

**INDEPENDENT AUDITORS' REPORT**

**To the Members of JSW Natural Resources India Limited**

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

**Opinion**

We have audited the standalone financial statements of JSW Natural Resources India Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 16 (h) in the financial statements, which indicates that the project activities at Kulti-Sitarampur Coal Block being put on hold due to cancellation of the allotment of the said Coal Block. As stated in Note 16 (h), these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter**

We draw attention to the following Notes to the Financial Statements

Note no. 16 (h) & 16 (i) regarding the project activities at Kulti-Sitarampur Coal Block being put on hold due to cancellation of the allotment of the said Coal Block. However, in view of the new Policy of GoI on allocation of Coal Blocks and Coal linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages with support of Gov. of West Bengal. The management estimates development and pre-operative expenses amounting to Rs. 97.95 crores incurred up to 31-03-2014 as recoverable from WBMTDC. Accordingly, the decline in value of investment and impairment of assets as per Ind AS 36 is not considered necessary by the Management.

Our opinion is not modified in respect of this matter.



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

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

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
The Company has not paid any remuneration to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W

  
**Vaibhav Dattani**

Partner

M.No. 144084



Place: Kolkata

Date: April 26, 2019

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
(b) According to the information and explanations given to us, physical verification of fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.  
(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) There was no inventory held by the company. Accordingly, the provisions of clause 2 (a) & (b) of the Order are not applicable to the Company.
- 3) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3 (ii) (a) and (b) of the Order are not applicable to the Company.
- 4) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on which they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, Duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loans either from banks, financial institutions or from the Government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we



report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- 11) The company have not paid managerial remuneration during the year. Accordingly, clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause 4 (xii) of the Order is not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W

*Vaibhav*

**Vaibhav Dattani**

Partner

M.No. 144084



Place: Kolkata

Date: April 26, 2019

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JSW NATURAL RESOURCES INDIA LIMITED**

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **JSW Natural Resources India Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable



detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For **HPVS & Associates.**

Chartered Accountants

Firm Registration No.: 137533W

  
**Vaibhav Dattani**

Partner

M.No. 144084

Place: Kolkata

Date: April 26, 2019







**JSW NATURAL RESOURCES INDIA LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**


(In Rupees)

|           | Particulars  | Note No        | As at<br>31.03.2019   | As at<br>31.03.2018   |
|-----------|--|----------------|-----------------------|-----------------------|
| <b>I.</b> | <b>Assets</b>  |                |                       |                       |
| <b>1</b>  | <b>Non-current assets</b>                                |                |                       |                       |
|           | (a) Property, Plant and Equipment                        | 3(a)           | 16,54,29,137          | 16,54,30,957          |
|           | (b) Other Intangible assets                              | 3(b)           | -                     | 51                    |
|           | (c) Financial Assets                                     |                |                       |                       |
|           | Long-term loans and advances                             | 4(a)           | 72,50,78,559          | 74,38,28,559          |
|           | Other financial assets                                   | 4(b)           | 2,40,00,000           | 2,40,00,000           |
|           | (d) Other non-current assets                             | 5              | 8,79,12,700           | 8,79,12,700           |
|           | <b>Total non current assets</b>                          |                | <b>1,00,24,20,396</b> | <b>1,02,11,72,267</b> |
| <b>2</b>  | <b>Current Assets</b>                                    |                |                       |                       |
|           | (a) Financial Assets                                     |                |                       |                       |
|           | (i) Investments  | 6(a)           | 1,54,68,240           | -                     |
|           | (ii) Cash and cash equivalents                           | 6(b)           | 23,29,495             | 14,01,256             |
|           | (iii) Others financial assets                            | 6(c)           | 41,66,128             | 34,81,718             |
|           | (b) Current Tax Assets (Net)                             | 7              | 5,44,832              | 5,61,889              |
|           | (c) Other current assets                                 | 8              | 1,47,412              | 57,728                |
|           | <b>Total current assets</b>                              |                | <b>2,26,56,107</b>    | <b>55,02,591</b>      |
|           | <b>Total Assets</b>                                      |                | <b>1,02,50,76,503</b> | <b>1,02,66,74,858</b> |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>                            |                |                       |                       |
| <b>3</b>  | <b>Equity</b>  |                |                       |                       |
|           | (a) Equity share capital                                 | 9              | 1,07,33,00,000        | 1,07,06,00,000        |
|           | (b) Other equity   | 10             | (4,83,47,055)         | (4,57,87,112)         |
|           | <b>Total equity</b>                                      |                | <b>1,02,49,52,945</b> | <b>1,02,48,12,888</b> |
| <b>4</b>  | <b>Current liabilities</b>                               |                |                       |                       |
|           | (a) Financial liabilities                                |                |                       |                       |
|           | (i) Other financial liabilities                          | 11             | 1,09,933              | 18,51,373             |
|           | (b) Other current liabilities                            | 12             | 13,625                | 10,598                |
|           | <b>Total current liabilities</b>                         |                | <b>1,23,558</b>       | <b>18,61,971</b>      |
|           | <b>Total Equity and Liabilities</b>                      |                | <b>1,02,50,76,503</b> | <b>1,02,66,74,858</b> |
|           | <b>Significant Accounting Policies &amp; Other Notes</b> | 1,2 &<br>16-18 |                       |                       |

The notes referred herein form an integral part of the financial statements.

As per our attached report of even Date

As per our attached report of even date  
**For HPVS & Associates**  
Chartered Accountants  
Firm Registration No. 137533W

  
**Vaibhav Dattani**  
Partner  
M. No. 144084




Place : Kolkata  
Date:26.04.2019


For and on behalf of the Board of Directors

  
**Biswadip Gupta**  
Director

  
**Saraswati Dadhich**  
Chief Financial Officer

Place : Kolkata  
Date:26.04.2019

  
**Purnendu Pandey**  
Whole-time Director

  
**Priyanka Shetty**  
Company Secretary



**JSW NATURAL RESOURCES INDIA LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2019**

(In Rupees)

|       | Particulars   | Note No.    | Year Ended<br>31.03.2019 | Year Ended<br>31.03.2018 |
|-------|---|-------------|--------------------------|--------------------------|
| I.    | Other Income  | 13          | 22,50,696                | 13,98,673                |
| II.   | <b>Total Revenue</b>  |             | <b>22,50,696</b>         | <b>13,98,673</b>         |
| III.  | <b>Expenses:</b>  |             |                          |                          |
|       | Depreciation and Amortization Expense   | 14          | 1,820                    | 20,418                   |
|       | Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed asset with NIL remaining useful life |             |                          | -                        |
|       | Other Expenses  | 15          | 43,40,516                | 40,01,864                |
|       | <b>Total Expenses</b>   |             | <b>43,42,336</b>         | <b>40,22,282</b>         |
| IV.   | <b>Profit / (Loss) Before Tax (II- III)</b>   |             | <b>(20,91,640)</b>       | <b>(26,23,609)</b>       |
| V.    | <b>Tax Expenses:</b>  |             |                          |                          |
|       | Current Tax   |             |                          |                          |
|       | (i) Current Tax   |             | 4,68,303                 | -                        |
| VI.   | <b>Profit / (Loss) After Tax</b>  |             | <b>(25,59,943)</b>       | <b>(26,23,609)</b>       |
|       | Other Comprehensive Income  |             | -                        | -                        |
| VII.  | <b>Total Other Comprehensive Income</b>   |             | <b>-</b>                 | <b>-</b>                 |
|       | <b>Total Comprehensive Income (VI-VII)</b>  |             | <b>(25,59,943)</b>       | <b>(26,23,609)</b>       |
| VIII. | <b>Earnings Per Equity Share</b>  |             |                          |                          |
|       | [Face Value per Share of Rs 10 each]  | 16(e)       |                          |                          |
|       | Basic & Diluted   |             | (0.00013)                | (0.07774)                |
|       | <b>Significant Accounting Policies &amp; Other Notes</b>  | 1,2 & 16-18 |                          |                          |

The notes referred herein form an integral part of the financial  
As per our attached report of even Date

As per our attached report of even date  
**For HPVS & Associates**  
Chartered Accountants  
Firm Registration No. 137533W

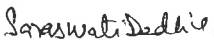
  
**Vaibhav Dattani**  
Partner  
M. No. 144084



Place : Kolkata  
Date:26.04.2019

For and on behalf of the Board of Directors

  
**Biswadip Gupta**  
Director

  
**Saraswati Dadhich**  
Chief Financial Officer

Place : Kolkata  
Date:26.04.2019

  
**Purnendu Pandey**  
Whole-time Director

  
**Priyanka Shetty**  
Company Secretary



JSW Natural Resources India Limited

Statement of changes in equity for the year ended 31st March, 2019

A. Equity Share Capital

| Particulars                                    | No. of Shares       | Equity share capital  |
|--|---------------------|-----------------------|
|  | (Nos)               | Rupees                |
| <b>Issued and Paid up Equity Share Capital</b> |                     |                       |
| Balance as at 1st April, 2017                  | 10,68,40,000        | 1,06,84,00,000        |
| Add:- Issue of shares during the year          | 2,20,000            | 22,00,000             |
| <b>Balance as at 31st March, 2018</b>          | <b>10,70,60,000</b> | <b>1,07,06,00,000</b> |
| Add:- Issue of shares during the year ended    | 2,70,000            | 27,00,000             |
| <b>Balance as at 31st March, 2019</b>          | <b>10,73,30,000</b> | <b>1,07,33,00,000</b> |

B. Other Equity

Reserves & Surplus

| Particulars                                   | Retained earnings    |
|---|----------------------|
|   | Rupees               |
| Balance as on 1st April, 2017                 | (4,31,63,503)        |
| Total comprehensive income for the year       | (26,23,609)          |
| <b>Closing balance as on 31st March, 2018</b> | <b>(4,57,87,112)</b> |
| Total comprehensive income for the year ended | (25,59,943)          |
| <b>Closing balance as on 31st March, 2019</b> | <b>(4,83,47,055)</b> |

As per our attached report of even date

For HPVS & Associates

Chartered Accountants

Firm Registration No. 137533W

Vaibhav Dattani

Partner

M. No. 144084

Place : Kolkata

Date: 26.04.2019



For and on behalf of the Board of Directors

Biswadip Gupta  
Director

Purnendu Pandey  
Whole-time Director

Saraswati Dadhich  
Chief Financial Officer

Priyanka Shetty  
Company Secretary

Place : Kolkata

Date: 26.04.2019



**JSW Natural Resources India Limited**  
Statement of Cash Flows for the year ended 31st March, 2019

(In Rupees)

| Particulars   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
|---|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                   |                          |                          |
| Profit/ Loss for the year                                     | (25,59,943)              | (26,23,609)              |
| <b>Adjustments for :</b>                                      |                          |                          |
| Depreciation and amortisation of non-current assets           | 1,872                    | 20,418                   |
| Interest Income recognised in profit or loss                  | (22,50,696)              | (7,11,264)               |
|   | (48,08,767)              | (33,14,455)              |
| <b>Movements in working capital</b>                           |                          |                          |
| (Increase)/decrease in trade and other receivables            | 1,87,50,000              | -                        |
| Increase/(decrease) in other current assets                   | (89,684)                 | -                        |
| Increase/(decrease) in other liabilities                      | (17,38,413)              | (2,08,324)               |
| <b>Cash used in operating activities</b>                      | <b>1,21,13,136</b>       | <b>(35,22,779)</b>       |
| Income Taxes paid   | (17,057)                 | 1,38,418                 |
| <b>Net cash used in operating activities</b>                  | <b>1,21,30,193</b>       | <b>(36,61,197)</b>       |
| <b>Cash flows from investing activities</b>                   |                          |                          |
| Investment in fixed deposits                                  | 10,48,046                | -                        |
| Investment in mutual fund                                     | (1,49,50,000)            | -                        |
| <b>Net Cash (used in) /generated by investing activities</b>  | <b>(1,39,01,954)</b>     | <b>-</b>                 |
| <b>Cash flows from financing activities</b>                   |                          |                          |
| Proceeds from issue of equity instruments of the Company      | 27,00,000                | 22,00,000                |
| <b>Net Cash generated by financing activities</b>             | <b>27,00,000</b>         | <b>39,57,273</b>         |
| <b>Net Increase/(Decrease) in Cash and Cash equivalents</b>   | <b>9,28,239</b>          | <b>2,96,076</b>          |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>14,01,256</b>         | <b>11,05,181</b>         |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>23,29,495</b>         | <b>14,01,256</b>         |

**Notes :**

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

As per our attached report of even date  
For **HPVS & Associates**  
Chartered Accountants  
Firm Registration No. 137533W

*Vaibhav*

**Vaibhav Dattani**  
Partner  
M. No. 144084



Place :Kolkata  
Date:26.04.2019

For and on behalf of the Board of Directors

*Biswadi Gupta*  
**Biswadi Gupta**  
Director

*Purnendu Pandey*  
**Purnendu Pandey**  
Whole-time Director

*Saraswati Dadhich*  
**Saraswati Dadhich**  
Chief Financial Officer

*Priyanka Shetty*  
**Priyanka Shetty**  
Company Secretary

Place : Kolkata  
Date:26.04.2019



JSW NATURAL RESOURCES INDIA LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 (a)

| Description of Assets               | (Amount in Rupees) |                     |                       |                   |              |
|-------------------------------------|--------------------|---------------------|-----------------------|-------------------|--------------|
|                                     | Free hold Land     | Plant and Equipment | Furniture and Fixture | Office Equipments | Total        |
| Balance as at 1st April, 2018       | 16,54,07,394       | 5,05,097            | 17,229                | 14,700            | 16,59,44,420 |
| Additions                           | -                  | -                   | -                     | -                 | -            |
| Disposals                           | -                  | -                   | -                     | -                 | -            |
| Balance as at 31st March, 2019      | 16,54,07,394       | 5,05,097            | 17,229                | 14,700            | 16,59,44,420 |
| <b>II. Accumulated depreciation</b> |                    |                     |                       |                   |              |
| Balance as at 1st April, 2018       | -                  | 4,88,804            | 10,638                | 14,021            | 5,13,463     |
| Eliminated on disposals of assets   | -                  | -                   | -                     | -                 | -            |
| Depreciation expense for the period | -                  | -                   | 1,820                 | -                 | 1,820        |
| Balance as at 31st March, 2019      | -                  | 4,88,804            | 12,458                | 14,021            | 5,15,283     |
| <b>Carrying Amount (I-II)</b>       |                    |                     |                       |                   |              |
| At 31st March 2018                  | 16,54,07,394       | 16,293              | 6,591                 | 679               | 16,54,30,957 |
| At 31st March, 2019                 | 16,54,07,394       | 16,293              | 4,771                 | 679               | 16,54,29,137 |

Note 3 (b):

Other Intangible Assets

| Description of Assets               | (Amount in Rupees) |  |
|-------------------------------------|--------------------|--|
|                                     | Computer Software  |  |
| <b>I. Cost or deemed cost</b>       |                    |  |
| Balance as at 1st April, 2018       | 2,37,458           |  |
| Additions                           | 0                  |  |
| Disposals                           | 1,07,120           |  |
| Balance as at 31st March, 2019      | 1,30,338           |  |
| <b>II. Accumulated depreciation</b> |                    |  |
| Balance as at 1st April, 2018       | 2,37,406           |  |
| Eliminated on disposal of Assets    | 1,07,069           |  |
| Depreciation expense for the period | -                  |  |
| Balance as at 31st March, 2019      | 1,30,338           |  |
| <b>Carrying Amount (I-II)</b>       |                    |  |
| At 31st March 2018                  | 51                 |  |
| At 31st March, 2019                 | -                  |  |





**JSW NATURAL RESOURCES INDIA LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rupees)

|  | As at<br>31.03.2019   | As at<br>31.03.2018   |
|--|-----------------------|-----------------------|
| <b>4(a) Long Term Loan &amp; Advance</b>   |                       |                       |
| Expenditure incurred on behalf of WBMDTC [Refer Note - 16 (h)]   | 72,50,78,559          | 72,50,78,559          |
| Security Deposits  | -                     | 1,87,50,000           |
| <b>Total</b>   | <b>72,50,78,559</b>   | <b>74,38,28,559</b>   |
| <b>4(b) Other Financial Assets</b>   |                       |                       |
| Amount held as margin money deposits   | 2,40,00,000           | 2,40,00,000           |
| <b>Total</b>   | <b>2,40,00,000</b>    | <b>2,40,00,000</b>    |
| <b>5 Other Non Current Assets</b>  |                       |                       |
| Capital Advance  | 8,79,12,700           | 8,79,12,700           |
| <b>Total</b>   | <b>8,79,12,700</b>    | <b>8,79,12,700</b>    |
| <b>6(a) Investments</b>  |                       |                       |
| <b>Investments at fair value through profit or loss</b>  |                       |                       |
| <b>Investments in mutual funds</b>   |                       |                       |
| (a) HDFC Liquid Fund - Regular Plan - Growth<br>[ No. of units held : 4084.267 [ previous year : Nil ] | 1,49,49,642           | -                     |
| (b) ICICI Prudential Liquid Fund - Growth<br>[ No. of units held : 1882.948 [ previous year : Nil ]    | 5,18,598              | -                     |
| <b>Total</b>   | <b>1,54,68,240</b>    | <b>-</b>              |
| <b>6(b) Cash &amp; Cash equivalents</b>  |                       |                       |
| Balances with banks in Current Accounts  | 23,29,495             | 14,01,256             |
| <b>Total</b>   | <b>23,29,495</b>      | <b>14,01,256</b>      |
| <b>6(c) Others financial assets</b>  |                       |                       |
| Interest Accrued on Fixed Deposits   | 41,66,128             | 34,81,718             |
| <b>Total</b>   | <b>41,66,128</b>      | <b>34,81,718</b>      |
| <b>7 Current Tax Assets</b>  |                       |                       |
| Tax Deducted at Source (Net)   | 5,44,832              | 5,61,889              |
| <b>Total</b>   | <b>5,44,832</b>       | <b>5,61,889</b>       |
| <b>8 Other current assets</b>  |                       |                       |
| Statutory dues receivable (Goods and Service Tax)  | 1,47,412              | 57,728                |
| <b>Total</b>   | <b>1,47,412</b>       | <b>57,728</b>         |
| <b>Equity &amp; Liabilities</b>  |                       |                       |
| <b>9 Share Capital</b>   |                       |                       |
| <b>Authorised :</b>  |                       |                       |
| 115,000,000(Previous Year 115,000,000) Equity Shares<br>of Rs.10 Each                                  | 1,15,00,00,000        | 1,15,00,00,000        |
|  | <b>1,15,00,00,000</b> | <b>1,15,00,00,000</b> |
| <b>Issued, Subscribed &amp; Paid Up Capital</b>  |                       |                       |
| 10,73,30,000 (Previous Year 10,70,60,000) Equity Shares<br>of Rs.10 Each Fully Paid Up                 | 1,07,33,00,000        | 1,07,06,00,000        |
|  | <b>1,07,33,00,000</b> | <b>1,07,06,00,000</b> |



| NOTES FORMING PART OF THE FINANCIAL STATEMENTS |  | (In Rupees)                 |                                  |
|--|--|-----------------------------|----------------------------------|
|  | <b>Other Income</b>                                | <b>As at<br/>31.03.2019</b> | <b>Year Ended<br/>31.03.2018</b> |
| 13   | Interest income on margin money deposit against BG | 17,32,456                   | 13,98,673                        |
|  | Profit on sale of mutual fund                      | 68,709                      | -                                |
|  | Mark to market gain on mutual fund                 | 4,49,531                    | -                                |
|  | <b>Total</b>                                       | <b>22,50,696</b>            | <b>13,98,673</b>                 |
|  |  | <b>As at<br/>31.03.2019</b> | <b>Year Ended<br/>31.03.2018</b> |
| 14   | <b>Depreciation</b>                                |                             |                                  |
|  | Depreciation on tangible assets                    | 1,820                       | 20,418                           |
|  | <b>Total</b>                                       | <b>1,820</b>                | <b>20,418</b>                    |
|  |  | <b>As at<br/>31.03.2019</b> | <b>Year Ended<br/>31.03.2018</b> |
| 15   | <b>Other expenses</b>                              |                             |                                  |
|  | Sitting fee-Director                               | 70,000                      | 1,19,500                         |
|  | Auditor Remuneration                               | 81,254                      | 89,125                           |
|  | Rates and taxes                                    | 2,500                       | 2,500                            |
|  | Bank charges                                       | 853                         | 909                              |
|  | Salary   | 40,52,434                   | 36,93,768                        |
|  | Books and periodicals                              | -                           | 8,000                            |
|  | Legal & Professional Fees                          | 1,33,424                    | 58,562                           |
|  | Loss on Sale of FA                                 | 51                          | -                                |
|  | Conference & Seminar                               | -                           | 29,500                           |
|  | <b>Total</b>                                       | <b>43,40,516</b>            | <b>40,01,864</b>                 |





## Note 16

## Other Notes to Accounts

## a. Contingent liabilities and commitments

**Contingent liabilities** : Rs. Nil (Previous year : Rs. Nil)

**Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.207,047,300/- (Previous Year Rs.208,649,300/-)

## b. Segment Reporting

The Company's activities during the year revolve around exploring possibilities of resourcing long-term coal linkages for the proposed Integrated Steel Plant of its Holding Company at Salboni, West Bengal. Considering the nature of Company's business or operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segments', issued by the Institute of Chartered Accountants of India.

(In Rupees)

## c. Auditors' Remuneration:

|                        | As at<br>31.03.2019 | As at<br>31.03.2018 |
|------------------------|---------------------|---------------------|
| Statutory audit fees   | 75,000              | 86,250              |
| Out of pocket expenses | 6,254               | 2,875               |
| <b>Total:</b>          | <b>81,254</b>       | <b>89,125</b>       |

## d. Related Party Disclosures as per Indian Accounting Standard 24 (Ind AS - 24)

## (1) List of Related Parties:

## i) Holding Company:

JSW Bengal Steel Limited

## ii) Enterprise over which Key Management Personnel and relatives of such persons Exercise Significant Influence:

JSW Natural Resources Bengal Ltd

## iii) Key managerial Personnel

Purnendu Pandey (Whole time Director)

Saraswati Dadhich (Chief Financial Officer)

Priyanka Agarwal (Company Secretary) (up to 14.01.2019)

Priyanka Shetty (Company Secretary) (w.e.f 15.01.2019)

(In Rupees)

## (2) Transactions with Related Parties:

|                                  | As at<br>31.03.2019   | As at<br>31.03.2018   |
|----------------------------------|-----------------------|-----------------------|
| i) <u>Share capital issued</u>   |                       |                       |
| JSW Bengal Steel Ltd             | 27,00,000             | 22,00,000             |
|                                  | <b>27,00,000</b>      | <b>22,00,000</b>      |
| ii) <u>Repayment of Advances</u> |                       |                       |
| JSW Bengal Steel Ltd             | 56,83,826             | 17,51,520             |
|                                  | <b>56,83,826</b>      | <b>17,51,520</b>      |
| iii) <u>Advance Received</u>     |                       |                       |
| JSW Bengal Steel Limited         | 39,26,553             | 35,08,793             |
|                                  | <b>39,26,553</b>      | <b>35,08,793</b>      |
| (3) Closing Balances:-           |                       |                       |
| i) <u>Advances Payable</u>       |                       |                       |
| JSW Bengal Steel Ltd             | -                     | (17,57,273)           |
|                                  | -                     | <b>(17,57,273)</b>    |
| ii) <u>Share capital</u>         |                       |                       |
| JSW Bengal Steel Ltd             | 1,07,33,00,000        | 1,07,06,00,000        |
|                                  | <b>1,07,33,00,000</b> | <b>1,07,06,00,000</b> |

## e. Earning Per Share

|  |                 |             |
|--|-----------------|-------------|
| Profit / (Loss) after Tax for Calculating Basic & Diluted EPS        | (25,59,943)     | (26,23,609) |
| Weighted average number of equity shares for calculating Diluted EPS | 20,23,00,36,767 | 3,37,46,795 |
| Earnings Per Share - Basic & Diluted                                 | (0.000)         | (0.078)     |

## f. Income Taxes

The Company has carried forward tax losses. Deferred taxes are recognised only if there is virtual certainty Supported by convincing evidence that they can be realised against future taxable profits. The Company has not recognised any deferred tax assets on the loss incurred.





**JSW NATURAL RESOURCES INDIA LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**g. Details due to MSE as defined under MSMED Act, 2006**

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

**h.** The Company has been in the process of setting up coal mines project at Kulti-Sitarampur coal blocks in West Bengal, under Sole and exclusive Coal Raising Agreement entered with WBMDTC dated March 31, 2010, for raising the coal to be "exclusively used in Integrated Steel Plant Complex at Salboni of district Paschim Medinipur in West Bengal", being set up by its Holding Company. However, since the allotment of this coal blocks have been cancelled by order of the Supreme Court read with Schedule I of The Coal Mines (Special Provision) Act 2015, the above mentioned agreement would no longer be valid. The Company, is in the process of exploring certain alternatives to resource the long term coal supply linkages and has also taken up with GOWB to resource long term coal supply linkages as per its commitment in the Development Agreement dated 11th Jan 2007 signed for the Project. In view of the new Policy of GoI on allocation of Coal Blocks and Coal linkages from Coal India Ltd, the Company is hopeful of establishing fresh coal linkages with support of Govt of West Bengal. In view of given circumstances, at this juncture, there is no necessity of impairing the assets and investments as per provisions of Ind AS 36." Pursuant to clause V(1) of the said agreement, the Company had paid interest free Security Deposit of Rs. 18,750,000/- (Previous Year Rs. 18,750,000 for WBMDTC). However, since the allotment of this coal blocks has been cancelled by order of the Supreme Court, the Coal Raising Agreement for mining of coal from Kulti & Sitarampur Coal Blocks is no more valid and it has been refunded by WBMDTC vide letter dated 31.10.2018

**i. Amount Recoverable from WBMDTC**

In terms of the Coal Raising Agreement, the expenses incurred by the company was to be recovered from WBMDTC against the coal raising cost but due to cancellation of the coal block allotment as per the Supreme Court order, the said amount becomes due for recovery. Accordingly, expenses incurred upto March 31, 2014 have been charged to the Statement of Profit and Loss for the year. Pursuant to the terms of Coal Raising agreement and also, based on the legal opinion held, management estimates the amount recoverable from WBMDTC( including development and pre-operative expenses incurred up to March 31, 2014) Is as detailed below:-

| Particulars  | (In Rupees)         |                     |
|--|---------------------|---------------------|
|  | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>1 GR PREPARATION</b>                              |                     |                     |
| Surveying work                                       | 37,84,784           | 37,84,784           |
| Consultancy charges for preparation of GR            | 30,30,064           | 30,30,064           |
| 3 D HRSS for exploration work                        | 10,78,51,966        | 10,78,51,966        |
| Analysis of Coal and Core sample at CIMFR            | 1,75,06,071         | 1,75,06,071         |
| Drilling exploratory boreholes                       | 48,20,70,092        | 48,20,70,092        |
| Project review cost                                  | 16,70,761           | 16,70,761           |
| Geophysical Logging charges                          | 1,78,69,595         | 1,78,69,595         |
| Hydrogeological study                                | 55,05,670           | 55,05,670           |
| GSI report   | 4,42,315            | 4,42,315            |
| Crop Compensation for carrying drilling in field     | 1,26,95,735         | 1,26,95,735         |
| <b>TOTAL -1</b>                                      | <b>65,24,27,054</b> | <b>65,24,27,054</b> |
| <b>2 Preparation of Reports and getting approval</b> | <b>77,06,939</b>    | <b>77,06,939</b>    |
| <b>TOTAL -2</b>                                      | <b>77,06,939</b>    | <b>77,06,939</b>    |
| <b>3 Mine development cost</b>                       |                     |                     |
| Detailed Mine Design and Planning                    | 4,02,88,946         | 4,02,88,946         |
| Drilling of examination BH with related work         | 2,28,17,652         | 2,28,17,652         |
| Consultancy fee for Railway siding                   | 71,760              | 71,760              |
| CIMFR for core sample analysis                       | 17,66,209           | 17,66,209           |
| <b>TOTAL -3</b>                                      | <b>6,49,44,566</b>  | <b>6,49,44,566</b>  |
| <b>4 Assets/Land and Others</b>                      |                     |                     |
| Land   | 16,54,07,393        | 16,54,07,393        |
| Movable assets                                       | 11,60,029           | 11,60,029           |
| Land awaiting registration                           | 8,79,12,701         | 8,79,12,701         |
| <b>TOTAL -4</b>                                      | <b>25,44,80,123</b> | <b>25,44,80,123</b> |
| <b>5 Security deposit with WBMDTC</b>                | -                   | 1,87,50,000         |
| <b>TOTAL (1+2+3+4+5+6)</b>                           | <b>97,95,58,682</b> | <b>99,83,08,682</b> |

**J.** A back to back Bank Guarantee provided to WBMDTC, amounting to Rs 96,000,000 (Previous Year Rs 96,000,000) In terms of Coal Raising Agreement, for due and punctual performance / discharge of responsibilities and obligations in relation to Sitarampur Mines, has expired on 26.09.2016. The company has requested WBMDTC to provide the original expired BG documents for returning to the Bank pending which the Bank is holding Margin money of Rs 2.40 cr. WBMDTC has communicated for submission of a fresh BG of Rs.2.064 cr against the expired BG of Rs.9.6 cr, but JSWNRIL has declined to their demand sitting that fresh BG can not be issued as Sitarampur Coal Block no longer remains with WBMDTC. Further communication is still awaited from WBMDTC.



|                |  |
|----------------|--|
| k.             | The Company is yet to receive any Balance confirmations in respect of Loans & Advances, Sundry Creditors and advances. The management does not expect any material difference affecting the current year's financial statements due to the same.   |
| l.             | In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.  |
| m.             | <p>One Writ Petition case pending at High Court- Calcutta filed by JSW NRIL against WBMDTC and pending for hearing.(Writ Petition-WP 10192(W)/2014 JSW Natural Resources India Limited &amp; Others Vs West Bengal Mineral Development and Trading Corporation Limited &amp; Others) The brief details of the matter is as below:</p> <p>Ministry of Coal issued notice to WBMDTC vide letter date 4.03.2014,intimating that due to slippage in development of milestone, as per the allocation letter, Rs.20,640,000 shall be invoked from the BG of Rs. 96,000,000 submitted as per Sitarampur allocation letter. In line with the terms and conditions of the Coal Raising Agreement, JSW NRIL has submitted back to back BG of same amount to WBMDTC.As per relevant documents and presentation made to MOC, JSW NRIL has put their stand that the slippage in milestones was due to technical reason and it was also agreed by the IMG Committee.JSW NRIL, as a contractor to WBMDTC, has files a WP against WBMDTC at High Court Calcutta. The case is pending for hearing at High Court Calcutta. After de-allocation of the coal blocks in Sept' 2014, numbers of prior allottee of the coal blocks had filed petition at High Court for returning the BG. Hon'ble High Court issued ordered to Ministry of coal to take decision on case to case basis. even though MOC has issued notice to WBMDTC regarding deduction of 20,640,000 Cr in BG of Sitarampur coal block siting their earlier decision as valid. Go WB and WBMDTC has represented the matter to MoC to reconsider the matter and the same is still pending with MoC.</p> |
| n.             | <p><b>Subsequent Events:-</b><br/>No Significant event has occurred after the balance sheet date which may have material effect on the Company's financial statement.</p>  |
| o.             | Additional Information Pursuant to Schedule III of the Companies Act, 2013 is either Nil or Not Applicable.  |
| p.             | Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.  |
| <b>Note 17</b> |  |
| a.             | <p><b>Capital risk Management</b><br/>The Company is managing its capital through investment by Holding Company to ensure that entity will be able to continue as a going concern .The capital structure of the Company consists of equity of the Company (comprising issued capital, reserves, and retained earnings).The Company is not subject to any externally imposed capital requirements.</p>  |
| b.             | <p><b>Credit risk management:</b><br/>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 the risk of deterioration of creditworthiness 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.</p> <p>In addition, the Company is exposed to credit risk in relation to financial guarantees given by banks on request of the company for business requirements. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. Bank Guarantees given by the company as security to third parties as on 31.05.2018 – Rs. Nil.</p>  |



**c. Financial Instruments**  
**i. Financial instruments by category:**

| Particulars                              | As at 31st March, 2019 |                     |                     | As at 31st March, 2018 |                     |                     |
|--|------------------------|---------------------|---------------------|------------------------|---------------------|---------------------|
|  | FVTPL                  | Amortised cost      | Total               | FVTPL                  | Amortised cost      | Total               |
| <b>Financial assets</b>                  |                        |                     |                     |                        |                     |                     |
| Expenditure incurred on behalf of WBMDTC | -                      | 72,50,78,559        | 72,50,78,559        | -                      | 72,50,78,559        | 72,50,78,559        |
| Investments in Mutual Funds              | 1,54,68,240            | -                   | 1,54,68,240         | -                      | -                   | -                   |
| Cash and cash equivalents                | -                      | 23,29,495           | 23,29,495           | -                      | 14,01,256           | 14,01,256           |
| Amount held as margin money deposits     | -                      | 2,40,00,000         | 2,40,00,000         | -                      | 2,40,00,000         | 2,40,00,000         |
| Interest Accrued on Fixed Deposits       | -                      | 41,66,128           | 41,66,128           | -                      | 34,81,718           | 34,81,718           |
|  | <b>1,54,68,240</b>     | <b>75,55,74,181</b> | <b>77,10,42,421</b> | <b>-</b>               | <b>75,39,61,533</b> | <b>75,39,61,533</b> |
| <b>Financial liabilities</b>             |                        |                     |                     |                        |                     |                     |
| Loans and advances from related party    | -                      | -                   | -                   | -                      | 17,57,273           | 17,57,273           |
| Other payables                           | -                      | 1,09,933            | 1,09,933            | -                      | 94,100              | 94,100              |
|  | <b>-</b>               | <b>1,09,933</b>     | <b>1,09,933</b>     | <b>-</b>               | <b>18,51,373</b>    | <b>18,51,373</b>    |

**ii. Fair Value Hierarchy:**  
This Section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard

**Financial assets and liabilities measured at fair value**

| Particulars                | As at 31st March, 2019 | As at 31st March, 2018 | Level | Valuation techniques and key inputs           |
|----------------------------|------------------------|------------------------|-------|---|
| <b>Financial Assets</b>    |                        |                        |       |   |
| Investment in mutual funds | 1,54,68,240            | -                      | 2     | Mutual funds are valued using the closing NAV |

**d Risk management strategies:**  
**i. Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

The table below provides details regarding the remaining contractual maturities of Financial assets & liabilities as at reporting date

| Particulars                              | < 1 Year           | 1 - 5 Years         | > 5 Years | Total               |
|--|--------------------|---------------------|-----------|---------------------|
| <b>As at 31st March, 2019</b>            |                    |                     |           |                     |
| <b>Financial assets</b>                  |                    |                     |           |                     |
| Expenditure incurred on behalf of WBMDTC | -                  | 72,50,78,559        | -         | 72,50,78,559        |
| Investments in Mutual Funds              | 1,54,68,240        | -                   | -         | 1,54,68,240         |
| Cash and cash equivalents                | 23,29,495          | -                   | -         | 23,29,495           |
| Amount held as margin money deposits     | -                  | 2,40,00,000         | -         | 2,40,00,000         |
| Interest Accrued on Fixed Deposits       | -                  | 41,66,128           | -         | 41,66,128           |
| <b>Total assets</b>                      | <b>1,77,97,735</b> | <b>75,32,44,687</b> | <b>-</b>  | <b>77,10,42,421</b> |
| <b>Financial liabilities</b>             |                    |                     |           |                     |
| Loans and advances from related party    |                    |                     |           |                     |
| Other payables                           | 1,09,933           | -                   | -         | 1,09,933            |
| <b>Total liabilities</b>                 | <b>1,09,933</b>    | <b>-</b>            | <b>-</b>  | <b>1,09,933</b>     |

| Particulars                              | < 1 Year         | 1 - 5 Years         | > 5 Years | Total               |
|--|------------------|---------------------|-----------|---------------------|
| <b>As at 31st March, 2018</b>            |                  |                     |           |                     |
| <b>Financial assets</b>                  |                  |                     |           |                     |
| Expenditure incurred on behalf of WBMDTC |                  | 72,50,78,559        | -         | 72,50,78,559        |
| Investments in Mutual Funds              |                  | -                   | -         | -                   |
| Cash and cash equivalents                | 14,01,256        | -                   | -         | 14,01,256           |
| Amount held as margin money deposits     |                  | 2,40,00,000         | -         | 2,40,00,000         |
| Interest Accrued on Fixed Deposits       |                  | 34,81,718           | -         | 34,81,718           |
| <b>Total assets</b>                      | <b>14,01,256</b> | <b>75,25,60,277</b> | <b>-</b>  | <b>75,39,61,533</b> |
| <b>Financial liabilities</b>             |                  |                     |           |                     |
| Loans and advances from related party    | 17,57,273        | -                   | -         | 17,57,273           |
| Other payables                           | 94,100           | -                   | -         | 94,100              |
| <b>Total liabilities</b>                 | <b>18,51,373</b> | <b>-</b>            | <b>-</b>  | <b>18,51,373</b>    |

- e. The Company's exposure to mutual fund price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. The table below summarizes the impact of increase / decrease in NAV of Company's investment in mutual fund for the corresponding period. The analysis is based on the assumption that the NAV of mutual fund will on an average increase by 5% or decrease by 5% with all other variables held constant

Impact on Profit and Loss

| Particulars                   | As at 31st March'2019 | As at 31st March'2018 |
|-------------------------------|-----------------------|-----------------------|
| Mutual Fund NAV - Increase 5% | 7,73,412              | -                     |
| Mutual Fund NAV - decrease 5% | (7,73,412)            | -                     |

- 18 In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 116 'Leases' which replaces Ind AS 17 'Leases'. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. The Company is in the process of evaluating the effect of amendment on its financial statements.

For and on behalf of the Board of Directors



Place : Kolkata  
Date : 26.04.2019

*Biswadi Gupta*  
Biswadi Gupta  
Director

*Purnendu Pandey*  
Purnendu Pandey  
Whole-time Director

*Saraswati Dadhich*  
Saraswati Dadhich  
Chief Financial Officer

*Priyanka Shetty*  
Priyanka Shetty  
Company Secretary