38, Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.

Tel. : +91(22) 2262 3000/4085 1000
Email : contact@shahgupta.com
Web : www.shahgupta.com

Shah Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HASAUD STEEL LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Hasaud Steel Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and Statement of Cash Flows for the period then ended, and Notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under sub- section 10 of Section 143 of the Companies Act, 2013 ("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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Responsibility of management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the audit of the Standalone Ind AS 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 sub-section (3)(i) of Section 143 the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements of the Company in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

2. As required by sub-section (3) of Section 143 of the Act, based on our audit, 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 purpose of our audit.

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

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

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

   (e) As informed to us by the Company, the Board of Directors has taken on record written representations received from the directors as on March 31, 2019. As per the written representation received, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

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

(g) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration. Accordingly, reporting under sub-section 16 of Section 197 of the Act is not applicable to the Company.

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

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts and

iii. As at March 31, 2019 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Parth P Patel
M. No.172670
Place: Mumbai
Date: May 21, 2019

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

APPENDIX A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HASUAD STEEL LIMITED of even date)

(i) The Company does not have fixed assets. Accordingly, reporting under paragraph 3 (i) of the Order is not applicable to the Company.

(ii) The Company does not have inventories as it is yet to commence its operations. Accordingly, reporting under paragraph 3 (ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, reporting under paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, reporting under paragraph 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, reporting under paragraph 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act.

(vii) (a) According to the information and explanations given to us, and the records of the company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the period end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.

(viii) Based on our examination of documents and records, the Company has not taken any loan from a financial institution, a bank, the government or issued debentures. Accordingly, reporting under paragraph 3 (viii) of the Order is not applicable to the Company.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given to us by the Management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period under review. Accordingly, reporting under paragraph 3 (ix) of the Order is not applicable to the Company.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company and no material fraud on the Company by its officer or employees has been noticed or reported during the period.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration. Accordingly, reporting under paragraph (xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable to the Company.

SHAH GUPTA & CO. MUMBAI FRN 109574W CHARTERED ACCOUNTANTS

(xiii) The Company has not entered into transactions with related parties during the period. Accordingly, reporting under paragraph 3 (xiii) of the Order is not applicable to the Company.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the period. Accordingly, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, in our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For **SHAH GUPTA & CO**
Chartered Accountants
FRN – 109574W

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Parth P Patel
M. No.172670
Place: Mumbai
Date: May 21, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HASAUD STEEL LIMITED of even date)

We have audited the internal financial controls over financial reporting of **Hasaud Steel Limited** (hereinafter referred to as "the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period 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 components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section 10 of Section 143 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

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

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Parth P Patel
M. No.172670
Place: Mumbai
Date: May 21, 2019

Hasaud Steel Limited

BALANCE SHEET as at March 31, 2019

Particulars	Notes	Amount (in Rs.) As at March 31, 2019
I. ASSETS		
(1) Non-current assets		
(2) Current assets		
Financial assets		
(i) Cash & Cash equivalents	7	99,360
Total current assets		99,360
TOTAL ASSETS		**99,360**
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	8	100,000
(b) Other equity	9	(12,440)
Total equity		**87,560**
(2) Non-current liabilities		
(3) Current liabilities		
Financial liabilities		
(i) Trade payables	10	
(a) Total outstanding due of micro enterprise and small enterprises		
(b) Total outstanding due of creditors other than micro enterprise and small enterprises		11,800
Total current liabilities		**11,800**
Total liabilities		**11,800**
TOTAL EQUITY AND LIABILITIES		**99,360**

See accompanying notes to the standalone financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
FRN No. - 109574W

For and on behalf of the Board of Directors

Parth P Patel
Partner
Membership No. - 172670

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Ashok Kumar Agarwal
Director

Vimal Singh
Director

Place: Mumbai
Date: May 21, 2019

Hasaud Steel Limited

Statement of Profit & Loss for the period ended February 13, 2018 to March 31, 2019

Particulars	Notes	Amount (in Rs.) For the period Feb to March 31, 2019
I. Revenue from operations		
II. Expenses		
Other expenses	11	12,440
Total Expenses		12,440
III. Loss before tax (I-II)		(12,440)
IV. Tax expense		
V. Loss for the period (III-IV)		(12,440)
VI. Other comprehensive income		
VII. Total comprehensive loss for the period (V+VI)		(12,440)
IX. Earnings per equity share (of Rs. 10/- each)		
Basic and diluted (in Rs.)	12	(1.24)

See accompanying notes to the standalone financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
FRN No. - 109574W

Parth P Patel
Partner
Membership No. - 172670

Place: Mumbai
Date: May 21, 2019

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ashok Kumar Aggarwal
Director

Vimal Singh
Director

Hasaud Steel Limited
Statement for Cash Flow Statement for the period ended February 13, 2018 to March 31, 2019

Particulars	Amount (in Rs.) For the period ended March 31, 2019
A. Cash flow from operating activities	
Loss before tax	(12,440)
Adjustments for:	
Changes in working capital	
Increase in trade payables	11,800
Cash used from operations	**(640)**
Direct taxes paid	
Net cash used from operating activities (A)	**(640)**
B. Cash flow from investing activities	
Net cash generated used in investing activities (B)	
C. Cash flow from financing activities	
Proceeds from issue of equity shares	100,000
Net cash flow generated from financing activities (C)	**100,000**
Net increase in cash and cash equivalents (A+B+C)	**99,360**
Cash and cash equivalents at the beginning of the period	
Cash and cash equivalents at the end of the period (Refer Note 7)	**99,360**

Note:

The statement of cash flow is prepared using the "indirect method" set out in Indian Accounting Standard 7 "Statement of Cash Flows".

See accompanying notes to the standalone financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
FRN No. - 109574W

Parth P Patel
Partner
Membership No. - 172670

Place: Mumbai
Date: May 21, 2019

SHAH GUPTA & CO. MUMBAI FRN : 109574W CHARTERED ACCOUNTANTS

Ashok Kumar Aggarwal
Director

Vimal Singh
Director

Hasaud Steel Limited
Statement of changes in Equity for the period ended March 31, 2019

Particulars	[illegible] For the period ended March 31, 2019
(a) Equity share capital	
Balance at the beginning of the period	
Changes in equity share capital during the period	100,000
Balance at the end of the period	**100,000**

(b) Other Equity

Particulars	**Amount (In Rs.)** **For the period ended** **March 31, 2019**
Reserves & Surplus	
(I) Retained Earnings	
Balance as at the beginning of the period	
Loss for the period	(12,440)
Balance as at the end of the period	(12,440)

See accompanying notes to the standalone financial statements

As per our attached report of even date
For Shah Gupta & Co
Chartered Accountants
FRN No. - 109574W

Parth P Patel
Partner
Membership No. - 172670

Place: Mumbai
Date: May 21, 2019

SHAH GUPTA & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI FRN : 109574W

For and on behalf of the Board of Directors

Ashok Kumar Aggarwal
Director

Vimal Singh
Director

	(in
	99,360

8. Equity Share Capital

Particulars	As at March 31, 2019	
	No. of shares	Amount (in Rs.)
(a) Authorised:		
Equity shares of par value Rs. 10 each	10,000	100,000
(b) Issued and Subscribed		
Equity shares of par value Rs. 10 each	10,000	100,000
	10,000	100,000
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the period		
At the beginning of the period		
Add: Issuance of shares upon incorporation	10,000	100,000
Outstanding at the end of the period	10,000	100,000

(d) Rights, preferences and restrictions attched to equity shares

The Company has single class of equity shares. Each holder of equity shares is entitled for one vote per share held. 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.

(e) Details of shareholders holding more than 5% shares in the Company are set out below:

Particulars	As at March 31, 2019	
	No. of Shares	% of shares
JSW Steel Limited	10,000	100%

9. Other equity

	Amount (in Rs.)
Particulars	As at March 31, 2019
Deficit in Retained earnings	
Opening balance	
Add: Loss during the period	(12,440)
Closing balance	(12,440)

10. Trade payables

	Amount (in Rs.)
Particulars	**As** at March 31, 2019
Acceptances	
Other than acceptances	11,800
	11,800

Payables Other than acceptances are normally settled within 1 to 180 days

SHAH GUPTA & CO.
MUMBAI
FRN 109574W
CHARTERED ACCOUNTANTS

12,440

12. Earnings per share (EPS)

Particulars		For the period ended March 31, 2019
Net loss for the period attributable to equity shareholders (A)	Rs.	[illegible]
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (B)	Nos	10,000
Earnings per share - basic and diluted (face value of Rs. 10/- each) (A/B)	Rs.	(1.24)

13. Segment Reporting
Since Company is yet to commence operations, there are no segment disclosure applicable

14. Related Party Disclosures

A. Relationships
1. Parent Company
JSW Steel Limited

2. Key Management Personnel
Mr. Ashok Agarwal
Mr. Vimal Singh
Mr. Arun Maheswari

B. Transactions with related parties
There are no transactions with the related parties during the period February to March 31, 2019

SHAH GUPTA & CO.
MUMBAI
FRN: 109574W
CHARTERED ACCOUNTANTS

2. Applicability of new and revised Ind AS

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

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.
There is no impact of the aforesaid amendments on the Company's financial information.

3. Statement of compliance

The Company has prepared these Standalone Financial Statements 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 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid standalone financial statements have been approved by the Board of Directors in the meeting held on May 21, 2019.

4. Basis of preparation and presentation

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

The financial statements are presented in Indian Rupees ('INR'), except otherwise indicated.

SHAH GUPTA & CO. MUMBAI FRN CHARTERED ACCOUNTANTS

(b) Current and non-current classifications

[illegible]

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

5. Significant accounting policies

I. Revenue recognition

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

Sale of goods

The Company recognizes revenues on sale of goods when the products are delivered to customer or when delivered to a carrier for export sale, which is when the property in the goods and risk and rewards of ownership gets transferred to the customer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods is presented net of discounts, sales incentives, rebates, returns, sales taxes and duties.

Dividend and interest income

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

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.

II. **Taxation**

SHAH GUPTA & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI FRN 109574W

III. **Provisions, contingencies and commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

A disclosure for contingent liabilities is made where there is

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

b) a present obligation that arises from past events but is not recognized because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

SHAH GUPTA & CO.
MUMBAI
FRN: 109574W
CHARTERED ACCOUNTANTS

V. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

VI. Financial Instruments

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

A. Financial assets

a) Recognition and initial measurement
All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement

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

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

Financial assets at fair value through profit or loss (FVTPL) - A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

c) Impairment

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

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

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

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

For financial assets other than trade receivables, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

d) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by the 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) Initial recognition and measurement

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

d) Subsequent measurement

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

e) Derecognition

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

C. 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.

Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

[illegible]

[illegible]

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

6. Key sources of estimation uncertainty and critical accounting judgements
In the course of applying the policies outlined in all notes under section 5 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

i) Provisions and liabilities
Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

ii) Contingencies
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

SHAH GUPTA & CO.
MUMBAI
FRN: 109574W
CHARTERED ACCOUNTANTS

SHAH GUPTA & CO.
MUMBAI
FRN 109574W
CHARTERED ACCOUNTANTS

[illegible]

[illegible]

[illegible]

Particulars	As at March 31, [illegible]
	Carrying amount (in Rs.)
Financial asset	
Measured at Amortised cost	
Cash & Cash equivalents	99,360
Financial liability	
Measured at Amortised cost	
Trade Payable	[illegible]

The management consider that the carrying amounts of financial asset and financial liability recognized in the standalone financial statements approximate their fair values.

C. Financial risk management

[illegible]

[illegible]

D. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and risk of deterioration of creditworthiness

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

E. Liquidity risk management

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 Company has only cash & cash equivalents and trade payables whose maturity is less than 1 year

16. Contingent Liabilities

The Company does not have any contingent liabilities as on March 31, 2019

17. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements.

For and on behalf of the Board of Directors

SHAH GUPTA & CO. MUMBAI FRN: 109574W CHARTERED ACCOUNTANTS

Ashok Kumar Aggarwal	**Vimal Singh**
Director	Director

Place: Mumbai
Date: May 21, 2019