in crores)

	Note	For the year ended	For the year ended
	No.	31 March 2023	31 March 2022
I Revenue from operations	28	20,077.15	21,409.02
II Other income	29	81.03	45.70
III Total income (I + II)		20,158.18	21,454.72
IV Expenses			
Cost of materials consumed	30	14,285.81	10,182.88
Purchases of stock- in- trade		397.67	393.06
Changes in inventories of finished goods and work-in-progress	31	(1,241.38)	(325.64)
Employee benefits expense	32	412.93	393.27
Finance costs	33	753.81	940.30
Depreciation and amortization expense	34	1,232.68	1,270.01
Other expenses	35	4,417.05	4,342.02
Total expenses		20,258.57	17,195.90
V Profit before Exceptional items and tax (III - IV)		(100.39)	4,258.82
VI Exceptional Items	46	260.69	-
VII Profit before tax (V + VI)		160.30	4,258.82
VIII Tax expense	38		
Current tax		-	-
Deferred tax		-	-
IX Profit for the year (VII - VIII)		160.30	4,258.82
X Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(2.78)	8.85
Total comprehensive income		(2.78)	8.85
XI Total comprehensive income for the year (IX + X)		157.52	4,267.67
XII Earnings per equity share of ₹ 10 each	37		
(1) Basic		16.03	425.88
(2) Diluted		0.48	5.22
Significant accounting policies	1		
Notes forming part of accounts	2 to 56		
The accompanying notes form an integral part of the Financial Statements			
As per our report of even date attached		For and on behalf of Board of Directors	
For LODHA & COMPANY			
Chartered Accountants			
Firm Registration No.:301051E			
			
R. P. BARADIYA		DR. VINOD NOWAL	
Partner		Chairman	
Place: Mumbai		DIN: 00046144	
Date : 09 May 2023		Place : Sambalpur	
		Date : 09 May 2023	
			
			
		NAGARAJAN J.	
		Chief Financial Officer	
		Place : Sambalpur	
		Date : 09 May 2023	
			
		ANIL KUMAR SINGH	
		President & Whole time Director	
		DIN: 02059903	
		Place : Sambalpur	
		Date : 09 May 2023	
			
		ALOK KUMAR MISHRA	
		Company Secretary	
		ICSI Membership No. ACS 15967	
		Place : Sambalpur	
		Date : 09 May 2023	

BHUSHAN POWER & STEEL LIMITED

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital	
Particulars	(₹ in crores)
Particulars	Amount
Equity share capital as at 01 April 2021	100.00
Changes in equity share capital due to prior period errors	-
Changes in equity share capital	-
As at 31 March 2022	100.00
Changes in equity share capital due to prior period errors	-
Changes in equity share capital	-
Balance as at 31st March 2023	100.00

(B) Other equity					(₹ in crores)
Particulars	Equity component of compound financial instruments	Reserves and surplus		Other comprehensive income	Total
		Capital reserve	Retained earnings	Remeasurement of defined benefits plan	
Balance as at 01 April 2021	6,536.08	0.01	970.51	(1.37)	7,505.23
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year	-	-	4,258.82	-	4,258.82
Other comprehensive income for the year	-	-	-	8.85	8.85
Balance as at 31 March 2022	6,536.08	0.01	5,229.33	7.48	11,772.91
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year	-	-	160.30	-	160.30
Modification in terms of compound financial instruments (refer note 21)	105.99	-	-	-	105.99
Other comprehensive income for the year	-	-	-	(2.78)	(2.78)
Balance as at 31st March 2023	6,642.07	0.01	5,389.63	4.70	12,036.42

Significant accounting policies 1
Notes forming part of accounts 2 to 56

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For LODHA & COMPANY
Chartered Accountants
Firm Registration No.:301051E

R. P. Baradiya
R. P. BARADIYA
Partner
Place: Mumbai
Date : 09 May 2023



DR. VINOD NOWAL
Chairman
DIN: 00046144
Place : Sambalpur
Date : 09 May 2023

Nagarajan J.
NAGARAJAN J.
Chief Financial Officer
Place : Sambalpur
Date : 09 May 2023

For and on behalf of Board of Directors

Anil Kumar Singh
ANIL KUMAR SINGH
President & Whole time Director
DIN: 02059903
Place : Sambalpur
Date : 09 May 2023

Alok Kumar Mishra
ALOK KUMAR MISHRA
Company Secretary
ICSI Membership No. ACS 15967
Place : Sambalpur
Date : 09 May 2023



BHUSHAN POWER & STEEL LIMITED
STATEMENT OF CASH FLOWS

(₹ in crores)

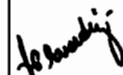
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities		
Profit before tax	160.30	4,258.82
Adjustments:		
Depreciation & amortisation expense	1,232.68	1,270.01
(Profit)/Loss on disposal/discard of property, plant & equipment (net)	1.31	(0.91)
Unrealised gain/(loss) on foreign exchange differences (net)	8.68	(9.16)
Fair value gain arising from financial Instruments designated as FVTPL (mutual funds)	0.01	(0.19)
Finance costs	753.81	940.30
Allowance for doubtful debts, loans & advances (net of reversal)	7.25	(1.04)
Liabilities no longer required written back	(74.49)	-
Interest income	(15.52)	(43.32)
Exceptional items credited to Statement of Profit & loss	(260.69)	-
Working capital adjustments:		
Increase in inventories	(593.90)	(2,704.05)
(Increase)/Decrease in trade receivables	(430.82)	86.33
(Increase)/Decrease in other assets	531.17	(556.14)
Increase in trade payables	1,066.41	2,323.67
Decrease in other liabilities	(36.71)	(13.16)
Decrease in provisions	(11.78)	(1.60)
Cash flows from operating activities	2,337.71	5,549.56
Income tax paid	(11.13)	(16.67)
Net cash flows from operating activities (A)	2,326.58	5,532.89
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles assets (including under development and capital advance)	(1,405.85)	(735.94)
Proceeds from sale of property, plant & equipment	0.78	2.44
Proceeds from sale of current investments	1.82	-
Interest received	13.87	41.34
Net cash flows used in investing activities (B)	(1,389.38)	(692.16)
Cash flows from financing activities		
Proceeds from short term borrowings	159.24	-
Repayment of long term borrowings	-	(6,299.22)
Finance costs paid	(504.62)	(752.77)
Payment of lease liability	(1.89)	(1.16)
Net cash flows used in financing activities (C)	(347.27)	(7,053.15)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	589.93	(2,212.42)
Cash and cash equivalents at the beginning of the year	545.06	2,757.48
Cash and cash equivalents at year end	1,134.99	545.06

Refer note 51 in respect of reconciliation part of cash flows.


Significant accounting policies 1
Notes forming part of accounts 2 to 56

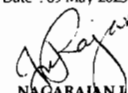
The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
For LODHA & COMPANY
Chartered Accountants
Firm Registration No.:301051E


R. P. BARADIYA
Partner
Place: Mumbai
Date : 09 May 2023




DR. VINOD NOWAL
Chairman
DIN: 00046144
Place : Sambalpur
Date : 09 May 2023


NAAGARAJAN
Chief Financial Officer
Place : Sambalpur
Date : 09 May 2023

For and on behalf of Board of Directors


ANIL KUMAR SINGH
President & Whole time Director
DIN: 02059903
Place : Sambalpur
Date : 09 May 2023


ALOK KUMAR MISHRA
Company Secretary
ICSI Membership No. ACS 15967
Place : Sambalpur
Date : 09 May 2023



General Information

Bhushan Power & Steel Limited (BPSL) CIN: U27100DL1999PLC108350 is a public limited company domiciled and incorporated in India under the provisions of the Companies Act, 2013. The Company has its registered office located at 4th Floor, A-2, NTH Complex, Saheed Jeet Singh Marg USO Road, Qutab Institutional Area, New Delhi South-110067.

The Company is primarily engaged in the manufacture and sale of flat and long steel products. The Company has its integrated manufacturing facilities located at Odisha and has downstream products manufacturing facilities at Chandigarh and Kolkata.

1 A) Significant Accounting Policies

a. Statement of Compliance

The financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind-AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements").

These financial statements are approved for issue by the Board of Directors on 09 May 2023.

b. Basis of preparation and presentation

The financial statements have been prepared under the historical cost convention with the exception of certain financial instruments that are required to be measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind-AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost / allocated cost less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Cost includes all costs relating to acquisition and installation of Property, plant and equipment including any incidental costs of bringing the assets to their working condition for their 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 year in which the costs are incurred.

Where cost of the part of the asset is significant to total cost of asset and useful life of that part is different from useful life of the asset, useful life and the value of that significant part shall be determined separately through internal/external expert. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are reflected in capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to appropriate category of Property, plant and equipment. Costs associated with the commissioning of an asset 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 (net of cost) generated from production during the trial period is capitalized.

Derecognition

The carrying amount of a property, plant and equipment is de-recognized when no future economic benefits are expected from its use or on disposal. 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 the statement profit & loss.



Machinery spares that can be used only in connection with an item of Property, plant and equipment & where use are expected is more than one year are capitalized along with plant & machinery.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised as to write off the cost of assets (other than freehold land and properties under construction) less their residual values.

Depreciation commences when the assets are ready for their intended use. Depreciation on all property plant and equipment except freehold land are provided on a straight-line method on the basis of the useful life prescribed in Schedule II of the Companies Act, 2013 or the economic useful lives determined as per technical assessment. In case of below mentioned class of assets, life of the assets has been determined as per technical assessment.

Class of assets	Years
Plant & equipment	4 to 38 years
Building	20 to 60 years
Building- temporary structure	5 years
Computer & computer accessories	3 years
Work-rolls (shown under plant & equipment)	1 year

The useful lives are reviewed annually. If the expected useful life of the asset is significantly different from previous estimates, the depreciation period is changed accordingly.

d. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost / allocated cost less accumulated amortization and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs incurred on technical know-how/ license fee relating to process design/ plants/ facilities are capitalized at the time of capitalization of the said plant/ facility and amortized on pro-rata basis over a period of five years. Computer software is capitalised on the date of installation and is amortised on pro-rata basis over a period of five years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gain and loss arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the statement of profit and loss when the asset is de-recognized or on disposal.

Useful lives of Intangible assets:

Class of assets	Years
Computer Software & Licenses	3 – 5 years
Coal Linkage Rights	Over the period of rights



e. Mining Assets

Acquisition Costs

The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs.

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

Other production stripping cost incurred are expensed in the statement of profit and loss.

Developmental stripping costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries, and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing



and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically

f. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale and the sale expected within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

g. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, production consumables and stores & spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials computed on specific identification method and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

h. Revenue from contract with customers

a) Revenue from sale of goods

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 Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct -- i.e., if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate



products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products is included in revenue.

Contract balances

i) Contract assets including trade receivables

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due).

ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

iii) Refund liabilities

A refund liability is the obligation to refund some or all the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

b) Dividend & Interest Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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.

i. Foreign currency transactions

The Company's financials are presented in INR, which is functional currency of the Company. In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period:

- i. Monetary items denominated in foreign currencies are restated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are restated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).
- iii. Non-monetary items that are measured terms of historical cost in a foreign currency are not restated.



Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

j. Retirement and other employee benefits

Defined Contribution Plan

Payments to defined contribution retirement benefit plans such as provident fund are recognized as an expense in the statement of profit and loss when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefits Plan

For defined retirement benefit plans, such as gratuity 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.

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 expense. Curtailment gains and losses are accounted for as past service costs.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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.

The retirement benefit obligation recognized in the balance sheet 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.

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. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related 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.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

l. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to finance cost.

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period to get ready for its intended use.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, 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 capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

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

m. Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities and comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



Right-of-use assets are amortised on a straight-line basis over shorter of its estimated useful life or the lease term. In the case of land on lease, the assets are amortized over the lease period except where the lease period more than 99 years.

Class of assets	Years
Leasehold land	30-99 years (depending upon lease period)
Office lease	2 years

Ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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



A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and



losses arising on remeasurement recognized in statement of profit and loss. The net gain or loss recognized in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

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.

d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets.

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit and loss and is included in the 'Other income' line item.



B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a Company 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.

b) 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 the Company 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.

c) Financial liabilities

Financial liabilities are classified as other financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.



C. Derivative Instruments and Hedge Accounting

- a) **Derivative financial instruments** The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

- b) **Embedded derivatives** an embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit and loss, unless designated as effective hedging instruments.

- c) The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

- i) **Fair value hedges** : Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item. The Company designates only the spot component for derivative instruments in fair value Hedging relationship. The Company defers changes in the forward element of such instruments in hedging reserve and the same is amortised over the period of the contract. When the Company designates only the intrinsic value of the option as the hedging instrument, it account for the changes in the time value in OCI. This amount is be removed from OCI and recognised in P&L, either over the period of the hedge if the hedge is time related, or when the hedged transaction affects P&L if the hedge is transaction related. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit and loss from that date.

- ii) **Cash flow hedges** : The effective portion of changes in fair value of derivatives and non-derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective



portion is recognised immediately in Statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the years when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between 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 attributable or not 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 the Statement of Profit and Loss.

o. Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.



p. Earnings per share

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

Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

q. Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items, which are never taxable or tax deductible. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year.

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

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

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

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

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 part of the asset to be recovered.

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.



The Company offsets, the tax assets and liabilities (on a year-on-year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis

Current and Deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate 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.

r. Impairment of non-financial asset

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication based on internal/ external factors 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). An asset's recoverable amount is the higher of an asset or cash-generating units (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. When 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

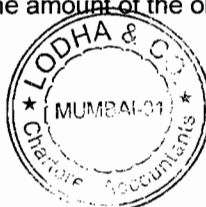
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for Impairment at least annually, and whenever there is an indication that the asset may be impaired.

s. Provisions

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



The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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) discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Trade receivables above ninety days and against whom any legal cases filed/to be filed are treated as doubtful in nature and accordingly provision has been made.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Show cause notices issued by various government authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company then these are classified as possible obligations.

t. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize such contingent liability but discloses its existence in the financial statements.

u. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of less than three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value.

v. Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets and liabilities transferred in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in the Statement of Profit and Loss as incurred.



Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognising gain in respect thereof, the company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognised at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the company shall also recognise additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

1. **B) Significant accounting judgments, estimates and assumptions**

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

In the process of applying the Company's accounting policies, management has made the following judgment, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statement

a) **Useful lives of property, plant and equipment**

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

b) **Contingent Liabilities**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

c) **Impairment of goodwill**

For the purpose of impairment testing, goodwill are tested for impairment annually, or more frequently when there is an indication to be impaired. If the recoverable amount is less than the carrying value, the impairment loss is to reduce the carrying value of the goodwill.



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in crores)

NOTE- 2 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total
Cost							
At 01 April 2021	1,360.23	2,341.42	10,536.72	2.91	4.17	0.72	14,246.17
Additions	-	6.69	564.13	0.81	3.94	1.78	577.35
Deductions	-	-	1.01	-	1.04	-	2.07
At 31 March 2022	1,360.23	2,348.11	11,099.84	3.70	7.07	2.50	14,821.45
Additions	-	85.00	836.12	1.52	2.09	1.96	926.68
Deductions/adjustments	14.40	-	1.91	0.26	0.22	-	16.79
At 31 March 2023	1,345.83	2,433.11	11,934.05	4.96	8.94	4.46	15,731.34
Accumulated depreciation							
At 01 April 2021	-	92.99	1,046.85	0.37	0.91	0.11	1,141.23
Depreciation	-	93.12	1,099.35	0.47	0.71	0.26	1,193.91
Deductions	-	-	0.10	-	0.44	-	0.54
At 31 March 2022	-	186.11	2,146.10	0.84	1.18	0.37	2,334.60
Depreciation	-	93.93	1,111.69	0.48	1.41	0.61	1,208.12
Deductions	-	-	0.13	-	0.10	-	0.30
At 31 March 2023	-	280.04	3,257.66	1.25	2.49	0.98	3,542.42
Net book value							
At 31 March 2023	1,345.83	2,153.06	8,676.39	3.71	6.45	3.48	12,188.92
At 31 March 2022	1,360.23	2,162.00	8,953.74	2.86	5.89	2.13	12,486.85

Notes:

1. Details of Property, plant & equipment of ₹ 28.47 crores (previous year ₹ 28.47 crores) are not in the name of Company are as follows:

Relevant line item in the balance sheet	Description of item of property	Area in acres	Gross carrying value as at 31 March 2023	Title deeds in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date*	Reason for not being held in the name of the Company
Property, plant & equipment	Land	3.47	0.79	Ashwini Dharua	NA	10 to 20 years	These assets were purchased by the Company before March 26, 2021, when the ownership of the Company has been changed through NCLT process. And now new management of the Company is in the process to get it transferred in the name of Company.
Property, plant & equipment	Land	4.30	0.98	Dasrath Parekh	NA	10 to 20 years	
Property, plant & equipment	Land	27.96	4.59	Durga Prasad Sarni	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	1.36	0.31	Parneshwar Kichhu	NA	10 to 20 years	
Property, plant & equipment	Land	7.70	1.76	Rajeev Kumar Mohanty	NA	10 to 20 years	
Property, plant & equipment	Land	1.25	0.25	Rakesh Khandelwal	NA	10 to 20 years	
Property, plant & equipment	Land	1.11	0.25	Ranjit Ghosh	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	11.64	2.66	Rishi Pal	NA	10 to 20 years	
Property, plant & equipment	Land	13.41	3.06	Sanjay Mehta	NA	10 to 20 years	
Property, plant & equipment	Land	48.16	7.20	Saraswati Kuanr	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	4.96	0.36	Subhash Sharma	NA	10 to 20 years	
Property, plant & equipment	Land	11.13	1.72	Varinder Singh	NA	10 to 20 years	
Property, plant & equipment	Land	0.98	0.22	Varinder Verma	NA	10 to 20 years	
Property, plant & equipment	Land	13.84	4.31	Vikas Gupta	Employee of the Company	10 to 20 years	
Total		156.27	28.47				

* Range has been considered due to multiple land parcels purchased on different dates

1) Refer note 21 for certain property, plant and equipment hypothecated / mortgaged as security against borrowings.

2) Refer note 47(a) for capital commitment.



Title deeds of immovable properties not held in the name of the Company:

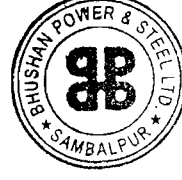
Relevant line item in the balance sheet	Description of item of property	Area in acres	Gross carrying value as at 31 March 2022	Title deeds in the name of	Whether title deed holder is a promoter, director or employee of promoter/director or employee of the Company	Property held since which date	Reason for not being held in the name of the Company
Property, plant & equipment	Land	3.47	0.79	Ashwini Dharua	NA	10 to 20 years	These assets were purchased by the Company before March 26, 2021, when the ownership of the Company has been changed through NCLT process. And now new management of the Company is in the process to get it transferred in the name of Company.
Property, plant & equipment	Land	4.30	0.98	Dasrath Parekh	NA	10 to 20 years	
Property, plant & equipment	Land	27.96	4.59	Durga Prasad Sasni	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	1.36	0.31	Parmeshwar Kichhu	NA	10 to 20 years	
Property, plant & equipment	Land	7.70	1.76	Rajeev Kumar Mohanty	NA	10 to 20 years	
Property, plant & equipment	Land	1.25	0.25	Rakesh Khandelwal	NA	10 to 20 years	
Property, plant & equipment	Land	1.11	0.25	Ranjit Ghosh	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	11.64	2.66	Rishi Pal	NA	10 to 20 years	
Property, plant & equipment	Land	13.41	3.06	Sanjay Mehta	NA	10 to 20 years	
Property, plant & equipment	Land	48.16	7.20	Saraswati Kuaur	Employee of the Company	10 to 20 years	
Property, plant & equipment	Land	4.96	0.36	Subhash Sharma	NA	10 to 20 years	
Property, plant & equipment	Land	11.13	1.72	Varinder Singh	NA	10 to 20 years	
Property, plant & equipment	Land	0.98	0.22	Varinder Verma	NA	10 to 20 years	
Property, plant & equipment	Land	18.84	4.31	Vikas Gupta	Employee of the Company	10 to 20 years	
Total		156.27	28.47				

NOTE - 3(a) Capital-work-in-progress

Particulars	Buildings under construction	Plant and equipment under installation	Total
At 01 April 2021	17.18	712.52	729.70
Additions	10.72	639.40	650.12
Capitalization	5.87	490.21	496.08
At 31 March 2022	22.03	861.71	883.74
Additions	144.46	1,267.85	1,412.31
Capitalization	85.00	782.38	867.38
At 31 March 2023	81.49	1,347.18	1,428.67

Capital-work-in-progress ageing as on 31 March 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
i) Projects in progress	630.38	179.31	-	837.94
ii) Projects temporarily suspended	-	-	-	-
iii) Inventory capital spares	572.95	17.78	-	590.73
Total	1,203.32	197.09	28.26	1,428.67



Completion schedule of overdue projects as on 31 March 2023					(₹ in crores)
Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Power Plant	113.39	-	-	-	113.39
1000 Tpd Oxygen Plant	108.18	-	-	-	108.18
250 Tph Boiler	93.55	-	-	-	93.55
Lime Calcination Plant-5	76.46	-	-	-	76.46
EAF & FES Modification	47.06	-	-	-	47.06
Lime Calcination Plant-6	40.84	-	-	-	40.84
Paste Thickener	24.44	-	-	-	24.44
Other projects	158.19	-	-	-	158.19
Total	662.10	-	-	-	662.10

Capital-work-in-progress ageing as on 31 March 2022					(₹ in crores)
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Projects in progress	551.34	276.23	-	-	827.57
ii) Projects temporarily suspended	-	-	-	-	-
iii) Inventory capital spares	56.17	-	-	-	56.17
Total	607.51	276.23	-	-	883.74

Note: In respect of CWIP taken over through implementation of resolution plan approved by NCLAT, date of acquisition of the Company (01 April 2020) has been considered as date of commencement of projects (refer note 45).

NOTE - 3(b) Intangible assets under development (₹ in crore)

Particulars	Intangible assets under development	Total
At 01 April 2021	2.41	2.41
Additions	1.00	1.00
Deletion	-	-
At 31 March 2022	3.41	3.41
Additions	7.19	7.19
Deletion	6.45	6.45
At 31 March 2023	4.15	4.15

Intangible assets under development ageing as on 31 March 2023					(₹ in crores)
Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.56	1.18	2.41	-	4.15

Completion schedule for intangible assets under development is as below:					(₹ in crores)
Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Netrabandha Iron Ore Mines	4.15	-	-	-	4.15
Total	4.15	-	-	-	4.15

Intangible assets under development ageing as on 31 March 2022					(₹ in crores)
Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.00	2.41	-	-	3.41

Note: In respect of intangible assets under development taken over through implementation of resolution plan approved by NCLAT, date of acquisition of the Company (01 April 2020) has been considered as date of commencement of projects (refer note 45).

NOTE-4 Right-of-use (₹ in crores)

Particulars	Leasehold land	Buildings (on finance lease)	Total
At 01 April 2021	921.39	1.42	922.81
Transfer in right-of-use	-	-	-
Additions	-	-	-
At 31 March 2022	921.39	1.42	922.81
Transfer in right-of-use	-	-	-
Deductions/adjustments	14.54	-	14.54
At 31 March 2023	935.93	1.42	937.35
Accumulated depreciation			
At 01 April 2021	11.52	0.53	12.05
Depreciation	11.52	0.71	12.23
At 31 March 2022	23.04	1.24	24.28
Depreciation	11.91	0.18	12.09
At 31 March 2023	34.95	1.42	36.37
At 31 March 2023	900.98	0.00	900.98
At 31 March 2022	898.35	0.18	898.53

NOTE-5(a) - Goodwill (₹ in crores)

Particulars	Goodwill
Cost	
At 01 April 2021	359.47
Additions	-
At 31 March 2022	359.47
Additions	-
At 31 March 2023	359.47

Note : Refer note 45 in respect of implementation of resolution plan.

NOTE-5(b) - Other intangible assets (₹ in crores)

Particulars	Computer software	Coal linkage rights	Total
Cost			
At 01 April 2021	2.49	163.30	165.79
Additions	-	-	-
At 31 March 2022	2.49	163.30	165.79
Additions	6.45	-	6.45
At 31 March 2023	8.94	163.30	172.24
Accumulated amortisation			
At 01 April 2021	0.25	88.08	88.33
Amortisation	0.47	63.40	63.87
At 31 March 2022	0.72	151.48	152.20
Amortisation	0.63	11.82	12.47
At 31 March 2023	1.37	163.30	164.67
Net book value			
At 31 March 2023	7.56	-	7.56
At 31 March 2022	1.77	11.82	13.59

Note:

1) Coal linkage rights was available upto August, 2022.



Particulars	As at 31 March 2023	As at 31 March 2022
NOTE - 6 Investments (non current)		
Carried at fair value through profit & loss		
Investments in equity instruments		
<u>Quoted</u>		
Nova Iron & Steel Limited*	-	-
92,69,146 equity shares of ₹ 10 each fully paid -up	-	-
Orissa Sponge Iron & Steel Limited	-	-
840 equity shares of ₹ 10 each fully paid -up	-	-
<u>Unquoted</u>		
Bijahan Coal Private Limited*	-	-
9,500 equity shares of ₹ 10 each fully paid up	-	-
Ambey Steel & Power Private Limited*	-	-
28,14,215 equity shares of ₹ 100 each fully paid up	-	-
Rohne Coal Company Private Limited*	-	-
2,40,900 equity shares of ₹ 10 each fully paid up	-	-
Skap Electronics Private Limited	-	-
980 equity shares of ₹ 100 each fully paid up	-	-
Aggregate value of quoted investments	-	-
Aggregate value of unquoted investments	-	-
Aggregate value of investments carried at cost	-	-
<p>*Note: The Company has reassessed these investments as per the principles of Ind AS 110 and Ind AS 28 and has determined that it does not exercise control or has significant influence over these entities. Accordingly, the Company is measuring them at fair value through profit and loss account as per the principles of Ind AS 109. The Company has recorded these investments at fair value which has been determined to be nil on the date of reclassification. Refer note 45 on reverse acquisition.</p>		
NOTE - 7 Loans (non current)		
Unsecured, considered good		
Loans and advances to employees	-	0.23
Unsecured-considered good	-	0.09
Unsecured-considered doubtful	-	0.32
Total	-	0.09
Less: provision for doubtful advances	-	0.23
NOTE - 8 Other financial assets (non current)		
Unsecured, considered good		
Security deposits		
Unsecured-considered good	137.73	141.83
Unsecured-considered doubtful	-	2.14
Total	137.73	143.97
Less: provision for doubtful security deposits	-	2.14
	137.73	141.83
Interest receivable	-	4.95
Term deposits with banks with maturity more than 12 months*	2.84	9.42
	140.57	156.20
* Under lien against margin money.		



Particulars	As at 31 March 2023	As at 31 March 2022
NOTE - 9 Income tax assets (net)		
Advance payment of tax (net of provision for income tax of ₹ 4.32 crores (previous year nil))	38.10	26.97
	38.10	26.97
NOTE - 10 Other non current assets		
Unsecured, considered good		
Capital advance to suppliers		
Unsecured-considered good	96.30	84.19
Unsecured-considered doubtful	-	1.25
Total	96.30	85.44
Less: provision for doubtful capital advances	-	1.25
	96.30	84.19
Duty/tax paid under protest	20.08	-
Prepaid expenses	2.51	3.55
	118.89	87.74
CURRENT ASSETS		
NOTE - 11 Inventories (At lower of cost and net realisable value)		
Raw materials	1,409.27	2,280.51
Raw materials-in-transit	835.40	601.31
Work-in-progress	500.49	269.81
Finished goods	2,117.30	1,123.94
Finished goods-in-transit	76.38	59.04
Production consumables and stores & spares	446.20	477.78
Production consumables and stores & spares (stock-in-transit)	65.51	44.26
	5,450.55	4,856.65
Note:		
(1) Value of inventories above is stated after write down by ₹ 1.91 crores (previous year ₹ 12.58 crores) to net realisable value. These were recognised as and expense during the year and included in changes in inventories of finished goods & work in progress.		
(2) Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 21.		
NOTE - 12 Investments		
Investment carried at fair value through profit & loss		
Quoted, fully paid up		
Canara Robeco Emerging Equities-Regular Growth*		
Nil (previous years 19,272,672 units) of ₹10 each	-	0.30
Canara Robeco Flexi Cap Fund- Regular Growth**		
Nil (previous years 13,798,786 units) of ₹10 each	-	0.31
DSP Credit Risk-Regular Plan-Growth		
Nil (previous years 3,00,896,285 units) of ₹10 each	-	0.99
	-	1.60
Aggregate value of quoted investments	-	1.60
Aggregate value of unquoted investments	-	-
Aggregate value of investments carried at cost	-	-
NOTE - 13 Trade receivables		
Trade receivables considered good - unsecured	1,135.05	694.33
Trade receivables which have significant increase in credit risk	4.25	10.11
Total	1,139.30	704.44
Less: Provision for doubtful debts	4.25	10.11
	1,135.05	694.33

Notes:

- 1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- 2) Trade receivables from related parties, details have been described in note- 48.
- 3) Credit risk management regarding trade receivables has been described in note- 42.4.
- 4) Trade receivables have been given as collateral security towards borrowings- refer note 21.

Trade receivables ageing as at 31 March 2023

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	4.92	857.01	273.12	-	-	-	-	1,135.05
Undisputed trade receivables - which have significant increase in credit risk	-	-	2.68	1.57	-	-	-	4.25
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowances for doubtful debts	-	-	(2.68)	(1.57)	-	-	-	(4.25)
Total	4.92	857.01	273.12	-	-	-	-	1,135.05

Trade receivables ageing as at 31 March 2022

(₹ in crores)

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	388.13	287.73	15.74	-	-	-	691.60
Undisputed trade receivables - which have significant increase in credit risk	-	-	10.11	-	-	-	-	10.11
Disputed trade receivables - considered good	-	-	2.73	-	-	-	-	2.73
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowances for doubtful debts	-	-	(10.11)	-	-	-	-	(10.11)
Total	-	388.13	290.46	15.74	-	-	-	694.33



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	As at 31 March 2023	As at 31 March 2022
NOTE - 14 Cash and cash equivalents		
Balances with banks		
- In current accounts	334.95	179.06
- Term deposits with original maturity of less than 3 months	800.00	365.86
Cash on hand	0.04	0.14
	1,134.99	545.06
NOTE - 15 Other bank balances		
Earmarked balances in current accounts*	149.29	179.96
Balances with Banks		
Term deposits under lien with banks with maturity of less than 3 months**	8.59	69.26
Term deposits with banks having maturity of more than 3 months but less than 12 months***	13.05	326.56
	170.93	575.78
* Includes ₹ 46.79 crores (Previous year ₹ 49.09 crores) set aside for meeting likely litigation arising from The Insolvency and Bankruptcy Code, 2016 (IBC) and ₹96.34 crore (previous year ₹129.59 crores) in escrow account for operational creditors payment.		
**Under lien against margin money		
*** Includes ₹ 13.05 crores (previous year ₹ 322.98 crores) under lien against margin money		
NOTE - 16 Loans		
Unsecured, considered good		
Loan to employees	-	1.76
Interest recoverable from employees	-	0.02
	-	1.78
NOTE - 17 Other financial assets		
Unsecured, considered good		
Mining claim recoverable (refer note 46)	59.00	-
Insurance claim receivable	-	1.10
Gratuity recoverable from fund	-	0.02
Security deposits	25.64	0.51
Interest receivable	8.56	1.94
	93.20	3.57
NOTE - 18 Other current assets		
Unsecured		
Advances to suppliers/others		
-Considered good	492.04	327.70
-Considered doubtful	11.85	0.73
Total	503.89	328.43
Less: provision for doubtful advances	11.85	0.73
	492.04	327.70
Prepaid expenses - Current	5.23	11.48
Balances with government authorities	172.63	297.81
	669.90	636.99



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of shares	Amount
NOTE - 19 Share capital				
a) Authorised				
Equity shares of ₹ 10 each	15,37,50,00,000	15,375.00	15,37,50,00,000	15,375.00
Preference shares of ₹ 100 each	75,00,000	75.00	75,00,000	75.00
	15,38,25,00,000	15,450.00	15,38,25,00,000	15,450.00
b) Issued, subscribed & paid up				
Equity shares outstanding at the beginning of the year	10,00,00,000	100.00	10,00,00,000	100.00
Add: equity shares issued during the year	-	-	-	-
Equity shares at the end of the year	10,00,00,000	100.00	10,00,00,000	100.00
NOTE - 19.1 Details of shareholders holding more than 5% shares in the Company*	No. of shares	% of holding	No. of shares	% of holding
(Equity shares of ₹ 10 each fully paid - up) Piombino Steel Limited - Holding Company	10,00,00,000	100.00%	10,00,00,000	100.00%
NOTE - 19.2 Promoter's shareholding*	No. of shares	% of holding	No. of shares	% of holding
(Equity shares of ₹ 10 each fully paid - up) Piombino Steel Limited - Holding Company	10,00,00,000	100.00%	10,00,00,000	100.00%
* Including shares held by nominees on behalf of the Holding Company				
NOTE - 19.3 Terms/rights attached to equity shares				
The Company has single class of equity shares having face value of ₹ 10. Each holder of equity shares is entitled for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.				
Particulars		As at 31 March 2023		As at 31 March 2022
NOTE - 20 Other Equity				
(i) Equity Component of Compound Financial Instrument				
845,00,00,000 (previous year - 845,00,00,000) 6% Compulsorily Convertible Debentures of ₹ 10/- each		6,642.07		6,536.08
(ii) Capital reserve		0.01		0.01
(iii) Retained earnings		5,229.34		970.52
Add: profit for the year		160.30		4,258.82
		5,389.64		5,229.34
(iv) Other comprehensive income				
Re-measurement of defined benefits plan		7.48		(1.37)
(Add)/ less: income/(expenses) for the year		(2.78)		8.85
		4.70		7.48
Total		12,036.42		11,772.91
Nature and purpose of reserves				
(i) Equity component of compound financial instruments	The Company has issued compulsorily convertible debentures (CCD) aggregating to ₹ 8,450.00 crores during the financial year ended 31 March 2021. Considering the accounting principles to be followed in line with Indian accounting standards, the Company has computed the liability portion of CCD as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the CCD and the liability so computed has been treated as the 'equity component of compound financial instruments' and grouped under other equity. Refer note 21 for terms and conditions.			
(ii) Retained Earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.			
(iii) Capital Reserve	Reserve is created primarily on reverse acquisition as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.			



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	As at 31 March 2023	As at 31 March 2022
NOTE - 21 (a) Borrowings		
Term loans - secured		
i) From banks*		
Rupee loans	4,500.00	4,500.00
Unamortised upfront fees on borrowings	(15.18)	(30.53)
	4,484.82	4,469.47
Unsecured loans		
ii) Loan from a related party**	134.18	134.18
iii) Debt component of compulsory convertible debentures***	1,807.93	1,266.91
	6,426.93	5,870.56
Less:		
Current maturity of long term borrowings		
i) From banks*		
Rupee loans	4,500.00	-
Unamortised upfront fees on borrowings	(15.18)	-
	1,942.11	5,870.56
Terms of borrowings *Term loans from banks: Tenure ₹ 4,500.00 crores (previous year ₹ 4,500.00 crores), payable at the end of three years from the first disbursement date namely 25 March 2021. Interest is payable at 6 months MCLR+100bps at monthly rest.(ranges from 7.95% - 9.40% p.a. (previous year 7.95% p.a.)) Security The term loans from banks are aggregating to ₹4,500.00 crores (previous year ₹4,500.00 crores), secured by way of first pari passu charge on the whole immovable properties and also first pari passu charge on the entire movable fixed assets, both present and future. Second charge on the entire current assets consisting of receivables, book debts and Inventories both present and future along with the insurance contracts on the inventories. First charge on the escrow account and the residual assets, both present and future of ₹4,500.00 crores (previous year ₹4,500.00 crores). JSW Steel Limited the ultimate holding company has provided a letter of comfort w.e.f 20th June 2022 by replacing corporate guarantee with regard to this loan. **Loan from a related party ₹134.18 crores (previous year ₹134.18 crores), payable after 42 months from the first disbursement date namely 24 March 2021. Interest is payable at 6 months MCLR+95bps which will be accrued and paid with the principal after 42 months.(ranges from 7.90% - 9.35% p.a. (previous year 7.90% p.a.)) Terms and conditions of compulsory convertible debentures: ***Compulsory convertible debentures (CCD) :- The CCDs shall have a term of 5 years commencing from the date on which the CCDs are issued and allotted i.e. 25 March 2021. Each CCD is convertible at any time during the CCD term into one equity share of face value of ₹10 and have a coupon rate of 6% per annum payable at every quarter end. However, during the year, as agreed, the coupon shall be payable from June 2024 along with compound interest.		
NOTE - 22 Other financial liabilities		
Interest accrued but not due on loan from related party	19.07	9.76
Interest accrued but not due on compulsory convertible debentures	356.86	-
Security deposits	0.21	0.90
	376.14	10.66
NOTE - 23 Provisions		
Provisions for employee benefits		
Provision for gratuity	27.88	29.12
Provision for compensated absences	5.49	23.96
(Refer note 39 on employee benefits)	33.37	53.08
NOTE - 21 (b) Borrowings		
Secured loans		
Working capital loans from banks		
Rupee loans	-	-
- Acceptances for Capital Goods	159.24	-
Unsecured loans		
Debt component of compulsory convertible debentures (current)	-	647.01
Current maturity of Long term borrowings (Refer note 21(a))		
Term loans - secured		
i) From banks		
Rupee loans	4,500.00	-
Unamortised upfront fees on borrowings	(15.18)	-
	4,644.06	647.01
Notes: 1) Security a. Specific first charge over the capital goods covered under the LCs. 2) Acceptances include credit availed by the Company from banks for payment to suppliers for capital goods purchased by the Company. The arrangements are interest-bearing and are payable within one year.		



NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

Particulars	As at 31 March 2023	As at 31 March 2022					
(₹ in crores)							
NOTE - 24 Trade payables							
Total outstanding dues of micro enterprises & small enterprises; and	133.62	115.32					
Total outstanding dues of creditors other than micro enterprises & small enterprises :							
- Acceptances	2,774.19	1,183.48					
- Other than acceptances*	1,199.26	1,818.10					
	4,107.07	3,116.90					
Notes:							
1) *Includes retention money of ₹10.65 crores (previous year ₹47.88 crores).							
2) Refer to MSME disclosure in note 44.							
3) Trade payables to related parties, details have been described in note 48.							
4) Acceptances include credit availed by the Company from banks for payment to suppliers for inventories purchased by the Company. The arrangements are interest-bearing and are payable within one year.							
(₹ in crores)							
Ageing on year ended 31 March 2023							
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	25.01	88.58	20.03	-	-	-	133.62
Others	698.77	203.02	200.30	-	-	24.96	1,127.05
Acceptances	-	-	2,774.19	-	-	-	2,774.19
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – others	-	-	-	-	-	72.21	72.21
Total	723.78	291.60	2,994.52	-	-	97.17	4,107.07
(₹ in crores)							
Ageing on year ended 31 March 2022							
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	44.83	70.49	-	-	-	115.32
Others	260.37	922.72	505.42	-	-	57.38	1,745.89
Acceptances	-	-	1,183.48	-	-	-	1,183.48
Disputed dues – MSME	-	-	-	-	-	-	-
Disputed dues – others	-	-	-	-	-	72.21	72.21
Total	260.37	967.55	1,759.39	-	-	129.59	3,116.90
(₹ in crores)							
NOTE - 25 Other financial liabilities							
Interest accrued but not due on term loan/acceptances					56.82		190.29
Security deposits					2.47		1.52
Derivative liabilities					15.72		14.62
Creditors for capital goods					269.30		184.10
					344.31		390.53
NOTE - 26 Provisions							
Provision for employee benefits							
Provision for gratuity					10.42		1.15
Provision for compensated absences					3.56		2.12
(Refer note 39 on employee benefits)					13.98		3.27
NOTE - 27 Other current liabilities							
Advances from customers (Refer note 48 for related parties)					155.14		162.24
Statutory dues payable					79.11		94.36
					234.25		256.60



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
NOTE - 28 Revenue from operations		
Sale of products		
Domestic turnover	17,064.48	12,916.60
Export turnover	2,545.60	7,843.54
Total sales	19,610.08	20,760.14
Less: Rebates & discounts/ sales return	350.99	147.21
	19,259.09	20,612.93
Sale of traded goods	399.24	394.70
Sales- others	298.46	226.38
	697.70	621.08
	19,956.79	21,234.01
Other operating revenue		
Scrap sales	36.06	31.36
Sale of services (job work charges)	21.78	27.42
Export benefits and entitlements	23.41	116.23
Liabilities no longer required written back	39.11	-
	120.36	175.01
Total revenue from operations	20,077.15	21,409.02

Notes

a) Product wise turnover

(₹ in crores)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Tonnes	Amount	Tonnes	Amount
Sales				
Hot rolled coils/ steel plates/ sheets	10,67,590	6,075.06	11,28,257	7,459.66
Cold rolled coils/ sheets	3,44,272	2,344.67	3,46,782	2,659.07
Galvanized coils/ sheets	3,27,480	2,538.76	3,63,104	3,220.74
Color coated	1,59,621	1,390.03	1,84,173	1,859.22
Cable tape	6,011	54.63	8,393	75.46
Long rolled products	4,57,894	3,191.26	4,29,364	2,750.82
Pipe	1,70,851	1,240.68	1,34,822	1,063.18
Pig iron	5,36,006	2,424.01	3,61,045	1,520.09
Others	-	-	-	4.68
Trading sales				
Coking and PCI coal - traded goods	1,42,272	397.01	1,63,622	394.70
Other - traded goods	10,000	2.23	-	-
Sales- Others				
Coal Tar	32,370	168.13	30,588	131.31
Granulated Slag(BF)	7,73,484	44.92	5,50,456	41.51
DRI Lumps	6,275	26.73	-	-
Lam Coke	2,662	14.18	9,014	22.02
Slag, Waste (Arc Furnace)	41,320	3.44	7,636	0.06
Others	-	41.05	-	31.48
Total		19,956.79		21,234.01

b) Ind AS 115 - revenue from contracts with customers

The Company recognises revenue when control over the promised goods and services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers - sale of products	19,956.79	21,234.01
Other operating revenue	120.36	175.01
Total revenue from operations	20,077.15	21,409.02
India	17,531.55	13,565.48
Outside India	2,545.60	7,843.54
Total revenue from operations	20,077.15	21,409.02
Timing of revenue recognition		
At a point in time	20,077.15	21,409.02
Total revenue from operations	20,077.15	21,409.02

Contract balances

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade receivables (refer note 13)	1,135.05	694.33
Contract liabilities		
Advance from customers (refer note 27)	155.14	162.24

The credit period on the sale of goods ranges from 7 to 90 days with or without security.

As at 31st March 2023 ₹ 4.25 Crores (previous year ₹ 10.11 Crores) was recognised as provision for allowance for doubtful debts on trade receivables.

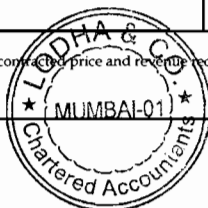
Out of the total contract liabilities outstanding as on 31 March 2023, ₹ 155.14 crores (previous year ₹ 162.24 crores) will be recognised by 31 March 2024.

Refund liabilities:

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Arising from volume rebates and discounts netted in trade receivables (refer note 13)	77.73	42.39

The Company does not have any significant adjustments between the contract price and revenue recognised in the statement of profit and loss.



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
NOTE - 29 Other income		
Interest income		
- from fixed deposits	10.14	34.21
- from others	5.38	9.11
Income from financial Instruments (mutual funds)	0.01	0.19
Profit on disposal/discard of property, plant & equipment (net)	-	0.91
Reversal of provision for doubtful debts & advances	-	1.04
Insurance claim received	30.12	-
Miscellaneous income	35.38	0.24
	81.03	45.70
NOTE - 30 Cost of materials consumed		
Raw materials consumed	14,285.81	10,182.88
NOTE - 31 Change in Inventories of Finished Goods and Work-In-Progress		
Opening Stock		
Finished goods	1,182.98	966.46
Work-in-Progress	269.81	160.69
Total (A)	1,452.79	1,127.15
Closing stock		
Finished goods	2,193.68	1,182.98
Work-in-progress	500.49	269.81
Total (B)	2,694.17	1,452.79
Net (A-B)	(1,241.38)	(325.64)
NOTE - 32 Employee benefits expense		
Salary and wages	375.82	343.75
Contribution to provident & other funds (refer note 39)	22.67	28.73
Staff welfare expenses	14.44	20.79
	412.93	393.27
NOTE - 33 Finance costs		
Interest		
-On borrowings	388.74	633.03
-On unwinding of compulsory convertible debentures	250.66	204.20
-On acceptances & others	65.93	6.46
-On lease liabilities	1.14	1.20
Other borrowing costs	47.34	95.41
	753.81	940.30
NOTE - 34 Depreciation & amortisation expenses		
Depreciation of property, plant and equipment(refer note 2)	1,208.12	1,193.91
Depreciation of right-of-use assets(refer note 4)	12.09	12.23
Amortisation of intangible assets(refer note 5)	12.47	63.87
	1,232.68	1,270.01



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

(₹ in crores)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
NOTE - 35 Other expenses		
Production consumables and stores & spares consumed	928.25	996.79
Power & fuel	1,725.46	1,565.64
Rent	3.95	3.35
Repairs and maintenance:		
- To machinery	131.32	92.94
- To buildings	10.97	12.02
Insurance	42.34	30.89
Rates and taxes	77.46	8.35
Legal & professional charges (Refer note 36(a))	42.72	51.97
Travelling & conveyance	11.68	10.85
Freight & forwarding	865.21	1,144.08
Contractor labour charges	389.34	385.05
Foreign currency exchange fluctuation (net)	107.40	9.69
Director's sitting fees	0.12	0.12
Allowance for doubtful debts, loans & advances (net of reversal)	7.25	-
Bad debts written off	9.63	-
Less :- Provision for doubtful debts recognised in earlier years	(9.63)	-
CSR Expenditure (Refer note 36(b))	35.00	6.72
Loss on disposal/discard of property, plant & equipment (net)	1.31	-
Miscellaneous expenses	37.27	23.56
	4,417.05	4,342.02
36 (a)- Auditor's remuneration (excluding tax) Included in legal & professional charges		
Statutory audit fee (including limited reviews)* :	3.13	5.00
GST audit fee**	-	0.60
Tax audit fee***	0.35	0.60
Certification	0.19	0.02
Re-imbursement of expenses	0.08	0.01
Total	3.74	6.23
*Previous year Includes ₹ 2.00 crores pertaining to FY 20-21. **Previous year Includes ₹ 0.30 crores pertaining to FY 20-21. ***Previous year Includes ₹ 0.30 crores pertaining to FY 20-21.		
36 (b)- Expenditure incurred on corporate social responsibility activities is as follows:		
i) Gross amount required to be spent by the Company during the year	35.00	6.69
ii) Amount spent during the year on		
- Construction / acquisition of any property, plant and equipment	-	-
- On purposes other than the above	24.34	2.22
- The amount of shortfall at the end of the year required to be spent by the Company during the year	10.66	4.47
- The total of previous year shortfall amounts	4.47	-
- The nature of CSR activities taken by the Company are as under:		
Integrated water resources management	2.90	0.30
Waste management & sanitation initiatives	-	0.31
COVID 19 support & rehabilitation program	-	1.42
Education	10.32	-
Rural Infrastructure	2.16	-
Health & Nutrition	1.55	-
Other Livelihoods	0.59	-
Agri Livelihood	0.49	-
Sports Promotion	0.15	-
General community infrastructure support & welfare initiatives	6.17	0.19
Amount spent pertaining to last year	1.86	0.19
- Amount unspent, if any	26.20	2.41
- Detail of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard	13.27	4.47
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation.	-	-
During the year, the unspent amount of CSR expenditure of ₹ 10.66 crores is transferred to a specified bank account within 30 days at the end of the financial year i.e. 30 April 2023 as per the provisions of the Companies Act, 2013. In respect of the unspent amount of ₹ 4.47 crores for financial year 2021-22, the Company has spent an amount of ₹ 1.85 crores in the current financial year.		
37- Earnings per share (EPS)		
Profit attributable to equity shareholders for basic earnings (A)	160.30	4,258.82
Add: - interest on compulsory convertible debentures	250.66	204.20
Earnings attributable to equity shareholders for diluted EPS (B)	410.96	4,463.02
Weighted average number of equity shares for basic EPS (C)	10,00,00,000	10,00,00,000
Weighted average number of equity shares for diluted EPS (D)	8,55,00,00,000	8,55,00,00,000
Basic EPS (A/C)	16.03	425.88
Diluted EPS (B/D)	0.48	5.22



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

('₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
NOTE- 38 Income tax		
Current tax		
Current tax (including earlier years reversal/ adjustments)	-	-
Deferred tax		
Deferred tax	-	-
Total tax expense	-	-
OCI section		
Net loss/ (gain) on remeasurements of defined benefits plans	-	-
Deferred tax charged to OCI	-	-
A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:		
Profit before tax	160.30	4,258.82
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory tax rate	40.34	1,071.86
Expenses not allowable	(70.08)	(162.62)
Utilisation of tax benefits	29.74	(909.24)
Tax expense for the year	-	-
Effective income tax rate	-	-

Deferred tax assets (net)				
('₹ in Crores)				
Unrecognised deferred tax balance in relation to	As at 31 March 2022	Recognised / reversed through profit and loss	Recognised / reversed through OCI	As at 31 March 2023
Deferred tax assets (A)				
Losses available for offsetting against future taxable income (<i>recognised to the extent of deferred tax liabilities (net)</i>)	-	-	-	-
Unabsorbed depreciation	3,035.01	249.47	-	3,284.48
Expenses disallowed under income tax -allowable on payment/write off	27.76	3.91	-	31.66
Provision of doubtful debts and advances	3.27	3.93	-	7.20
Deferred tax liabilities (B)				
Property, plant and equipment	(226.11)	(61.82)	-	(287.93)
Intangible assets	(2.93)	2.79	-	(0.14)
Leases	(226.14)	3.04	-	(223.10)
Provision for doubtful debts and loans and advances	-	(3.15)	-	(3.15)
Expenses allowed under income tax -allowable on payment/write off	-	(10.41)	-	(10.41)
ICDS adjustment	-	(72.14)	-	(72.14)
Net Deferred tax assets not recognised in books (A-B)	2,610.86	115.62	-	2,726.48
Total	2,610.86	115.62	-	2,726.48

Deferred tax assets (net)				
('₹ in Crores)				
Unrecognised deferred tax balance in relation to	As at 31 March 2021	Recognised / reversed through profit and loss	Recognised / reversed through OCI	As at 31 March 2022
Deferred tax assets (A)				
Losses available for offsetting against future taxable income (<i>recognised to the extent of deferred tax liabilities (net)</i>)	520.60	76.29	-	-
Unabsorbed depreciation	5,387.21	-	-	3,035.01
MAT credit	658.40	-	-	-
Expenses disallowed under income tax allowable on payment/write off	289.34	-	-	-
Expenses disallowed under income tax -allowable on payment/write off	-	-	-	27.76
Provision for employee benefits	-	-	-	3.27
Provision of doubtful debts and advances	-	-	-	-
Deferred tax liabilities (B)				
Property, plant and equipment	1,284.86	(75.88)	-	(226.11)
Intangible assets	25.50	-	-	(2.93)
Leases	314.44	-	-	(226.14)
Provision for doubtful debts	-	(0.18)	-	-
Profit on sale of assets	-	(0.23)	-	-
Net Deferred tax assets not recognised in books (A-B)	8,480.35	-	-	2,610.86
Total	8,480.35	-	-	2,610.86

Note:

• The Company also has brought forward unabsorbed depreciation which can be carried forward (UAD) which can be carried forward for an indefinite period.

• The Company was acquired on 26 March 21 under IBC Process. Pending adjudication of the Hon'ble Supreme Court Appeals, on 26 March 2021, JSW Steel limited completed the acquisition of the Company by implementing the resolution plan approved by NCLAT basis an agreement entered with the Company's committee of creditors that provides an option/ right to the JSW Steel Limited to unwind the transaction in case of unfavorable ruling on certain specified matters by Hon'ble Supreme Court. Being in the initial years of operations post acquisition and due to global uncertainties, which may impact the future profitability of the Company, it is not probable that sufficient Tax profits will be available against which the Net Deferred Tax assets can be utilised. Hence the Company has not recognised the Deferred Tax Assets on the entire amount of unabsorbed depreciation. On a conservative basis, the Company has created Deferred Tax assets to the extent of Deferred Tax liability to be provided during the FY 2022-23.



BHUSHAN POWER & STEEL LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****NOTE 39 - Employee benefits****A) Defined contribution plan**

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund & family pension scheme recognized in statement of profit and loss of ₹ 17.53 crores (previous year ₹ 18.65 crores) [included in refer note 32].

B) Defined benefits plans

The Company has a defined benefits gratuity plan (funded). The Company defined benefits gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The scheme is funded with the insurance companies in the form of a qualifying insurance policy.

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 benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

(₹ in Crores)		
Particulars	As at 31 March 2023	As at 31 March 2022
a) Liability recognised in the balance sheet		
(i) Change in the obligation during the year ended		
Present value obligation as at beginning of the year	59.29	66.06
Interest costs	4.26	4.48
Current service costs	4.77	5.93
Benefits paid	(6.03)	(7.98)
Actuarial (gain)/ loss on obligations	2.40	(9.20)
Present value obligation as at end of the year	64.69	59.29
(ii) Change in fair value plan assets		
Fair value of plan assets as at beginning of the year	29.02	33.56
Expected return on plan assets	1.70	1.93
Contributions	1.70	1.38
Benefits paid	(6.03)	(7.85)
Fair value of plan assets as at end of the year	26.39	29.02
(iii) Amount recognized in balance sheet consists of		
Present value obligation as at end of the year assets/(liability)	(64.69)	(59.29)
Fair value of plan assets as at end of the year	26.39	29.02
Unfunded net asset/ (liability) recognized in balance sheet	(38.30)	(30.27)
Amount recognized current liability	10.42	1.15
Amount recognized non-current liability (net of plan assets)	27.88	29.12
Total	38.30	30.27
b) Expenses recognized in statement of profit and loss		
Current service costs	4.77	5.93
Interest costs	2.17	2.21
Total	6.94	8.14



(₹ in Crores)

Re-measurement (gain)/ loss recognized in other comprehensive income	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain/ (loss) arising from changes in demographic assumptions	-	-
Actuarial gain/ (loss) arising from changes in financial assumptions	2.14	2.91
Actuarial gain/ (loss) arising from changes in experience adjustments	(4.54)	6.29
Actuarial gain/ (loss) for the year on assets	(0.38)	(0.35)
Recognized in other comprehensive income	(2.78)	8.85
c) Actuarial assumptions		
Discount rate (per annum) (in %)	7.50	7.18
Rate of increase in compensation levels (in %)	8.00	8.00
Expected average remaining working lives of employees (years)	14.00	18.67
Weighted average duration (years)	12.00	15.40
d) Expected contribution for the next annual reporting period		
Service costs	5.92	6.65
Net interest costs	2.87	2.17
Expected expense for the next annual reporting period	8.79	8.82
e) Sensitivity analysis of the defined benefits obligation		
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	64.69	59.29
i) Impact due to increase of 0.50%	(3.15)	(3.47)
ii) Impact due to decrease of 0.50%	3.40	3.78
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	64.69	59.29
i) Impact due to increase of 0.50%	3.28	3.67
ii) Impact due to decrease of 0.50%	(3.08)	(3.42)
Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment rate of increase of pension before retirement & life expectancy are not applicable.		
Maturity profile of defined benefits obligation (year)		
a) 0 to 1 year	2.53	1.15
b) 1 to 2 years	2.38	1.12
c) 2 to 3 years	3.27	2.42
d) 3 to 4 years	4.17	2.12
e) 4 to 5 years	4.29	2.90
f) 5th year onwards	48.06	49.58

- f) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors. The above information is as certified by the actuary.
- g) Discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- h) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- i) **Description of risk exposures:**
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, the Company is exposed to various risks as follow -
- a) Salary increases- actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Investment risk - If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) Mortality & disability - actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) Withdrawals - actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

C Other Employee benefits

Compensated absences: The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date. This is done using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non accumulating compensated absences is recognized in the period in which the absences occur. [refer note 32].



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

NOTE 40 - Financial instruments

40.1 Capital risk management

The Company manages its capital to ensure that entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity of the company (comprising issued capital, reserves and retained earnings).

The Company prepares projections via annual business plan and capex business plan to plan the capital structure and the outflow. The Company monitors its capital gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

(₹ in Crores)		
Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (including debt component of compulsorily convertible debentures)	6,586.17	6,517.57
Less: Cash and cash equivalents	(1,134.99)	(545.06)
Less: Other bank balances	(170.93)	(575.78)
Net debts (A)	5,280.25	5,396.73
Equity	100.00	100.00
Other equity	12,036.42	11,772.91
Total equity (B)	12,136.42	11,872.91
Gearing ratio (A/B)	0.44	0.45

- (1) Total equity includes capital, reserves and equity component of compulsorily convertible debentures.
(2) Debt includes long and short-term borrowings.

40.2 Categories of financial instruments

(₹ in Crores)					
As at 31 March 2023					
Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments	-	-	-	-	-
Loans	-	-	-	-	-
Trade receivables	1,135.05	-	-	1,135.05	-
Cash and cash equivalents	1,134.99	-	-	1,134.99	-
Bank balances other than cash and cash equivalents	170.93	-	-	170.93	-
Other financial assets	233.77	-	-	233.77	-
Total	2,674.74	-	-	2,674.74	-
Financial Liabilities					
Long term borrowings	1,942.11	-	-	1,942.11	-
Short term borrowings*	4,644.06	-	-	4,644.06	-
Lease liabilities	10.22	-	-	10.22	-
Trade payables	4,107.07	-	-	4,107.07	-
Other financial liabilities	704.73	-	15.72	720.45	15.72
Total	11,408.19	-	15.72	11,423.91	15.72

* Includes current maturity of long term borrowings

40.2 Categories of financial instruments

(₹ in Crores)					
As at 31 March 2022					
Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments	-	-	1.60	1.60	1.60
Loans	2.24	-	-	2.24	-
Trade receivables	694.33	-	-	694.33	-
Cash and cash equivalents	545.06	-	-	545.06	-
Bank balances other than cash and cash equivalents	575.78	-	-	575.78	-
Other financial assets	315.97	-	-	315.97	-
Total	2,133.38	-	1.60	2,134.98	1.60
Financial liabilities					
Long term borrowings	5,870.56	-	-	5,870.56	-
Borrowings	647.01	-	-	647.01	-
Lease liabilities	10.97	-	-	10.97	-
Trade payables	3,116.90	-	-	3,116.90	-
Other financial liabilities	386.57	-	14.62	401.19	14.62
Total	10,032.01	-	14.62	10,046.63	14.62



BHUSHAN POWER & STEEL LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****NOTE- 41 Fair value hierarchy of financial instruments**

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short-term nature.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

(₹ in Crores)				
Particulars	Fair values as at 31 March 2023	Fair values as at 31 March 2022	Level	Valuation technique and key inputs
Current Investments				
Investments in quoted mutual funds measured a FVTPL	-	1.60	1	Quoted bid price in an active market

The fair value of investments classified as Level 1 is marked to an active market or based on observable market data which factors the uncertainties. The financial assets carried at fair value by the Company are mainly investments in mutual funds, no material volatility is expected.

There have been no transfers between Level 1 and Level 2 during the period.

NOTE- 42 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. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's senior management oversees the management of risks. The Company's senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and suggest changing in policies for managing each of these risks.

The risk management policies aim to mitigate the following risks arising from the financial instrument:

- Interest rate risk
- Currency risk
- Commodity price risk
- Credit risk
- Liquidity risk

NOTE- 42.1 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.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in Crores)		
Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate borrowings	1,807.93	1,913.92
Floating rate borrowings	4,793.42	4,634.18
Total gross borrowings	6,601.35	6,548.10
Less: Upfront fees	15.18	30.53
Total borrowings (refer note 21)	6,586.17	6,517.57

Interest rate risk sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

The following table demonstrates the sensitivity to a change in interest rates by 100 basis points higher/lower and all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

(₹ in Crores)		
Particulars	As at 31 March 2023	As at 31 March 2022
+ 100 basis points	47.93	46.34
- 100 basis points	(47.93)	(46.34)



Note- 42.2 Foreign currency risk

The Company's functional currency is Indian rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rate affect in Company's revenue from export market & cost of imports, primarily in relation to raw materials. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Adverse movements in the exchange rate between the rupee and any relevant foreign currency result's in increase in the Company's overall debt position in rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity

Currency exposure as at 31 March 2023

(₹ in Crores)				
Particulars	USD	EURO	INR	Total
Assets				
Trade receivables	120.03	102.89	912.13	1,135.05
Bank balances other than cash and cash equivalents	-	-	1,134.99	1,134.99
Total Assets	120.03	102.89	2,047.12	2,270.04
Liabilities				
Trade payables*	3,317.60	8.32	1,050.45	4,376.37
Total liabilities	3,317.60	8.32	1,050.45	4,376.37

* Trade payables includes buyers credit and creditors for capital goods

Currency exposure as at 31 March 2022

(₹ in Crores)				
Particulars	USD	EURO	INR	Total
Assets				
Trade receivables	172.15	9.63	512.55	694.33
Bank balances other than cash and cash equivalents	-	-	575.77	575.77
Total Assets	172.15	9.63	1,088.32	1,270.10
Liabilities				
Trade payables*	1,900.37	28.95	1,371.69	3,301.01
Total liabilities	1,900.37	28.95	1,371.69	3,301.01

* Trade payables includes buyers credit and creditors for capital goods

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies . 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative

(₹ in Crores)					
Particulars	Increase (Strengthening of INR)		Decrease (Weakening of INR)		
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022	As at 31 March 2022	
Assets					
USD/ INR	1.20	1.72	(1.20)	(1.72)	
EURO/ INR	1.03	0.10	(1.03)	(0.10)	
Liabilities					
USD/ INR	(33.18)	(7.17)	33.18	7.17	
EURO/ INR	(0.08)	(0.29)	0.08	0.29	

The forward exchange contracts entered into by the Company and outstanding are as under: □

As at	Nature	No. of contracts	Type	US\$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2023	Assets	31	Buy	397.14	3297.33	(15.72)
	Liabilities			-	-	-
31 March 2022	Assets	8	Buy	219.42	1686.51	(14.62)
	Liabilities	5	Sale	124.22	953.29	6.14



NOTE- 42.3 Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is exposed to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2023.

NOTE- 42.4 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

Moreover, given the diverse nature of the Company's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the allowance for doubtful trade receivables as at 31 March 2023 is considered adequate.

Movements in allowance for credit losses of receivable is as below:

Particulars	(₹ in Crores)	
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	10.11	22.13
Additional allowance during the year	3.77	10.11
Utilized during the year	9.63	22.13
Total	4.25	10.11

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 2,674.74 crores as at 31 March 2023 and ₹ 2133.38 crores as at 31 March 2022, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments, loans and other financial assets.

Receivables are deemed to be impaired after 90 days. The credit period on the sale of goods ranges from 7 to 90 days. The Company has made the provision based on the policy for trade receivables and no material loss on its trade receivables is expected for credit loss ('ECL').

Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on.

For all other financial assets, if credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used.



NOTE- 42.5 Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities.

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

(₹ in Crores)				
Particulars	As at 31 March 2023			
	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Borrowings	4,644.06	1,942.11	-	6,586.17
Trade payables	4,107.07	-	-	4,107.07
Other financial liabilities	345.42	376.14	9.11	730.67
Total	9,096.55	2,318.25	9.11	11,423.91

(₹ in Crores)				
Particulars	As at 31 March 2022			
	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Borrowings	647.01	5,870.56	-	6,517.57
Trade payables	3,116.90	-	-	3,116.90
Other financial liabilities	392.57	10.66	8.93	412.16
Total	4,156.48	5,881.22	8.93	10,046.63

Collateral

The Company has pledged part of its trade receivables and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered.

NOTE- 43 Segment reporting

The Company is engaged in the business of manufacturing and dealing of Iron & Steel products having similar economic characteristics, with operations primarily in India which is regularly reviewed by the Company's chief operating decision maker for assessment of Company's performance and resource allocation.

The Company has identified one primary business segment i.e., manufacture and dealing of iron & steel products.

Information about geographical revenue and assets

a) Refer note 28 for information about geographical revenue.

b) Non current assets

All non current assets of the Company are located in India

c) Customer contributing more than 10% of revenue

No single customer represents 10% or more of the Company's total revenue for the year ended 31 March 2023 and 2022.

NOTE- 44 Disclosure pertaining to micro and small and medium enterprises (as per information available with the Company)

(₹ in Crores)		
Particulars	As at 31 March 2023	As at 31 March 2022
Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006.		
Principal amount outstanding as at the year end	133.62	115.32
Interest due on above and not unpaid as at year end	-	-
Interest paid to suppliers	-	-
Payment made to suppliers beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year.	-	-



BHUSHAN POWER & STEEL LIMITED**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023****NOTE- 45 Business combination**

Pursuant to the initiation of corporate insolvency resolution process, the resolution plan submitted in respect of the Company by JSW Steel Ltd ("JSW Steel" and such plan, "Resolution Plan") was approved by the Hon'ble National Company Law Tribunal ("NCLT") with certain modifications, vide Order dated 05 September 2019 ("NCLT Order"). JSW preferred an appeal against the NCLT Order, which was allowed by the Hon'ble National Company Law Appellate Tribunal ("NCLAT") vide its Order dated 17 February 2020 ("NCLAT Order"). The erstwhile promoters of the Company, certain operational creditors and the Directorate of Enforcement have preferred various appeals before the Hon'ble Supreme Court ("SC") against the NCLAT Order ("SC Appeals"), which are presently pending for adjudication.

Pending adjudication of the SC Appeals, on 26 March 2021, JSW Steel completed the acquisition of the Company by implementing the resolution plan approved by NCLT and on the basis of an agreement entered with Company's committee of creditors that provides an option/right to the JSW Steel to unwind the transaction in case of unfavourable ruling on certain specified matters by Hon'ble Supreme Court.

During the year ended 31 March 2021, the purchase consideration had been allocated on a provisional basis in accordance with Ind-AS 103 'Business Combinations'. Pending final determination of fair value of the assets and liabilities acquired, the Company had recognized capital reserve amounting to ₹ 2,527 crores on a provisional basis with the option of reassessing the fair values during the measurement period.

During the measurement period, which ended on 26 March 2022, the Company had reassessed the allocation of purchase consideration by fair valuing the assets and liabilities acquired based on the report obtained from an independent valuer.

The reassessment inter-alia, included revisions to the fair value of Property plant and equipment (excluding land) based on business valuation, reversal of claims recoverable from deallocated mines and revaluation of liabilities. Accordingly, corresponding adjustments were made to the provisionally accounted fair values of assets and liabilities and the same resulted in recognition of goodwill of ₹ 359.47 crores as on the acquisition date.

NOTE- 46 Exceptional items

Pursuant to an Order of Nominated Authority of Ministry of Coal Government of India dated September 30, 2022 and the guidelines issued under the Coal Mines (Special Provisions) Act, 2015, the Company has recognized during the year an amount of ₹ 260.69 Crores as exceptional items in relation to claims received/ receivable in respect of expenditure incurred on Jamkhani coal mine deallocated vide Hon'ble Supreme Court Order dated September 24, 2014.

Particulars	(₹ in Crores)	
	As at 31 March 2023	As at 31 March 2022
NOTE - 47 Commitments & contingent liabilities		
a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹ 96.40 crores (previous year ₹ 85.10 crores)	1,536.61	1,425.66
b) Contingent liabilities		
Claims against the Company not acknowledged as debt (excluding interest, if any)		
- Land transfer fees demand by Industrial Infrastructure Development Corporation of Odisha Limited (IDCO), Bhubaneswar for issue of No Objection Certificate (NOC) for Mortgage right permission.	-	28.81
- Indirect tax matters (Goods & Service tax)	1.52	
- Others	0.55	0.52

Notes:

- 1) The erstwhile promoters of the Company, certain operational creditors and the directorate of enforcement have preferred various appeals before the Hon'ble Supreme Court ("SC") against the NCLAT Order ("SC appeals"), which are presently pending for adjudication.
- 2) Amounts payables under the resolution plan towards government dues and contingent creditors have been recognised in accordance with the certificate obtained from supervisory agent appointed.
- 3) Other pending litigations comprise mainly claims against the Company, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements.



NOTE - 48 Related Party disclosures

A Name of related parties having transactions during the year and description of relationship	
1 Ultimate Holding Company	
JSW Steel Limited	
2 Shareholder Venturer	
JSW Steel Limited (upto 30 September 2021)	
JSW Shipping & logistic Private Limited (upto 30 September 2021)	
3 Holding Company	
Piombino Steel Limited	
4 Fellow subsidiaries	
Amba River Coke Limited	
Vardhman Industries Limited	
JSW Vallabh Tinplate Private Limited	
GSI Lucchini Inc Italy	
JSW Jharkhand Steel Limited	
JSW Steel Coated Products Limited	
Asian Colour Coated Ispat Limited(upto 24th Feb 2023)	
JSW Steel U.S.A Ohio Inc	
JSW Steel Global Trade Pte Limited	
5 Other related parties	
B M M Ispat Limited	
Everbest Consultancy Services Private Limited	
Jindal Stainless Limited	
Jindal Steel & Power Limited	
JSW Cement Limited	
JSW Energy (Barmer) Limited	
JSW Global Business Solutions (GBS) Limited	
JSW Infrastructure Limited	
JSW International Tradecorp Pte Limited (w.e.f. 01 October 2021)	
JSW Ispat Special Products Limited	
JSW Paint Limited	
JSW Pradip Terminal Private Limited	
JSW Techno Projects Management Private Limited	
JSW MI Steel Service Center Private Limited	
JSW Energy Limited	
JSW Severfield Structures Limited	
JSW Foundation	
JSW Cement Limited	
6 Directors and Key Managerial Personnel	Designation
Dr. Vinod Nowal	Non-Executive Chairman
Mr. Anil Kumar Singh	Executive Vice President & Whole Time Director
Mr. Divyakumar Vimalkumar Bhair	Non-Executive Director
Mr. Sanjay Sagar (upto 15 July 2022)	Non-Executive Independent Director
Ms. Rakhi Jain	Non-Executive Independent Director
Mr. Anunay Kumar	Non-Executive Independent Director
Mr. Shanker Batra (upto 05 July 2021)	Non-Executive Director
Mr. Pradeep Bhargava (Upto 31st March 2022)	Chief Financial Officer
Mr. Nagarajan Jambunathan (w.e.f. 29 September 2022)	Chief Financial Officer
Mrs. Riya Mahana (upto 05 July 2021)	Company Secretary
Mr. Alok Kumar Mishra (w.e.f. 05 July 2021)	Company Secretary



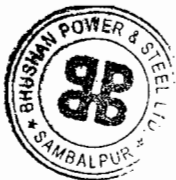
BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

A. Related party transactions

(₹ in Crores)

Relationship	Ultimate Holding	Holding	Fellow subsidiaries							
	JSW Steel Limited	Plombino Steel Limited	Amba River Coke Limited	Vardhman Industries Limited	JSW Vallabh Tinplate Private Limited	JSW Jharkhand Steel Limited	JSW Steel Coated Products Limited	Asian Colour Coated Ispat Limited	JSW Steel U.S.A Ohio Inc	GSI Lucchini Inc Italy
Nature of transaction										
Purchase of Goods/Services										
2022-23	2,876.05	-	264.97	-	-	-	-	-	-	-
2021-22	1,657.60	-	-	-	-	-	-	-	-	8.90
Sale of Goods										
2022-23	20.89	-	16.52	-	0.80	-	575.61	403.45	263.52	-
2021-22	29.99	-	-	8.47	-	-	403.76	276.13	172.31	-
Purchase of Capital Goods										
2022-23	22.42	-	-	-	-	-	-	-	-	-
2021-22	48.73	-	-	-	-	-	-	-	-	-
Sale of Capital Goods										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	30.11	-	-	-	-	-	-	-	-	-
Job Work Income / Interest Income										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	3.45	-
Reimbursement of expenses incurred on the behalf of the Company										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	7.01	-	-	-	-	1.00	-	-	-	-
Finance Cost										
2022-23	10.62	507.00	-	-	-	-	-	-	-	-
2021-22	10.60	507.00	-	-	-	-	-	-	-	-
Release of corporate guarantee given on behalf of the Company										
2022-23	4,500.00	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-
Issuance of Letter of comfort on behalf of the Company										
2022-23	4,500.00	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

A. Related party transactions

(₹ In Crores)

Relationship	Other related parties									
Nature of transaction	B M M Ispat Limited	Everbest Consultancy Services Private Limited	JSW Pradipt Terminal Private Limited	Jindal Stainless Limited	Jindal Steel & Power Limited	JSW Cement Limited	JSW Energy (Barmer) Limited	JSW Global Business Solutions (GBS) Limited	JSW International Tradecorp Pte Limited (w.e.f. 01 October 2021)	JSw Ispat Special Products Limited
Purchase of Goods/Services										
2022-23	6.05	11.47	-	-	38.05	-	214.37	9.81	4.70	7.19
2021-22	155.36	3.17	-	6.50	8.19	1.12	-	0.07	4,568.17	177.74
Sale of Goods										
2022-23	-	-	-	-	2.25	21.28	2.50	-	-	450.30
2021-22	-	-	-	-	1.61	10.95	2.52	-	165.04	416.39
Job Work Income / Interest Income										
2022-23	-	-	-	-	-	-	-	-	-	23.09
2021-22	-	-	-	-	-	-	-	-	-	27.42
Reimbursement of expenses occurred on the behalf of others										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	1.69
Reimbursement of expenses Incurred on the behalf of the Company										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	0.14	-	-	0.38	-	-	-	0.71



BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

A. Related party transactions

(₹ in Crores)

Relationship	Other related parties										
Nature of transaction	JSW Steel Global Trade Pte Limited	JSW Infrastructure Limited	JSW Severfield Structures Limited	JSW Foundation	Jindal Saw Limited	JSW IP Holding Pvt Limited	Ind Barath Energy Utikal Limited	Jindal Industries Private Limited	JSW Paints Private Limited	JSW Techno Project Managements Limited	JSW MI Steel Service Center Private Limited
Purchase of Goods/Services											
2022-23	3,442.84	0.97	30.44	26.19	0.55	-	0.34	-	95.43	98.01	-
2021-22		2.83	-	-	4.02	-	-	-	112.69	145.92	-
Sale of Goods											
2022-23		-	-	-	-	0.09	-	64.91	-	-	-
2021-22		-	-	-	-	-	-	-	-	-	2.73

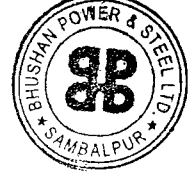
BHUSHAN POWER & STEEL LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

A. Related party transactions

(₹ in Crores)

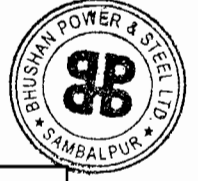
Relationship	Key management personnel (KMP)						
Nature of transaction	Mr. Anil Kumar Singh	Mr. Pradeep Bhargava (Upto 31st March 2022)	Mr. Nagarajan J (w.e.f. 29 September 2022)	Mr. Alok Kumar Mishra (w.e.f. 05 July 2021)	Mr. Shanker Batra (upto 05 July 2021)	Mrs. Riya Mahana (upto 05 July 2021)	Director Sitting Fees
Remuneration							
2022-23	2.50	-	0.56	0.76	-	-	-
2021-22	1.65	0.81	-	0.54	0.87	0.02	-
Director Sitting Fees							
2022-23	-	-	-	-	-	-	0.12
2021-22	-	-	-	-	-	-	0.12



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023
B. Amounts due to/from related parties

(₹ in Crores)

Relationship		Ultimate Holding	Holding	Fellow subsidiaries				
Nature of transaction		JSW Steel Limited	Plombino Steel Limited	Amba River Coke Limited	Vardhman Industries Limited	JSW Steel Coated Products Limited	Asian Colour Coated Ispat Limited	JSW Jharkhand Steel Limited
Trade Receivables								
2022-23		0.05	-	-	-	259.70	-	-
2021-22		0.16	-	-	1.71	-	5.31	-
Advance from Customers								
2022-23		-	-	-	-	-	-	-
2021-22		-	-	-	-	2.22	-	-
Trade Payables								
2022-23		-	-	-	-	-	-	-
2021-22		204.11	-	-	-	-	-	-
Advance to Vendors								
2022-23		28.19	-	-	-	-	-	-
2021-22		9.45	-	-	-	-	-	-
Equity component of Compulsorily Convertible Debentures								
2022-23		-	6,642.07	-	-	-	-	-
2021-22		-	6,536.08	-	-	-	-	-
Liability component of Compulsorily Convertible Debentures								
2022-23		-	1,807.93	-	-	-	-	-
2021-22		-	1,913.92	-	-	-	-	-
Corporate guarantee given on behalf of the Company (to the extent of liability outstanding towards lenders)								
2022-23		-	-	-	-	-	-	-
2021-22		4,500.00	-	-	-	-	-	-
Letter of comfort given on behalf of the Company (to the extent of liability outstanding towards lenders)								
2022-23		4,500.00	-	-	-	-	-	-
2021-22		-	-	-	-	-	-	-
Interest Payable								
2022-23		2.65	456.30	-	-	-	-	-
2021-22		9.76	465.29	-	-	-	-	-
Loans Payable								
2022-23		134.18	-	-	-	-	-	-
2021-22		134.18	-	-	-	-	-	-



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023
B. Amounts due to/from related parties

Relationship		Other related parties										(₹ in Crores)	
Nature of transaction	B M M Ispat Limited	Everbest Consultancy Services Private Limited	Jindal Steel & Power Limited	JSW Cement Limited	JSW Energy (Barmer) Limited	JSW Global Business Solutions (GBS) Limited	JSW International Tradecorp Pte Limited (w.e.f. 01 October 2021)	Jsw Ispat Special Products Limited	JSW Paints Private Limited	JSW Pradiip Terminal Private Limited			
Trade Receivables													
2022-23	-	-	0.31	-	-	-	-	111.87	-	-	-	-	-
2021-22	-	-	0.87	-	-	-	-	190.46	-	-	-	-	-
Advance from Customers													
2022-23	-	-	-	0.59	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	0.64	-	-	-	-	-	-	-	-	-
Trade Payables													
2022-23	-	2.52	-	-	0.00	7.94	0.32	-	24.11	-	-	-	-
2021-22	40.31	1.41	0.98	-	-	0.07	627.67	-	21.74	0.15	-	-	-
Advance to Vendors													
2022-23	-	-	1.24	-	-	-	-	0.51	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	1.91	-	-	-	-	-

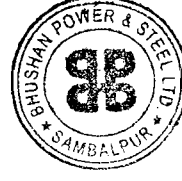


BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023
B. Amounts due to/from related parties

B. Amounts due to/from related parties										₹ in Crores
Relationship	Other related parties								Key management personnel (KMP)	
Nature of transaction	Jsw Realty & Infrastructure Private Limited,	JSW Steel Global Trade Pte Ltd	JSW Infrastructure Limited	JSW Severfield Structures Limited	JSW Foundation	JSW Techno Project Management's Limited	JSW MI Steel Service Center Private Limited	Jindal Industries Private Limited	Ind Barath Energy Utikal Limited	Director Sitting Fees
Trade Receivables										
2022-23	-	-	-	-	-	-	-	15.68	-	-
2021-22	-	-	-	-	-	-	-	-	-	-
Advance from Customers										
2022-23	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	0.07	-	-	-
Trade Payables										
2022-23	-	429.61	-	8.31	16.11	-	-	-	0.34	-
2021-22	-	-	1.65	-	-	-	-	-	-	-
Advance to Vendors										
2022-23	3.80	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	1.33	-	-	-	-
Director Sitting Fees Payable										
2022-23	-	-	-	-	-	-	-	-	-	0.02
2021-22	-	-	-	-	-	-	-	-	-	0.01

Notes

1. Related party are as identified by the management.
2. The sales to and purchases from related parties are made on terms equivalent to those as prevailing in arm's length transactions.
3. There have been no guarantees provided or received for any related party receivables or payables, except as disclosed in the table above.
4. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken in each financial year through examining the financial position of related parties and the market in which the related party operates.



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

NOTE- 49 Leases

The Company as a lessee

The Company's significant leasing/ licensing arrangements are mainly in respect of guest house / office premises and leasehold land. Leases run in a range from 24 months for office premises and 1080-1188 months for leasehold land. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

The Company also has certain leases of warehouse / guest houses / office premises with lease terms of 12 months or less and leases of printers of low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The effective interest rate for lease liabilities is 11.36%.

A. Amount recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest expense on lease liabilities	1.14	1.20
Depreciation expense of right-of-use assets	12.09	12.23
Expense relating to short-term leases (Included in other expenses)	-	-
Expense relating to leases of low-value assets (Included in other expenses)	-	-
Variable lease payments (Included in other expenses)	-	0.50
Total amount recognised in profit or loss	13.23	13.93

B. Amount recognised in the Statement of Cash Flow

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest component	1.14	1.20
Lease component	1.89	1.16

C. Maturity analysis of Lease Liability

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Maturity analysis - undiscounted		
Less than one year	1.11	2.04
More than One year	82.84	83.95
	83.95	85.99

D. Movement of Lease Liability

(₹ in Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	10.97	10.93
Additions of lease liabilities	-	-
Termination	-	-
Interest accrued	1.14	1.20
Payment of lease liabilities	(1.89)	(1.16)
Balance as at the end of the year	10.22	10.97

Lease Liability included in Balance Sheet	As at 31 March 2023	As at 31 March 2022
- Current	1.11	2.04
- Non current	9.11	8.93
	10.22	10.97

E. Movement of Right of Use Assets

(₹ in Crores)

Particulars	Leasehold Land	Leasehold Building	Total
Gross block			
As at 01 April 2022	921.39	1.42	922.81
Additions	14.54	-	14.54
As at 31 March 2023	935.93	1.42	937.35
Accumulated Depreciation			
As at 01 April 2022	23.04	1.24	24.28
Depreciation for the year	11.91	0.18	12.09
As at 31 March 2023	34.95	1.42	36.37
Net block			
As at 01 April 2022	898.35	0.18	898.53
As at 31 March 2023	900.98	-	900.98



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

NOTE- 50 Ratios

S No	Ratios	Financial year 22-23			Financial year 21-22			Variance	Reason
		Numerator	Denominator	31 March 2023	Numerator	Denominator	31 March 2022		
1	Current ratio	8,654.62	9,344.78	0.93	7,315.76	4,416.35	1.66	-44%	Decrease is primarily on account of increase in current liabilities (mainly increase in current borrowings and trade payables)
2	(Current assets / current liabilities) Debt equity ratio	6,586.17	12,136.42	0.54	6,517.57	11,872.91	0.55	1%	No major changes
3	(Total borrowings / total equity) Debt service coverage ratio	1,805.07	7,339.98	0.25	6,423.43	7,196.20	0.89	-72%	Decrease is primarily due to decrease in EBITDA.
4	(Profit before tax, depreciation, net finance charges / (net finance charges + long term borrowings scheduled 'principal repayments (excluding prepayments/ refinancing)' during the year) (net finance charges : finance costs - interest income - net gain / (loss) on sale of current investments) Return on equity	160.30	12,004.67	1.34%	4,258.82	9,739.07	43.73%	-97%	Decrease is primarily due to decrease in Profit after Tax.
5	(Profit after tax / average total equity) Inventory turnover (no. of days)	5,153.60	16,627.44	113	3,504.63	13,302.74	96	18%	Increase is primarily on account of Increase in Cost of material Consumed.
6	(Average inventory / (cost of materials consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress + power and fuel + stores & spares consumed + repairs & maintenance + contractor labour charges) * no. of days) Debtors turnover (no. of days)	914.69	20,077.15	17	732.02	21,409.02	12	33%	Increase is primarily due Increase in Trade Receivables.
7	(Average trade receivables / gross sales * no. of days) Trade payables turnover (no. of days)	3,611.99	13,442.10	98	1,955.07	10,250.30	70	41%	Decrease is due to increase in Trade receivables.
8	Average trade payables / (Cost of materials consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress) * no. of days) Net capital turnover	20,077.15	(690.16)	(29.09)	21,409.02	2,899.41	7.38	-494%	Decrease is due to increase in current Borrowings and Trade Payable
9	(Net Sales / (current assets - current liabilities) Net profit margin (%)	160.30	20,077.15	1%	4,258.82	21,409.02	20%	-96%	Decrease is primarily due to decrease in Net profit.
10	(Net profit for the year / revenue from operations) Return on capital employed	160.30	14,078.53	1%	4,258.82	17,743.47	24%	-95%	Decrease is primarily due to decrease in Profit after Tax.
11	(Net profit for the year / capital employed) Return on investment	160.30	12,136.42	1%	4,258.82	11,872.91	36%	-96%	Decrease is primarily due to decrease in Profit after Tax
	(Net profit for the year / net worth)								



BHUSHAN POWER & STEEL LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT & FOR THE YEAR ENDED 31 MARCH 2023

NOTE-51 Reconciliation part of cash flows

(₹ In Crores)

Particulars	As at 01 April 2022	Leases recognised	Cash flows (net)	Equity component of CCD shown as part of reserves	Interest expense	Interest paid	Unamortised upfront fee	Non cash items#	As at 31 March 2023
Borrowings (including current maturities of long term borrowing included in other financial liabilities)	6,517.57	-	159.24	-	753.81	(504.62)	15.35	(355.18)	6,586.17
Lease liabilities (including current maturities)	10.97	-	(1.89)	-	-	-	-	1.14	10.22

(₹ In Crores)

Particulars	As at 01 April 2021	Leases recognised	Cash flows (net)	Equity component of CCD shown as part of reserves	Interest expense	Interest paid	Unamortised upfront fee	Non cash items#	As at 31 March 2022
Borrowings (including current maturities of long term borrowing included in other financial liabilities)	12,744.48	-	(6,299.22)	-	940.30	(752.77)	75.13	(190.35)	6,517.57
Lease liabilities (including current maturities)	10.93	-	(1.16)	-	-	-	-	1.20	10.97

Non cash items represent interest accrual.

NOTE- 52 The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On 13 November 2020 the Ministry of Labour and Employment released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

NOTE- 53 Other statutory information

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company does not have any transactions with companies which are struck off except the followings.

(₹ In Crores)

Name of the Company	Nature of transactions with Company	Balance outstanding	
		As at 31 March 2023	As at 31 March 2022
Fuchs Lubricants (India) Private Limited	Purchase of spares	-	0.23
Sharma Contracts (India) Private Limited	Purchase of spares	-	0.02
R.V.Briggs & Co. Private Limited	Purchase of spares	*	*
Minwool Rock Fibres Limited	Purchase of spares	-	*
BPDP Trading Private Limited **	Sales of products	-	0.01
CBS Steel Private Limited **	Sales of products	-	-
Everest India Private Limited **	Sales of products	-	0.01
Himalayan Eco Farms Private Limited **	Sales of products	-	0.02
Himatsu Binmet Limited **	Sales of products	-	-
J.S. Engg. Projects Private Limited **	Sales of products	*	0.02
Neo Containers Private Limited **	Sales of products	-	-
Panchshree Steels Private Limited **	Sales of products	-	*
R.R Autotech Private Limited **	Sales of products	-	0.22

* Less than ₹50,000

** Fully provided

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

viii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

ix) The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.

x) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

xi) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at Balance sheet date.



NOTE- 54 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) **Ind AS 1** | Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

b) **Ind AS 12** | Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

c) **Ind AS 8** | Accounting Policies, Changes in Accounting Estimates and Errors - The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is in the process of evaluating the impact of these amendments.

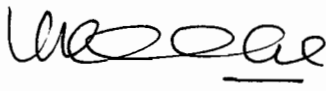
NOTE- 55 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The management, however, is confident that the impact whereof for the year on the financial statements will not be material.

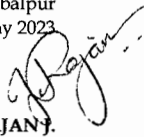
NOTE- 56 Previous year figures have been re-grouped /re-classified wherever necessary to conform current year's classification.


'Signatures to notes 1 to 56'

For and on behalf of Board of Directors




DR. VINOD NOWAL
Chairman
DIN: 00046144
Place : Sambalpur
Date : 09 May 2023


NAGARAJAN
Chief Financial Officer
Place : Sambalpur
Date : 09 May 2023


ANIL KUMAR SINGH
President & Whole time Director
DIN: 02059903
Place : Sambalpur
Date : 09 May 2023


ALOK KUMAR MISHRA
Company Secretary
ICSI Membership No. ACS 15967
Place : Sambalpur
Date : 09 May 2023

