TATA STEEL TECHNICAL SERVICES LIMITED
(Earlier known as BHUSHAN STEEL MADHYA BHARAT LIMITED)

FINANCIAL STATEMENTS
for the year ended March 31, 2021

TABLE OF CONTENTS

TATA STEEL TECHNICAL SERVICES LIMITED (Earlier known as BHUSHAN STEEL MADHYA BHARAT LIMITED)
BALANCE SHEET as at March 31, 2021

(₹ in Lakhs)

		Note	As at March 31, 2021	As at March 31, 2020
	ASSETS			
I	**Non-current assets**			
(a)	Property, plant and equipment		-	-
(b)	Capital work-in-progress		-	-
(c)	Intangible Assets		-	-
(d)	Intangibles under development		-	-
(e)	Financial assets			
	Loans	**3**	6.62	-
(f)	Deferred Tax Assets	**19**	509.14	-
	Total non-current assets		**515.76**	**-**
II	**Current assets**			
(a)	Financial assets			
	(i) Trade receivables	**4**	950.20	-
	(ii) Cash and cash equivalents	**5**	335.95	3.04
(b)	Contracts assets	**6**	2,663.64	-
(c)	Other current assets	**7**	0.80	-
	Total current assets		**3,950.59**	**3.04**
	Total assets		**4,466.35**	**3.04**
	EQUITY AND LIABILITIES			
I	**Equity**			
(a)	Equity share capital	**8**	5.00	5.00
(b)	Other equity	**9**	187.60	(2.14)
	Total Equity		**192.60**	**2.86**
II	**Non-Current liabilities**			
(a)	Financial liabilities			
	Borrowings		-	-
(b)	Provisions	**10**	1,779.52	
			1,779.52	**-**
III	**Current liabilities**			
(a)	Financial liabilities			
	(i) Borrowings		-	-
	(ii) Trade Payables			
	Outstanding dues of micro, small and medium enterprises		-	-
	Outstanding dues of creditors other than micro, small and medium enterprises		-	-
(a)	Other financial liabilities	**11**	1,415.68	0.18
(b)	Other current liabilities	**12**	389.47	-
(c)	Provisions	**10**	689.08	
	Total current liabilities		**2,494.24**	**0.18**
	Total equity and liabilities		**4,466.35**	**3.04**
	The accompanying notes are forming part of financial statements	**1-28**		

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

Sd/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place: Noida (Delhi - NCR)
Date: April 20, 2021

For and on behalf of the Board of Directors

Sd/-
SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place: New Delhi
Date: April 20,2021

Sd/-
RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place: Kolkata
Date: April 20,2021

TATA STEEL TECHNICAL SERVICES LIMITED (Earlier known as BHUSHAN STEEL MADHYA BHARAT LIMITED)
STATEMENT OF PROFIT AND LOSS for the year ended ended March 31, 2021

(₹ in Lakhs)

		Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Revenue**			
	(a) Revenue from operations	**13**	12,871.21	-
	(b) Other Income	**14**	1.82	-
	Total income		**12,873.03**	**-**
II	**Expenses:**			
	(a) Employee benefits expense	**15**	12,318.29	-
	(b) Finance costs	**16**	44.36	
	(c) Other expenses	**17**	2.20	0.38
	Total expenses		**12,364.84**	**0.38**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**508.19**	**(0.38)**
IV	Exceptional items		-	-
V	**Profit/(loss) before tax (III+IV)**		**508.19**	**(0.38)**
VI	**Tax expense:**			
	(a) Current tax	**19**	587.09	-
	(b) Deferred tax	**19**	(509.14)	-
	Total tax expense		**77.95**	**-**
VII	**Profit/ (loss) for the year (V-VI)**		**430.23**	**(0.38)**
VIII	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified to profit or loss			
	- Re-measurement of the net defined benefit plan		**(240.50)**	-
	(b) (i) Items that will be reclassified to profit and loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total other comprehensive income		**(240.50)**	**-**
IX	**Total comprehensive income for the year (VII+VIII)**		**189.74**	**(0.38)**
X	**Earnings per share [having face value of ₹ 10 each]**			
	Basic (₹)	**18**	860.47	(0.75)
	Diluted (₹)	**18**	860.47	(0.75)
	The accompanying notes are forming part of the financial statements	**1-28**		

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TATA STEEL TECHNICAL SERVICES LIMITED (Earlier known as BHUSHAN STEEL MADHYA BHARAT LIMITED)
STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	Balance as at April 1, 2020	Changes during the year	Balance as at March 31, 2021
Equity Shares of ₹ 10 each issued, subscribed and fully paid	5.00	-	5.00

(₹ in Lakhs)

	Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
Equity Shares of ₹ 10 each issued, subscribed and fully paid	5.00	-	5.00

B. OTHER EQUITY

	Reserves and Surplus	Items of Other Comprehensive Income	Total Equity
	Retained earnings		
Balance as at March 31, 2020	**(2.14)**	-	**(2.14)**
Profit for the year	430.23	-	430.23
Other comprehensive income for the year	(240.50)	-	(240.50)
Balance as at March 31, 2021	**187.60**	-	**187.60**
Balance as at March 31, 2019	(1.77)	-	(1.77)
Loss for the year	(0.38)	-	(0.38)
Other comprehensive income for the year	-	-	-
Balance as at March 31, 2020	**(2.14)**	-	**(2.14)**

The accompanying notes are forming part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached
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Place: Noida (Delhi - NCR)
Date: April 20, 2021

TATA STEEL TECHNICAL SERVICES LIMITED (Earlier known as BHUSHAN STEEL MADHYA BHARAT LIMITED)
CASH FLOW STATEMENT for the year ended March 31, 2021

(₹ in Lakhs)

		For the year ended March 31, 2021		For the year ended March 31, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Profit/(loss) before taxes		**508.19**		**(0.38)**
Adjustments for:				
Finance costs		44.36		
Operating cash flows before working capital changes		**552.55**		**(0.38)**
Change in Working Capital:				
Trade & Other Receivables	(3,621.27)		-	
Trade and Other Payables	1,804.98		-	
Provisions	1,782.30		-	
		(33.98)		**-**
Cash generated from operations		**518.57**		**(0.38)**
Direct taxes paid		**(141.30)**		**-**
Net cash generated from operating activities		**377.27**		**(0.38)**
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Intangible Assets		-		-
Net cash generated in Investing Activities		**-**		**-**
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Interest paid		(44.36)		-
Net cash generated/(used) in Financing Activities		**(44.36)**		**-**
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)		**332.91**		**(0.38)**
Opening Cash and Cash Equivalents		**3.04**		**3.41**
Closing Cash and Cash Equivalents (Refer note no)		**335.95**		**3.04**

The accompanying notes are forming part of the financial statements

As per our report of even date attached

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1. Corporate information

Tata Steel Technical Services Limited (Earlier known as Bhushan Steel Madhya Bharat Ltd) (“the Company”) is a public limited company incorporated in India under the provisions of Companies Act. The address of registered office is The Mire Corporate Suites, Ground Floor, Block A & O, Old Ishwar Nagar, New Delhi - 110065 India. The company is a subsidiary of Tata Steel BSL Limited. Subsequent to the change of name, the company has obtained a new certificate of incorporation from the Registrar of Companies – New Delhi on April 13, 2021.

Statement of compliance

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

Basis of preparation

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

(a) Certain assets and liabilities that are required to be carried at fair values by Indian Accounting Standards (Ind AS); and

(b) Defined benefit liabilities / (assets): Present value of defined benefit obligation less fair value of plan assets.

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

These financial statements for the year ended March 31, 2021 were approved by the Board of Directors and approved for issue on April 20, 2021.

2. Summary of significant accounting policies

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

a. Current versus non-current classification

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

b. Borrowing Costs

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

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

c. Impairment of non-financial assets

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

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

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

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

d. Revenue Recognition

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company" s ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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

e. Income Taxes

<u>Current tax</u>

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

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

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

<u>Deferred tax</u>

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognised for all the temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

f. Employee benefits

Short-term benefits

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

Defined contribution plans

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

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

Defined benefits plans

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

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

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

Other long term benefits

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

g. Leases

Company as a lessee

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

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

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

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

Company as a lessor

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

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

h. Provisions, contingent liabilities and contingent assets

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

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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

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

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

i. Earnings per share

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

j. Cash and cash equivalents

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

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

k. Intangible assets

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

l. Fair value measurement

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

m. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.
Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

n. Segment reporting

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

o. Financial instruments

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

iii. Financial assets at fair value through Profit & Loss (FVTPL)
Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, are classified as at FVTPL.
Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

p. Compound Financial Instrument

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

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

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

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

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

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

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

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

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

Non-derivative financial liabilities

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

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

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

q. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards which are applicable to the Company. There is no such notification which would have been applicable from April 1, 2021.

FINANCIAL ASSETS

3. LOANS

NON-CURRENT (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	6.62	-
	6.62	**-**

4. TRADE RECEIVABLES

CURRENT (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	950.20	-
Less : Allowance for expected credit loss	-	-
	950.20	**-**

(i) For details of receivables from related parties, refer note no. 23
(ii) Trade receivables relates to Company's contract with customers are non-interest bearing with credit period not exceeding 1 day.
(iii) There are no outstanding receivable / debts due from
(a) directors or other officers of the Company or
(b) firms or private companies in which any director of the Company is a partner, member or director.

Reconciliation of receivables outstanding as the beginning and closing of the year are as follows:

	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	-
Add: Revenue recognised during the year	10,177.23	-
Add: Unbilled revenue recognised during the year	2,693.98	-
Less: Receipts during the year	11,921.01	-
Closing Balance	**950.20**	**-**

5. CASH AND CASH EQUIVALENTS

CURRENT (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Balance with banks		
- In current accounts	59.23	3.00
- Deposit with original maturity less than three months	276.68	-
(b) Cash on hand	0.03	0.03
	335.95	**3.04**

6. Contract Assets

CURRENT (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Rendering of manpower service (unbilled revenue)*	2,663.64	-
	2,663.64	**-**

*For details, refer note no. 20 and 23

Reconciliation of contract assets outstanding as the beginning and closing of the year are as follows:

	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	-
Add: Performance obligations satisfied but not billed	2,663.64	-
Less: Recognised as receivables during the year	-	
Closing Balance	**2,663.64**	**-**

7. OTHER CURRENT ASSETS

CURRENT (₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
Advance recoverable in cash or in kind	0.80	-
	0.80	**-**

8. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
a) Authorised:		
1,00,000 (Previous Year: 1,00,000) equity shares of ₹ 10/- each (Previous Year: ₹ 10/- each)	10.00	10.00
	10.00	**10.00**
b) Issued, Subscribed and Paid-up:		
50,000 (Previous year: 50,000) equity shares of ₹ 10/- each (Previous year: ₹ 10/- each)	5.00	5.00
	5.00	**5.00**

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

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Number of shares**	**Amount (₹ in lakhs)**	**Number of shares**	**Amount (₹ in lakhs)**
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
Shares bought back / cancelled during the year	-	-	-	-
Shares outstanding at the end of the year	**50,000**	**5.00**	**50,000**	**5.00**

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

The Company has only one class of equity share having a par value of ₹ 10/- each (Previous year: 10 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Equity shares of ₹ 10/- each fully paid up

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Number of shares held**	**% of holding**	**Number of shares held**	**% of holding**
Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) * ("Holding company") #	49,990	99.98%	49,990	99.98%
Total	**49,990**	**99.98%**	**49,990**	**99.98%**

#including shares held by nominee shareholders.

9. OTHER EQUITY

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Balance as at the beginning of the year	(2.14)	(1.77)
Profit/(loss) for the year	430.23	(0.38)
Other Comprehensive Income for the year*	(240.50)	-
Balance as at the end of the year	**187.60**	**(2.14)**
Total other equity	**187.60**	**(2.14)**

* This consist of remeasurement gain/(loss) on defined benefit plans amounting to ₹ (240.50) Lakhs (Previous year : Nil)

Retained earnings - Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders including tax thereon, if any.

10. PROVISIONS

NON-CURRENT

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity (Refer Note 21)	1,515.87	-
- Compensated absences	263.64	-
	1,779.52	**-**

CURRENT

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee benefits		
- Gratuity (Refer Note 21)	197.18	-
- Compensated absences	46.11	-
Provision for income tax (net)	445.79	-
	689.08	**-**

11. OTHER FINANCIAL LIABILITIES

CURRENT

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Employee emoluments	1,414.09	-
(b) Other payables	1.60	0.18
	1,415.68	**0.18**

12. OTHER LIABILITIES

CURRENT

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Statutory Dues	389.47	-
	389.47	**-**

13. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Income from rendering of manpower service *	12,871.21	-
	12,871.21	**-**

*including unbilled revenue of Rs 2693.98 lakhs. For further details refer note no. 20

A. **Disaggregated revenue information**

The disaggregation of the Company's revenue from contracts with customers is as under:

(i) **Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per contract price	12,871.21	-
Less: Rebates, incentives, discounts etc.	-	-
Revenue as per Statement of Profit and Loss	**12,871.21**	**-**

(ii) The Company presented disaggregated revenue based on the-services rendered directly to customers. Revenue is recognised for services rendered on completion of performance obligation.

B. For movement of trade receivables, refer note no. 4

14. OTHER INCOME

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest received from fixed deposits	1.82	-
	1.82	**-**

15. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Salaries, wages and gratuity*	11,854.47	-
(b)	Contribution to provident and other funds	463.82	-
(c)	Staff welfare expenses	-	-
		12,318.29	**-**

*refer note 20

16. FINANCE COSTS

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest to income tax department	44.36	-
	44.36	**-**

17. OTHER EXPENSES

(₹ in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Rates and taxes	0.11	0.02
(b)	Legal and professional charges	-	0.17
(c)	**Payment to Auditors:**	-	-
	Statutory Audit fee	1.50	0.18
(d)	Rent	0.36	-
(e)	Insurance	0.18	-
(f)	Miscellaneous expenses	0.05	0.01
		2.20	**0.38**

17.1 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the Companies Act, 2013, no amount was required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year. During the year ended March 31, 2021, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹ Nil (Previous year ₹ Nil).

18 EARNING PER SHARE

(₹ in Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Profit/ (loss) for the year (₹ Lakhs)	**430.23**	**(0.38)**
(b)	Face value per share (₹)	10.00	10.00
(c)	Number of equity shares at the beginning of the year (No.)	**50,000**	**50,000**
	Less: Cancelled during the year (No.)	**-**	**-**
	Add: Issued during the year (No.)	**-**	**-**
	Number of equity shares at the end of the year (No.)	**50,000**	**50,000**
(d)	Weighted average number of equity shares*	50,000	50,000
(e)	Effect of dilution	-	-
(f)	Weighted average number of equity shares for diluted EPS*	50,000	50,000
(g)	**Earning Per Share:**		
	Basic (₹ / share) [(a)/(c)]	**860.47**	**-0.75**
	Diluted (₹/ share) [(a)/(c)]	**860.47**	**-0.75**

*There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares as at the year end.

19. TAX EXPENSES

(a) Income tax expense:

The major components of income tax expenses are as follows:

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax expense	587.09	-
Deferred tax expense	(509.14)	-
Total income tax expense recognised in statement of profit & loss	77.95	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Accounting profit before tax from continuing operations	508.19	(0.38)
Accounting profit before tax from discontinuing operations	-	-
Accounting profit before income tax	**508.19**	**(0.38)**
At India's statutory income tax rate of 25.168% (Previous year: 25.168%)	127.90	-
Non-deductible expenses for tax purposes:		
(a) Tax effect of items disallowed	(49.37)	-
(c) Tax effect of items brought forward losses and other items	(0.58)	-
(d) Tax effect due to tax losses of the current year to the extent of accounting profit.	-	-
Income tax expense reported in the statement of profit and loss	77.95	**-**

(c) In the previous year, the Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section.

(d) Deferred Tax Assets (Net)

(₹ in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
The movement on account of deferred tax is as follows :		
At the start of the year	-	-
Recognised in statement of profit or loss	509.14	-
Recognised in other comprehensive income	-	
At the end of year	**509.14**	**-**

(f) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below :

As at March 31, 2021 (₹ Lakhs)

Particulars	**Year of expiry**	**Amount**
Unabsorbed depreciation	No expiry	-
Business Loss	next 3 to 8 years	-
		-

As at March 31, 2020 (₹ Lakhs)

Particulars	**Year of expiry**	**Amount**
Unabsorbed depreciation	No expiry	-
Business Loss	next 3 to 8 years	2.16
		2.16

20 The Company has taken on its roll manpowers earlier supplied by other vendors. The Company has offered to employees that their services shall be considered continued service from their date of joining with earlier employers and shall be eligible for gratuity and compensated absences accrued to them from the date of joining. Accordingly, provisions made during the year towards liability for gratuity and compensated absences include Rs. 1,176.41 lakhs and Rs. 167.26 lakhs pertaining to services rendered under earlier employers. The Company is entitled to recover this amount from customers and accordingly same has been included in revenue from operations.

21 Employee benefits

A. **Defined Contribution Plans**

Provident Fund: The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year, the Company has recognised ₹ 588.15 Lakhs (Previous year ₹ Nil) as contribution towards Employees Provident Fund in the Statment of Profit and Loss.

B. **Defined Benefit Plans - Gratuity**

The Company made provision for gratuity in accordance with Ind-AS 19 "Employee Benefits". Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the company.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021 wherein expense and liabilities in respect of gratuity were measured using the Projected Unit Credit Method.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

(₹ Lakhs)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	**Reconciliation of fair value of plan assets and defined benefit obligation:**		
	Fair value of plan assets	-	-
	Defined benefit obligation	1,713.05	-
	Net assets / (liability) recognised in the balance sheet at year end	**(1,713.05)**	**-**
(ii)	**Changes in the present value of the defined benefit obligation are, as follows:**		
	Defined benefit obligation at beginning of the year	**-**	**-**
	Acquisition adjustment	1,176.41	-
	Current service cost	215.79	-
	Interest expense	80.35	-
	Benefits paid	-	-
	Actuarial (gain)/ loss on obligation	240.50	-
	Defined benefit obligation at year end	**1,713.05**	**-**
(iii)	**Amount recognised in Statement of Profit and Loss:**		
	Current service cost	215.79	-
	Net interest expense	80.35	-
	Remeasurement of Net Benefit Liability/ Asset	-	-
	Amount recognised in Statement of Profit and Loss	**296.14**	**-**
(iv)	**Amount recognised in Other Comprehensive Income:**		
	Actuarial (gain)/ loss on obligation	240.50	-
	Return on plan assets (excluding amounts included in net interest expense)	-	-
	Amount recognised in Other Comprehensive Income	**240.50**	**-**
(v)	**The Company has no plan assets.**		
(vi)	**The principal assumptions used in determining gratuity obligations for the Company’s plans are shown below:**		
	Discount rate (in %)	6.83	-
	Salary Escalation (in %)	5.00	-
	Rate of return in plan assets (in %)	-	-
	Expected average remaining working lives of employees (in years)	20.99	-

21 Employee benefits

(vii) **A quantitative sensitivity analysis for significant assumption are given as below :** **(₹ Lakhs)**

	As at March 31, 2021		As at March 31, 2020	
Sensitivity Level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Effect of change in discount rate	(54.44)	57.88	-	-
Effect of change in salary escalation	58.64	(55.62)	-	-

a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) **Maturity profile of defined benefit obligation :** **(₹ Lakhs)**

	As at March 31, 2021	As at March 31, 2020
Within next twelve months	197.18	-
Between one to five years	570.64	-
Beyond five years	945.23	-

(ix) **Description of Risk Exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

Salary Increases - Higher than expected increase in salary will increase the defined benefit obligation.

Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

Demographic risk - This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

(x) **Expected contribution for the next Annual reporting period.** (₹ Lakhs)

	As at March 31, 2021	As at March 31, 2020
Service Cost	224.21	-
Net Interest Cost	117.00	-
Expected Expense for the next annual reporting period	**341.21**	**-**

22 Segment Reporting

(a) According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "Supply of Manpower". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

(b) Holding company and a fellow subsidiary account for entire revenue of the company for the current year.

23 Related party disclosures

Names of related parties and description of relationship

A Relationship

i) Entity having significant influence over the ultimate holding company

Tata Sons Private Limited

ii) Ultimate Holding Company

Tata Steel Limited

iii) Holding Company

Tata Steel BSL Limited (Formerly known as Bhushan Steel Limited)

iv) Fellow Subsidiary

Bhushan Steel Australia Pty Ltd
Bowen Energy Ltd.
Bowen Coal Pty Ltd
Bowen Consolidated Pty Ltd.
Bhushan Steel (South) Limited
Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)
Angul Energy Limited (Formerly known as Bhushan Energy Ltd.)

iv) Key Management Personnel

Mr. Sanjib Nanda
Mr. Rajeev Singhal
Ms. Neha Harlalka

B Transaction carried out with related parties referred in 'A' above in ordinary course of business. **(₹ Lakhs)**

Transactions	Year Ended	Holding Company	Angul Energy Ltd ("Fellow Subsidiary")
Income from rendering of services	March 31, 2021	9,178.90	70.30
	March 31, 2020	-	-
Reimbursements of statutory payments and others including unbilled revenue	March 31, 2021	1,565.22	33.99
	March 31, 2020	-	-
Reimbursements of retirement benefits and compensated absences including unbilled revenue	March 31, 2021	1,975.38	47.41
	March 31, 2020	-	-
Closing Balances	**As at**		
Receivables	March 31, 2021	930.46	19.74
	March 31, 2020	-	-
Contract assets (Unbilled revenue)	March 31, 2021	2,616.93	46.71
	March 31, 2020	-	-

Terms and conditions related to Outstanding balances :

a) Trade receivables are receivable in cash within 1 day of the due date and are unsecured.
b) All outstanding receivables are unsecured and receivable in cash.

24 Significant accounting judgements, estimates and assumptions

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

JUDGEMENTS

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

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

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

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

25 Financial Instruments - Fair value and Risk management

i. Fair value Measurement

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

(₹ Lakhs)

		As at March 31, 2021		As at March 31, 2020	
	Measured at	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial assets					
Loans	Amortized Cost	6.62	6.62	-	-
Trade Receivables	Amortized Cost	950.20	950.20	-	-
Cash and cash equivalents	Amortized Cost	335.95	335.95	3.04	3.04
Financial Liabilities					
Other financial liabilities	Amortized Cost	1,415.68	1,415.68	0.18	0.18

The management assessed that cash and cash equivalents, loans, trade receivables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

B) Fair value hierarchy

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

The categories used are as follows:-

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

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

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

ii. Financial Risk Management Framework

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

A. Credit Risk

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

B. Liquidity Risk

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

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

Year ended March 31, 2021 **(₹ Lakhs)**

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	-	603.84	811.85	-	-	1,415.68

Year ended March 31, 2020

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	-	-	0.18	-	-	0.18

C. Market Risk

a. Interest rate risk

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

b. Foreign currency risk

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

c. Price risk

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

26 Capital Management

(₹ in Lakhs)

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

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

	As at March 31, 2021	As at March 31, 2020
Borrowings	-	-
Less: Cash and short term deposits	335.95	3.04
Net debts/(Surplus)	**(335.95)**	**(3.04)**
Equity	5.00	5.00
Other Equity	187.60	(2.14)
Total Capital	**192.60**	**2.86**
Net debt to total equity	(1.74)	(1.06)

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. However, the company does not have any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

27 Contingent Liabilities & Capital Commitments

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

28 Previous year's figures have been audited by previous auditor and figures have been regrouped / reclassified wherever necessary to conform current year's figure.

As per our report of even date attached

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

Sd/-
Bimal Kumar Sipani
Partner
Membership No. 088926

Place: Noida (Delhi - NCR)
Date: April 20, 2021

For and on behalf of board of directors

Sd/-
SANJIB NANDA
DIRECTOR
(DIN : 01045306)
Place: New Delhi
Date : April 20, 2021

Sd/-
RAJEEV SINGHAL
DIRECTOR
(DIN : 02719570)
Place : Kolkata
Date : April 20, 2021