



**INDEPENDENT AUDITORS' REPORT**

The Members of **BMW IRON & STEEL INDUSTRIES LIMITED**  
**Report on the Ind AS financial statements**

**Opinion**

We have audited the accompanying financial statements of **BMW Iron & Steel Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income) and cash flow statement and the statement of the changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date "Ind AS financial statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing 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 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.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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





### **Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

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.

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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS 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, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (g) 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;
  - a. The Company does not have any pending litigations which would impact its financial position;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



For Atish Agrawal & Associates  
Chartered Accountants  
FRN No. 329103E

*Atish Agrawal*

Place: Kolkata  
Date: 10<sup>th</sup> July, 2020

CA Atish Kumar Agrawal  
(Partner)  
M No. 306777



**Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of **BMW Iron & Steel Industries Limited** of even date)

1. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records, wherever applicable, showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company were physically verified, wherever applicable, in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us, we report that, wherever applicable, the title deeds of immovable properties are held in the name of the company.
2. The inventory has been physically verified by the management, wherever applicable, during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7. In respect of statutory dues:
  - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of 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 other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable
  - (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.





**ATISH AGRAWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



**For Atish Agrawal & Associates**  
**Chartered Accountants**  
**FRN No. 329103E**

*Atish Agrawal*

Place: Kolkata  
Date: 10<sup>th</sup> July, 2020

**CA Atish Kumar Agrawal**  
**(Partner)**  
**M No. 306777**  
**UDIN: 20306777AAAACF7861**

BMW Iron & Steel Industries Limited

Balance Sheet as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As per IGAAP	Ind AS Adjustment	As at 31st March 2020	As per IGAAP	Ind AS Adjustment	As at 31st March 2019	As per IGAAP	Ind AS Adjustment	As at 1st April 2018
<b>ASSETS</b>										
<b>Non-Current Assets</b>										
(a) Property, Plant and Equipment	5	573,404,608	3,015,063	576,419,671	660,619,843	(4,136,138)	656,483,704	703,926,748	(4,136,138)	699,790,610
(b) Capital Work-in-progress		3,171,232	-	3,171,232	3,171,232	-	3,171,232	-	-	-
(c) Financial Assets		-	-	-	-	-	-	-	-	-
(i) Other Financial Assets	6	3,974,287	-	3,974,287	3,974,287	-	3,974,287	3,974,287	-	3,974,287
(d) Deferred Tax Assets(Net)		(27,352,697)	68,101,725	40,749,028	(28,241,653)	132,005,431	103,763,777	(25,408,899)	3,308,910	111,071,368
(e) Other Non Current Assets	7	26,892,238	-	26,892,238	39,076,166	3,171,039	42,247,205	38,920,675	136,480,267	42,229,586
<b>Total Non Current Assets</b>		<b>580,089,668</b>	<b>71,116,789</b>	<b>651,206,457</b>	<b>678,599,874</b>	<b>131,040,332</b>	<b>809,640,205</b>	<b>721,412,811</b>	<b>135,653,040</b>	<b>857,065,850</b>
<b>Current Assets</b>										
(a) Inventories		4,524,977	-	4,524,977	6,245,194	-	6,245,194	3,683,845	-	3,683,845
(b) Financial Assets		-	-	-	-	-	-	-	-	-
(i) Trade Receivables	10	70,728,767	-	70,728,767	50,503,959	-	50,503,959	148,457,607	-	148,457,607
(ii) Cash and Cash Equivalents	11	19,629,382	-	19,629,382	2,925,423	-	2,925,423	4,369,048	-	4,369,048
(iii) Other Bank Balances	12	5,778,500	-	5,778,500	5,300,000	-	5,300,000	4,858,417	-	4,858,417
(c) Current Tax Assets (net)	13	-	-	-	8,394,459	-	8,394,459	1,363,956	-	1,363,956
(d) Other Current Assets	14	16,139,238	-	16,139,238	560,861	137,871	698,732	15,731,501	137,871	15,869,372
<b>Total Current Assets</b>		<b>116,800,864</b>	<b>-</b>	<b>116,800,864</b>	<b>73,929,896</b>	<b>137,871</b>	<b>74,067,767</b>	<b>178,464,373</b>	<b>137,871</b>	<b>178,602,244</b>
<b>TOTAL ASSETS</b>		<b>696,890,532</b>	<b>71,116,789</b>	<b>768,007,321</b>	<b>752,529,770</b>	<b>131,178,203</b>	<b>883,707,972</b>	<b>899,877,184</b>	<b>135,790,911</b>	<b>1,035,668,095</b>
<b>EQUITY AND LIABILITIES</b>										
<b>EQUITY</b>										
(a) Equity Share Capital	15	40,503,000	-	40,503,000	40,503,000	-	40,503,000	40,503,000	-	40,503,000
(b) Other Equity	16	96,733,149	68,460,519	165,193,669	65,230,745	143,684,070	208,914,815	49,650,620	166,350,949	216,001,569
<b>TOTAL EQUITY</b>		<b>137,236,149</b>	<b>68,460,519</b>	<b>205,696,669</b>	<b>105,733,745</b>	<b>143,684,070</b>	<b>249,417,815</b>	<b>90,153,620</b>	<b>166,350,949</b>	<b>256,504,569</b>
<b>LIABILITIES</b>										
<b>Non Current Liabilities</b>										
(a) Financial Liabilities		-	-	-	-	-	-	-	-	-
(i) Borrowings	17	-	-	-	47,835,489	(12,505,867)	35,329,622	118,994,395	(30,560,038)	88,434,357
(ii) Other Financial Liabilities	18	-	4,582,405	4,582,405	-	-	-	-	-	-
(b) Provisions	19	1,634,427	-	1,634,427	-	-	-	-	-	-
<b>Total Non Current Liabilities</b>		<b>1,634,427</b>	<b>4,582,405</b>	<b>6,216,832</b>	<b>47,835,489</b>	<b>(12,505,867)</b>	<b>35,329,622</b>	<b>118,994,395</b>	<b>(30,560,038)</b>	<b>88,434,357</b>
<b>Current Liabilities</b>										
(a) Financial Liabilities		-	-	-	-	-	-	-	-	-
(i) Borrowings		-	-	-	-	-	-	-	-	-
(ii) Trade Payables	20	380,630,000	-	380,630,000	367,380,000	-	367,380,000	375,563,539	-	375,563,539
- Total outstanding dues of micro enterprises and small enterprises other than micro enterprises and small enterprises	21	-	-	-	-	-	-	-	-	-
(iii) Other Financial Liabilities	22	147,157,206	-	147,157,206	119,080,212	-	119,080,212	160,060,434	-	160,060,434
(b) Other Current Liabilities	23	21,952,330	(1,926,135)	20,026,195	98,676,199	-	98,676,199	98,776,199	-	98,776,199
(c) Provisions	24	1,530,324	-	1,530,324	13,824,126	-	13,824,126	56,328,996	-	56,328,996
(d) Current Tax Liabilities (Net)	25	22,992	-	22,992	-	-	-	-	-	-
<b>Total Current Liabilities</b>		<b>6,727,104</b>	<b>-</b>	<b>6,727,104</b>	<b>598,960,537</b>	<b>-</b>	<b>598,960,537</b>	<b>690,729,169</b>	<b>-</b>	<b>690,729,169</b>
<b>TOTAL LIABILITIES</b>		<b>558,019,956</b>	<b>(1,926,135)</b>	<b>556,093,821</b>	<b>598,960,537</b>	<b>(12,505,867)</b>	<b>634,290,159</b>	<b>809,723,564</b>	<b>(30,560,038)</b>	<b>779,163,526</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>696,890,532</b>	<b>71,116,789</b>	<b>768,007,321</b>	<b>752,529,770</b>	<b>131,178,203</b>	<b>883,707,973</b>	<b>899,877,184</b>	<b>135,790,911</b>	<b>1,035,668,095</b>

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Accompanying notes on Financial Statements 1 -  
These notes are integral part of the Financial Statements

As per our report of even date

As per our report of even date  
For Atish Agrawal & Associates  
Chartered Accountants  
Firm's ICAI Registration No.: 329103E

Atish Kumar Agrawal  
Partner  
Membership No.: 306777  
UDIN: 20306777AAAACF7861  
Place: Kolkata  
Date: 10th July, 2020



For and on behalf of the Board of Directors

*[Signature]*  
Rajesh Kumar Bansal  
Director  
Din: 00127014

*[Signature]*  
Rajesh Kumar Bansal  
Director  
Din: 00144159

**BMW Iron & Steel Industries Limited**

**Statement of Profit and Loss for the year ended 31st March 2020**

(Amount in Rs.)				
Sl. No	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I	Revenue From Operations			
II	Other Income	26	513,266,707	517,052,596
III	<b>Total Income (I+II)</b>	27	<b>3,937,814</b>	<b>2,800,036</b>
			<b>517,204,521</b>	<b>519,852,632</b>
IV	<b>Expenses</b>			
(a)	Employee Benefits Expense	28	16,345,971	16,027,099
(b)	Finance Costs	29	24,381,702	49,084,005
(c)	Depreciation and Amortization Expense	30	54,723,356	50,375,656
(d)	Other Expenses	31	378,184,438	400,972,816
	<b>Total Expenses (IV)</b>		<b>473,635,467</b>	<b>516,459,576</b>
V	<b>Profit Before Tax (III - IV)</b>		<b>43,569,053</b>	<b>3,393,056</b>
VI	<b>Tax Expense</b>			
(1)	Current Tax		24,275,450	4,443,681
(2)	Deferred Tax - Charge/ (Credit)		63,014,749	7,307,589
	<b>Total Tax Expense (1 + 2)</b>		<b>87,290,199</b>	<b>11,751,271</b>
VII	<b>Loss for the period (V- VI)</b>		<b>(43,721,146)</b>	<b>(8,358,214)</b>
VIII	<b>Other Comprehensive Income</b>			
(i)	Items that will not be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to above		-	-
	<b>Total Other Comprehensive Income for the period (net of tax) (I+ii)</b>		<b>-</b>	<b>-</b>
IX	<b>Total Comprehensive Income for the period comprising profit and other comprehensive income for the year (VII+VIII)</b>		<b>(43,721,146)</b>	<b>(8,358,214)</b>
X	<b>Earnings per Equity Share of par value Rs. 10 each (Amount in Rs.)</b>			
	Basic		(10.79)	(2.06)
	Diluted		(10.79)	(2.06)

Accompanying notes on Financial Statements  
These notes are an integral part of the Financial Statements

1 -

As per our report of even date

**As per our report of even date**  
**For Atish Agrawal & Associates**  
Chartered Accountants  
Firm's ICAI Registration No.: 329103E

*Atish Agrawal*

Atish Kumar Agrawal  
Partner  
Membership No.: 306777  
UDIN: 20306777AAAACF7861  
Place: Kolkata  
Date: 10th July, 2020



*Ram Gopal Bansal*

Ram Gopal Bansal  
Director  
Din : 00144159

*Harsh Kumar Bansal*

Harsh Kumar Bansal  
Director  
Din : 00137014

**BMW Iron & Steel Industries Limited**  
**Statement of Changes in Equity for the year ended 31st March 2020**

(a) Equity Share Capital

Particulars	Amount in Rs.
As at 1st April, 2018	40,503,000
Movement during the year	-
As at 31st March, 2019	40,503,000
Movement during the year	-
As at 31st March, 2020	40,503,000

(b) Other Equity

Particulars	(Amount in Rs.)	
	Retained Earnings	Total
As at 1st April 2018	216,001,569	216,001,569
Loss for the year	(8,358,214)	(8,358,214)
Other Comprehensive Income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>(8,358,214)</b>	<b>(8,358,214)</b>
Other Adjustments	1,271,460	1,271,460
<b>As at 31st March 2019</b>	<b>208,914,815</b>	<b>208,914,815</b>
Loss for the year	(43,721,146)	(43,721,146)
Other Comprehensive Income for the year	-	-
<b>Total Comprehensive Income for the year</b>	<b>(43,721,146)</b>	<b>(43,721,146)</b>
<b>As at 31st March 2020</b>	<b>165,193,669</b>	<b>165,193,669</b>

Accompanying notes on Financial Statements  
 These notes are integral part of the Financial Statements

1 -

As per our report of even date

For Atish Agrawal & Associates  
 Chartered Accountants  
 Firm's ICAI Registration No.: 329103E

For and on behalf of the Board of Directors

*Atish Agrawal*

Atish Kumar Agrawal  
 Partner  
 Membership No.: 306777  
 UDIN: 20306777AAAACF7861



*Ram Gopal Bansal*

Ram Gopal Bansal  
 Director  
 Din : 00144159

*Harsh Kumar Bansal*

Harsh Kumar Bansal  
 Director  
 Din : 00137014

Place: Kolkata  
 Date: 10th July, 2020



**BMW Iron & Steel Industries Limited**  
Cash Flow Statement for the year ended 31st March, 2020

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
<b>(A) Cash Flow from Operating Activities</b>				
Net Profit/(Loss) before tax		43,569,053		3,393,056
<b>Adjustments for:</b>				
Depreciation and Amortisation	54,723,356		50,375,656	
Interest expense	24,381,702		49,084,005	
Interest Income on financial instruments measured at amortised cost	(132,869)		-	
Bad debts written off	3,399,045		-	
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>82,371,234</b>		<b>99,459,661</b>
<b>Movement in Working Capital:</b>				
(Increase)/Decrease in Inventories	1,720,217		(2,561,349)	
(Increase)/Decrease in Trade and other receivables	(23,623,853)		97,953,648	
(Increase)/Decrease in Loans and advances	(3,394,449)		15,153,020	
Increase/(Decrease) in Trade and other payables	18,357,917		(83,585,092)	
<b>Cash utilised in operations</b>		<b>(6,940,169)</b>		<b>26,960,227</b>
Direct Taxes paid, net of refund		(9,153,887)		(10,202,723)
<b>Net Cash generated from/(utilised in) Operating Activities (A)</b>		<b>109,846,231</b>		<b>119,610,220</b>
<b>(B) Cash Flow from Investing Activities</b>				
(Additions to)/Proceeds from sale of Property, Plant and Equipment and Capital work in progress	32,802,799.74		(10,239,982.02)	
Interest received	132,869		-	
Margin money	(478,500)		(441,583)	
<b>Net Cash generated from Investing Activities (B)</b>		<b>32,457,169</b>		<b>(10,681,565)</b>
<b>(C) Cash Flow from Financing Activities</b>				
Proceeds from/(Repayment) of borrowings	(112,310,398)		(79,342,446)	
Interest paid	(13,289,045)		(31,029,835)	
<b>Net Cash generated from/(utilised in) Financing Activities (C)</b>		<b>(125,599,442)</b>		<b>(110,372,280)</b>
<b>Net changes in Cash and Cash Equivalents (A + B + C)</b>		<b>16,703,958</b>		<b>(1,443,625)</b>
Cash and Cash equivalents as at the beginning of the year		2,925,423		4,369,048
<b>Cash and Cash equivalents as at the end of the year</b>		<b>19,629,381</b>		<b>2,925,423</b>

**Notes:**

(1) The above Cash Flow Statement has been prepared by the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

(2) Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Balances with Banks in Current Accounts	19,619,326		2,884,892	
Cash on hand	10,056	19,629,382	40,531	2,925,423
<b>Total</b>		<b>19,629,382</b>		<b>2,925,423</b>

(3) Reconciliation of Company's liabilities arising from Financing Activities:


Particulars	(Amount in ₹)			
	As at 31st March, 2019	Cash Flows (*)	Non Cash Flows	As at 31st March, 2020
<b>Borrowings - Non Current (Refer Note 17)</b> Term Loan from Bank	35,329,622	(27,560,398)	(7,769,224)	-
<b>Borrowings - Current (Refer Note 20)</b> Unsecured loan from bodies corporate	367,380,000	13,250,000	-	380,630,000
<b>Other Financial Liabilities - Current (Refer Note 22)</b> Current maturities of Long Term Debt	98,000,000	(98,000,000)	18,348,960	18,348,960
<b>Total</b>	<b>500,709,622</b>	<b>(112,310,398)</b>	<b>10,579,736</b>	<b>398,978,960</b>

Accompanying notes on financial statements  
These notes form an integral part of the financial statements

1 -


As per our Report of even date


**For Atish Agrawal & Associates**  
Chartered Accountants  
Firm's ICAI Registration No.: 329103E

  
Atish Kumar Agrawal  
Partner  
Membership No.: 306777  
UDIN: 20306777AAAACF7861  
Place: Kolkata  
Date: 10th July, 2020



For and on behalf of the Board of Directors

  
Harsh Kumar Bansal  
Director  
Din : 00137014

  
Ram Gopal Bansal  
Director  
Din : 00144159

BMW Iron & Steel Industries Limited  
Notes to the Financial Statements as at 31st March, 2020

5 Property, Plant and Equipment

Particulars	Freehold Land & Building	Land - Right of Use	Buildings	Plant & Machinery	Electric Installation	Furniture & Fixtures	Computer	Total
<b>(A) Gross Carrying Value/ Demed Cost</b>								
As at 1st April 2018	72,262,677	-	94,921,038	511,181,184	20,185,242	38,895	1,201,574	699,790,610
Additions	5,500,000	-	-	1,568,750	-	-	-	7,068,750
Disposal/Adjustments	-	-	-	-	-	-	-	-
As at 31st March 2019	77,762,677	-	94,921,038	512,749,934	20,185,242	38,895	1,201,574	706,859,360
Additions	-	7,462,123	-	32,802,800	-	-	-	7,462,123
Disposal/Adjustments	-	-	-	479,947,134	20,185,242	-	-	32,802,800
As at 31st March 2020	77,762,677	7,462,123	94,921,038	479,947,134	20,185,242	38,895	1,201,574	681,518,683
<b>(B) Accumulated Depreciation</b>								
As at 1st April 2018	-	-	-	-	-	-	-	-
Charge for the period	-	-	3,360,015	43,910,638	2,804,461	5,404	295,138	50,375,656
Disposal/Adjustments	-	-	-	-	-	-	-	-
As at 31st March 2019	-	-	3,360,015	43,910,638	2,804,461	5,404	295,138	50,375,656
Charge for the period	-	310,922	3,360,015	49,244,788	2,804,461	5,404	534,740	56,260,330
Disposal/Adjustments	-	-	-	1,536,974	-	-	-	1,536,974
As at 31st March 2020	-	310,922	6,720,031	91,618,452	5,608,922	10,808	829,878	105,099,012
<b>(C) Net Carrying Amount (A-B)</b>								
As at 1st April 2018	72,262,677	-	94,921,038	511,181,184	20,185,242	38,895	1,201,574	699,790,610
As at 31st March 2019	77,762,677	-	91,561,022	468,839,296	17,380,781	33,491	906,436	656,483,704
As at 31st March 2020	77,762,677	7,151,201	88,201,007	388,328,682	14,576,321	28,087	371,696	576,419,671

5.1 The Gross Block on the date of transition i.e. 1st April 2018 given herein above represents previous GAAP written down value of Property, Plant and Equipment considered as "deemed cost" as per the provision of Ind AS 101 "First- Time Adoption of Indian Accounting Standards"



6 Other Financial Assets - Non Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
Security Deposits	3,974,287	3,974,287	3,974,287
<b>Total</b>	<b>3,974,287</b>	<b>3,974,287</b>	<b>3,974,287</b>

7 Other Non Current Assets

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Advance to suppliers	26,892,238	39,076,166	38,920,675
Prepayment on Leasehold Land (Refer Note No. --)	-	3,171,039	3,308,910
<b>Total</b>	<b>26,892,238</b>	<b>42,247,205</b>	<b>42,229,586</b>

9 Inventories (Valued at lower of Cost or Net Realisable Value)  
(As taken, valued and certified by the management)

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Raw Materials	854,300	1,958,750	366,750
Stores and Spares	3,670,677	4,286,444	3,317,095
<b>Total</b>	<b>4,524,977</b>	<b>6,245,194</b>	<b>3,683,845</b>

10 Trade Receivables

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
Unsecured, considered good (Refer Note No. 10.1)	70,728,767	50,503,959	148,457,607
<b>Total</b>	<b>70,728,767</b>	<b>50,503,959</b>	<b>148,457,607</b>

10.1 Trade Receivables are non interest bearing and are generally realised on credit terms of 90 days. The ageing of Trade Receivables are as follows:

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Within the credit period	70,728,767	50,503,959	148,457,607
1 - 180 days past due	-	-	-
More than 180 days past due	-	-	-
<b>Total</b>	<b>70,728,767</b>	<b>50,503,959</b>	<b>148,457,607</b>

11 Cash and Cash Equivalents

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Balances with Banks In Current Accounts	19,619,326	2,884,892	4,358,304
Cash on hand	10,056	40,531	10,744

Notes to the Financial Statements as at 31st March 2020

Total	19,629,382	2,925,423	4,369,048
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12 Other Bank Balances

(Amount in Rs.)			
Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Margin Money with Banks (Refer Note No. 12.1)	5,778,500	5,300,000	4,858,417
<b>Total</b>	<b>5,778,500</b>	<b>5,300,000</b>	<b>4,858,417</b>

12.1 Margin Money is deposited with banks against bank guarantee.

13 Current Tax Assets (Net)

(Amount in Rs.)			
Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Advance Income Tax (Net of Provision for tax of Rs. Nil (31st March, 2019 - Rs. 2,13,20,655; 1st April, 2018 - Rs. 2,00,45,427)	-	8,394,459	1,363,956
<b>Total</b>	<b>-</b>	<b>8,394,459</b>	<b>1,363,956</b>

14 Other Current Assets

(Amount in Rs.)			
Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Balances with Government Authorities	-	-	15,210,376
Prepaid Expenses	1,436,856	560,861	521,125
Prepayment on Leasehold Land (Refer Note No. --)	-	137,871	137,871
Other Advances	14,702,381	-	-
<b>Total</b>	<b>16,139,238</b>	<b>698,732</b>	<b>15,869,372</b>

15 Equity Share Capital

(Amount in Rs.)			
Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Authorised</b> 50,00,000 (31st March 2019 - 50,00,000 ; 1st April 2018 - 50,00,000) Equity Shares of Rs.10 each	50,000,000	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued,Subscribed and fully paid up</b> 40,50,300 (31st March 2019 - 40,50,300 ; 1st April 2018 - 40,50,300) Equity Share of Rs. 10 each Fully paid up	40,503,000	40,503,000	40,503,000
<b>Total</b>	<b>40,503,000</b>	<b>40,503,000</b>	<b>40,503,000</b>

15.1 The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

15.2 There is no movement in the number of shares as at the beginning and at the end of the reporting period.

15.3 Details of shareholders holding more than 5% of the aggregate equity shares in the Company:

Number of Equity Shares held
------------------------------

Notes to the Financial Statements as at 31st March 2020

Name of Equity Shareholders	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>Siddhi Vinayak Commosales Pvt Ltd</b>			
Number of equity shares held	3,012,500	3,012,500	3,012,500
Percentage shareholding	74.38%	74.38%	74.38%
<b>Perfect Investment Consultancy Pvt Limited</b>			
Number of equity shares held	987,500	987,500	987,500
Percentage shareholding	24.38%	24.38%	24.38%

16 Other Equity

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Retained Earnings (Refer Note No. 16.2)	165,193,669	208,914,815	216,001,569
<b>Total</b>	<b>165,193,669</b>	<b>208,914,815</b>	<b>216,001,569</b>

16.1 Refer Statement of Changes in Equity for movement in balances of Reserves.

Nature and purpose of reserves:

16.2 Retained Earnings

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the Company.

17 Borrowings - Non Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
<b>Secured Term Loan</b>			
From Bank (Refer Note No. 17.1 and 17.2)	-	35,329,622	88,434,357
<b>Total</b>	<b>-</b>	<b>35,329,622</b>	<b>88,434,357</b>

17.1 Secured by hypothecation of plant and machinery of the Company situated at -----

17.2 The undiscounted repayment schedule of term loan taken from non banking financial company is as follows:

Financial Year	As at 31st March, 2020
FY 2020-2021	
<b>Total</b>	<b>-</b>

18 Other Financial Liabilities - Non Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
<b>Lease Liabilities (Refer Note No. -)</b>			
	4,582,405	-	-
<b>Total</b>	<b>4,582,405</b>	<b>-</b>	<b>-</b>

19 Provisions - Non Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018

## Notes to the Financial Statements as at 31st March 2020

Particulars	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for Employee Benefits Gratuity (Refer Note No. --)	1,634,427	-	-
<b>Total</b>	<b>1,634,427</b>	<b>-</b>	<b>-</b>

## 20 Borrowings - Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
Unsecured			
Book Overdraft	-	-	13,763,539
From bodies corporate	380,630,000	367,380,000	361,800,000
<b>Total</b>	<b>380,630,000</b>	<b>367,380,000</b>	<b>375,563,539</b>

## 21 Trade Payables

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 21.1)	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 21.2)	147,157,206	119,080,212	160,060,434
<b>Total</b>	<b>147,157,206</b>	<b>119,080,212</b>	<b>160,060,434</b>

21.1 There are no dues to Micro and Small enterprises as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to

21.2 Trade payables are non-interest bearing and are normally settled on 60 day terms.

## 22 Other Financial Liabilities - Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
<b>At Amortised Cost</b>			
Current Maturities of Long term Debt (Refer Note No. 17.2)	18,348,960	98,000,000	98,000,000
Payable to Employees	1,677,235	676,199	776,199
<b>Total</b>	<b>20,026,195</b>	<b>98,676,199</b>	<b>98,776,199</b>

## 23 Other Current Liabilities

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Advance received from Customers	450,000	9,242,025	55,626,810
Statutory Dues (includes TDS, GST, PF, ESI, etc)	1,080,324	4,582,101	702,186
<b>Total</b>	<b>1,530,324</b>	<b>13,824,126</b>	<b>56,328,996</b>

## 24 Provisions - Current

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for Employee Benefits Gratuity (Refer Note No. --)	22,992	-	-

Notes to the Financial Statements as at 31st March 2020

Total	22,992	-	-
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25 Current Tax Liabilities (Net)

Particulars	(Amount in Rs.)		
	As at 31st March 2020	As at 31st March 2019	As at 1st April 2018
Provision for tax (Net of advance tax of Rs. 3,88,69,001 (31st March, 2019 - Rs. Nil; 1st April, 2018 - Rs. Nil))	6,727,104	-	-
<b>Total</b>	<b>6,727,104</b>	-	-



26 Revenue from Operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Sale of Services</b>		
Conversion Income	144,496,475	188,880,309
Sale of Products	185,520	3,003,466
<b>Other Operating Revenue</b>		
Transportation Charges	368,584,712	325,168,821
<b>Total</b>	<b>513,266,707</b>	<b>517,052,596</b>

27 Other Income

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Income on Financial Assets measured at amortised cost	132,869	-
<b>Other non operating income (net of expenses directly attributable to such income)</b>		
Income from Insurance Claim	3,798,571	2,792,809
Miscellaneous Income	6,373	7,227
<b>Total</b>	<b>3,937,814</b>	<b>2,800,036</b>

28 Employee Benefits Expense

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and wages	15,301,775	13,610,124
Contribution to provident and other funds (Refer Note No. 28.1)	1,002,074	955,456
Staff welfare expense	42,122	1,461,519
<b>Total</b>	<b>16,345,971</b>	<b>16,027,099</b>

- 28.1 The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. This is an unfunded plan.  
The Company also has certain Defined Contribution plans. Contributions are made to provident fund in India at the rate of 12% of salary of the employees covered as per the regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standard are given below:

(A) Defined Contribution Scheme

Contribution to defined contribution schemes, recognised for the year are as under:

Particulars	(Amount in Rs.)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employer's contribution to Provident Fund	704,824	648,337
<b>Total</b>	<b>704,824</b>	<b>648,337</b>

Notes to the Financial Statements for the year ended 31st March 2020

(B) Defined Benefit Scheme

The Company has defined benefit plan comprising of gratuity. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognises each

(i) Change in the fair value of the defined benefit obligation:

(Amount in Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Unfunded)</b>		
Liability at the beginning of the year	N.A.	N.A.
Interest Cost	-	N.A.
Current Service Cost	246,751	N.A.
Past Service Cost	1,781,395	N.A.
Acquisition cost	-	N.A.
Actuarial (gain)/loss on obligations	-	N.A.
Benefits paid	(370,727)	N.A.
<b>Liability at the end of the year</b>	<b>1,657,419</b>	<b>N.A.</b>

(ii) Changes in the fair value of Plan Asset

(Amount in Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Fair value of Plan Assets at the beginning of the year	N.A.	N.A.
Interest Income	-	N.A.
Acquisition Adjustment	-	N.A.
Contributions by the Company	-	N.A.
Benefits paid	-	N.A.
Actuarial gain/(loss) on Plan Assets	-	N.A.
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>N.A.</b>

(iii) Amount recognised in the Balance Sheet

(Amount in Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Unfunded)</b>		
Liability at the end of the year	1,657,419	N.A.
Fair value of Plan Assets at the end of the year	-	N.A.
<b>Liability recognised in the Balance Sheet</b>	<b>1,657,419</b>	<b>N.A.</b>

(iv) Components of Defined Benefit Cost

(Amount in Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Unfunded)</b>		
Current Service Cost	246,751	N.A.
Past Service Cost	1,781,395	N.A.
Interest Cost	-	N.A.
Interest Income on Plan Asset	-	N.A.
Net Actuarial (gain)/loss on remeasurement recognised in OCI	-	N.A.
<b>Total Defined Benefit Cost recognised in Profit and Loss</b>	<b>2,028,146</b>	<b>N.A.</b>

(v) Balance Sheet Reconciliation

(Amount in Rs.)

Notes to the Financial Statements for the year ended 31st March 2020

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Gratuity (Unfunded)</b>		
Opening Net Liability	N.A.	N.A.
Expenses as above	2,028,146	N.A.
Acquisition Cost	-	N.A.
Benefits paid	(370,727)	N.A.
Employer's Contribution	-	N.A.
<b>Amount recognized in Balance Sheet</b>	<b>1,657,419</b>	<b>N.A.</b>

(vi) Principal Actuarial assumptions as at the Balance Sheet date

Particulars	As at 31st March, 2020	As at 31st March, 2019
Discount Rate	6.85% p.a	N.A.
Salary Increase	6.00% p.a.	N.A.
Withdrawal Rates	1.00% p.a. at all ages	N.A.
Rate of Return on Plan Assets	N.A.	N.A.

(vii) Current and Non Current bifurcation as at the Balance Sheet date

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Unfunded)</b>		
Current Liability	22,992	N.A.
Non Current Liability	1,634,427	N.A.
<b>Total</b>	<b>1,657,419</b>	<b>N.A.</b>

(viii) Sensitivity analysis

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Gratuity (Unfunded)</b>		
<b>Discount Rate</b>		
+0.50%	1,551,904	N.A.
-0.50%	1,773,965	N.A.
<b>Salary growth Rate</b>		
+0.50%	1,765,156	N.A.
-0.50%	1,556,221	N.A.
<b>Withdrawal Rate</b>		
+10%	1,660,895	N.A.
-10%	1,653,804	N.A.

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between the underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of change if any.

(ix) Estimate of expected benefit payments (undiscounted)

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019

Notes to the Financial Statements for the year ended 31st March 2020

Gratuity (Unfunded)		
Within 1 year		
1-2 years	22,992	N.A.
2-3 years	25,521	N.A.
3-4 years	27,806	N.A.
4-5 years	423,971	N.A.
5-10 years	24,693	N.A.
	465,758	N.A.

(x) Estimate of expected employer contribution

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
Gratuity (Unfunded)		
Within 1 year	22,992	N.A.

(xi) Weighted average duration of defined benefit obligation

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
Gratuity (Unfunded)		
Duration (in years)	14.36	N.A.

(xii) Number of people employed

Particulars	(Amount in Rs.)	
	As at 31st March, 2020	As at 31st March, 2019
Number of people employed	48	N.A.

Notes (As certified by Independent Actuary):

29 Finance Costs

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest Expense on financial liabilities measured at amortised cost	23,868,781	49,084,005
Interest expense on Lease Liabilities	512,922	-
<b>Total</b>	<b>24,381,702</b>	<b>49,084,005</b>

30 Depreciation and Amortization Expense

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Property, Plant and Equipment (Refer Note No. 5)	54,723,356	50,375,656

Notes to the Financial Statements for the year ended 31st March 2020

Total	54,723,356	50,375,656
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31 Other Expenses

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Store & Consumables	37,219,632	54,456,716
Loading and Unloading Charges	31,500	56,645
Legal & Professional/Consultancy Charges	842,312	354,165
Electricity Charges	14,675,899	16,369,954
Insurance Charges	870,497	3,042,801
Auditor's Remuneration (Refer Note No. 31.1)	22,000	22,000
Carriage Inward	847,564	2,597,623
Conversation Charges Paid	300,444,982	314,265,901
General Expenses	3,850,924	6,370,461
Bank Charges	1,924,040	130,592
Printing & Stationery Expenses	99,220	294,993
Repairs & Maintenance	741,573	707,897
License Fees	6,898,801	708,600
Testing Charges	36,450	14,950
Lease Rent	60,270	414,909
Bad Debt	3,399,045	-
Miscellaneous Expenses	6,219,729	1,164,609
<b>Total</b>	<b>378,184,438</b>	<b>400,972,816</b>

31.1 Auditor's Remuneration includes:

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Statutory Audit Fees	15,000	15,000
Tax Audit Fees	7,000	7,000
<b>Total</b>	<b>22,000</b>	<b>22,000</b>

32 Tax Expenses- Current Tax

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Provision for Current Tax	24,275,450	4,443,681
<b>Total</b>	<b>24,275,450</b>	<b>4,443,681</b>

32.1 Components of Tax Expense:

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Current tax</b>		
In respect of the current year	24,275,450	4,443,681
<b>Total Current tax expense recognised in the current year</b>	<b>24,275,450</b>	<b>4,443,681</b>
Income tax in respect of earlier years		
<b>Total Income tax expense for earlier years recognised in the current year</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
In respect of the current year	63,014,749	7,307,589
<b>Total Deferred tax expense recognised in the current year</b>	<b>63,014,749</b>	<b>7,307,589</b>
<b>Total Tax expense recognised in the current year</b>	<b>87,290,199</b>	<b>11,751,271</b>

32.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Profit/(Loss) before tax</b>		
Income tax expense calculated at rate applicable		
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
Dividend		
Deduction u/s 80-IA		
Deduction u/s 80-G		
Long Term Capital Gain		
Effect of other adjustments		
Add : Effect of expenses that are not deductible in determining taxable profit		
CSR Expenditure		
<b>Income tax expense recognised in profit and loss</b>		

**BMW Iron & Steel Industries Limited**  
Notes to the Financial Statements for the year ended 31st March, 2020

**34 Segment Reporting**

- (i) As required under Ind AS 108 "Operating Segments", the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The Company has one operating business segment viz, processing of steel and all other activities are incidental to the same.
- (ii) The Company's operations are situated entirely within India.
- (iii) **Information about major customers:**  
Revenue from conversion income of steel and steel products include sale of service to one Public Company pertaining to the Steel sector which account for more than 10% and amounting to Rs. 51,30,81,187 (31st March, 2019 - Rs. 51,40,49,130) in aggregate of the total revenue of the Company.

**35 Disclosure as per Ind AS 116 "Leases"**

**Company as a Lessee**

- 35.1 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	(Amount in Rs.)
As at 1st April, 2019	Land
Reclassified on account of adoption of Ind AS 116 "Leases"	-
Addition	3,308,910
Deletion	4,153,213
Depreciation	-
As at 31st March, 2020	(310,922)
	7,151,201

- 35.2 The following is the break-up of current and non-current lease liabilities:

Particulars	(Amount in Rs.)
	As at 31st March, 2020
Current lease liabilities	
Non-current lease liabilities	
Total	-

- 35.3 The following is the movement in lease liabilities:

Particulars	(Amount in Rs.)
As at 1st April, 2019	For the year ended 31st March, 2020
Additions	-
Finance cost accrued during the period	4,153,213
Deletions	512,922
Payment of lease liabilities	-
As at 31st March, 2020	-
	4,666,135

- 35.4 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(Amount in Rs.)
	As at 31st March, 2020
Not later than one year	167,460
Later than one year and not more than five years	669,840
Later than five years	30,812,640

- 35.5 On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' Assets of Rs. 74,62,123 which includes Rs. 33,08,910 considered as operating lease in previous years and now being so reclassified consequent to the adoption of said standard. Consequent to the application of Ind AS 116, cash inflows from operating activities and cash outflows from financing activities on account of lease payments has increased by Rs. . Rental expenses for the year is lower by Rs. , depreciation and interest is higher by Rs. and Rs. respectively and thereby Profit before taxes is lower by Rs.



The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at 31st March, 2020		As at 31st March, 2019		(Amount in Rs.) As at 1st April, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Non Current and Current)</b>						
<b>Financial Assets measured at Amortised Cost</b>						
Other Financial Assets						
Trade Receivables	3,974,287	3,974,287	3,974,287	3,974,287	3,974,287	3,974,287
Cash and Cash Equivalents	70,728,767	70,728,767	50,503,959	50,503,959	148,457,607	148,457,607
Other Bank Balances	19,629,382	19,629,382	2,925,423	2,925,423	4,369,048	4,369,048
<b>Financial Liabilities (Non Current and Current)</b>	5,778,500	5,778,500	5,300,000	5,300,000	4,858,417	4,858,417
<b>Financial Liabilities measured at Amortised Cost</b>						
Borrowings						
Trade Payables	380,630,000	380,630,000	402,709,622	402,709,622	463,997,896	463,997,896
Other Financial Liabilities	147,157,206	147,157,206	119,080,212	119,080,212	160,060,434	160,060,434
	24,608,599	24,608,599	98,676,199	98,676,199	98,776,199	98,776,199

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, trade receivables and payables, short term borrowings, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

Fair value of long term debt approximates their carrying value subject to adjustments made for transaction cost.

The non current financial assets represent security deposits given to Government Authorities and for the purpose of day-to-day utilities of the Company and therefore the need of fair valuation does not arise in such a case.

**Financial Risk Factors**

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other bank balances, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, this however, does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note No. --.

**Market Risk**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, trade payables and trade receivables.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company doesn't have exposure to the risk of changes in foreign exchange rates and hence is not subjected to such risk.

**Interest rate risk**

The Company's debt exposure includes term loan from bank and unsecured loan from bodies corporate. Term loan from bank is subject to fixed interest rate. Unsecured loan from bodies corporate is short term in nature and does not carry any interest component. Hence, the Company does not have any significant exposure to interest rate risk.



**BMW Iron & Steel Industries Limited**  
Notes to the Financial Statements for the year ended 31st March 2020

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

The carrying amount of respective financial assets recognised in the financial statements represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

**Financial assets that are neither past due nor impaired**

Cash and cash equivalents and margin money held with banks are neither past due nor impaired. Cash and cash equivalents and margin money with banks are held with reputed and credit worthy banking institutions.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund based working capital loan from bank. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

**Liquidity and interest risk tables**

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date in which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

**Interest rate and currency of borrowings**  
As at 31st March, 2020

As at 31st March, 2020

Particulars	(Amount in Rs.)			
	Total Borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average interest rate
Borrowings in ₹				

As at 31st March, 2019

Particulars	(Amount in Rs.)			
	Total Borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average interest rate
Borrowings in ₹				

**Maturity Analysis of Unamortised Financial Liabilities**

As at 31st March, 2020

Particulars	Unamortised amount	On Demand	(Amount in Rs.)			Total
			Less than 6 months	6 to 12 months	> 1 year	
Borrowings						-
Trade Payables						-
Other Financial Liabilities						-

As at 31st March, 2019

Particulars	Unamortised Amount	On Demand	(Amount in Rs.)			Total
			Less than 6 months	6 to 12 months	> 1 year	
Borrowings						-
Trade Payables						-
Other Financial Liabilities						-

As at 1st April, 2018

Particulars	Unamortised Amount	On Demand	(Amount in Rs.)			Total
			Less than 6 months	6 to 12 months	> 1 year	
Borrowings						-
Trade Payables						-
Other Financial Liabilities						-

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses. The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

**Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings.

The gearing ratio is as follows:

Particulars	(Amount in Rs.)		
	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Borrowings			
Less : Cash and Cash Equivalents	380,630,000	402,709,622	463,997,896
<b>Net Debt</b>	<b>19,629,382</b>	<b>2,925,423</b>	<b>4,369,048</b>
Total equity attributable to the equity shareholders of the Company	361,000,618	399,784,199	459,628,849
<b>Total Equity and Net Debt</b>	<b>205,696,669</b>	<b>249,417,815</b>	<b>256,504,569</b>
<b>Gearing Ratio</b>	<b>63.70%</b>	<b>61.58%</b>	<b>64.18%</b>



**BMW Iron & Steel Industries Limited**  
Notes to the Financial Statements for the year ended 31st March 2020

37 FIRST TIME ADOPTION OF Ind AS - Disclosures, Reconciliation etc.

(a) Reconciliation in terms of Ind AS 101 "First time adoption of Indian Accounting Standards"

(i) Reconciliation of Equity as at 31st March, 2019 and 1st April, 2018

Particulars	Refer Note No. (Under 37(c))	As at 31st March, 2019 (End of last period presented under Previous GAAP)			As at 1st April, 2018 (Date of transition)		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>ASSETS</b>							
<b>Non Current Assets</b>							
(a) Property, Plant and Equipment		660,619,843	(4,136,138)	656,483,704	703,926,748	(4,136,138)	699,790,610
(b) Capital work in progress		3,171,232	-	3,171,232	-	-	-
(c) Financial Assets							
(i) Other Financial Assets		3,974,287	-	3,974,287	3,974,287	-	3,974,287
(d) Other Non Current Assets		39,076,166	3,171,039	42,247,205	38,920,675	3,308,910	42,229,586
<b>Total Non Current Assets</b>		<b>706,841,527</b>	<b>(965,099)</b>	<b>705,876,428</b>	<b>746,821,710</b>	<b>(827,228)</b>	<b>745,994,482</b>
<b>Current Assets</b>							
(a) Inventories		6,245,194	-	6,245,194	3,683,845	-	3,683,845
(b) Financial assets							
(i) Trade Receivables		50,503,959	-	50,503,959	148,457,607	-	148,457,607
(ii) Cash and Cash Equivalents		2,925,423	-	2,925,423	4,369,048	-	4,369,048
(iii) Other Bank Balances		5,300,000	-	5,300,000	4,858,417	-	4,858,417
(c) Current Tax Assets (Net)		8,394,459	-	8,394,459	1,363,956	-	1,363,956
(d) Other current assets		560,861	137,871	698,732	15,731,501	137,871	15,869,372
<b>Total Current Assets</b>		<b>73,929,896</b>	<b>137,871</b>	<b>74,067,767</b>	<b>178,464,373</b>	<b>137,871</b>	<b>178,602,244</b>
<b>TOTAL ASSETS</b>		<b>780,771,423</b>	<b>(827,228)</b>	<b>779,944,195</b>	<b>925,286,083</b>	<b>(689,356)</b>	<b>924,596,727</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		40,503,000	-	40,503,000	40,503,000	-	40,503,000
(b) Other Equity		65,230,745	143,684,070	208,914,815	49,650,620	166,350,949	216,001,569
<b>Total Equity</b>		<b>105,733,745</b>	<b>143,684,070</b>	<b>249,417,815</b>	<b>90,153,620</b>	<b>166,350,949</b>	<b>256,504,569</b>
<b>LIABILITIES</b>							
<b>Non Current Liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		47,835,489	(12,505,867)	35,329,622	118,994,395	(30,560,038)	88,434,357
(b) Deferred Tax Liabilities (Net)		(28,241,653)	132,005,431	103,763,777	(25,408,899)	136,480,267	111,071,368
<b>Total Non Current Liabilities</b>		<b>19,593,835</b>	<b>119,499,564</b>	<b>139,093,399</b>	<b>93,585,496</b>	<b>105,920,229</b>	<b>199,505,725</b>
<b>Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		367,380,000	-	367,380,000	375,563,539	-	375,563,539
(ii) Trade Payables							
- Total Outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		119,080,212	-	119,080,212	160,060,434	-	160,060,434
(iii) Other Financial Liabilities		98,676,199	-	98,676,199	98,776,199	-	98,776,199
(b) Other Current Liabilities		13,824,126	-	13,824,126	56,328,996	-	56,328,996
<b>Total Current Liabilities</b>		<b>598,960,537</b>	<b>-</b>	<b>598,960,537</b>	<b>690,729,169</b>	<b>-</b>	<b>690,729,169</b>
<b>Total Liabilities</b>		<b>618,554,372</b>	<b>119,499,564</b>	<b>738,053,936</b>	<b>784,314,664</b>	<b>105,920,229</b>	<b>890,234,893</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>724,288,117</b>	<b>263,183,634</b>	<b>987,471,751</b>	<b>874,468,285</b>	<b>272,271,178</b>	<b>1,146,739,462</b>

**BMW Iron & Steel Industries Limited**  
Notes to the Financial Statements for the year ended 31st March 2020

(ii) Reconciliation of Total Equity as given above:

Particulars	Refer Note No. (Under 37(c))	(Amount in Rs.)	
		As at 31st March, 2019 (End of last period presented under Previous GAAP)	As at 1st April, 2018 (Date of transition)
<b>Total Equity (shareholders' funds) under Previous GAAP</b>			
Ind AS Adjustments		105,733,745	90,163,620
Effect of leasehold land being considered as operating lease under Ind AS		(827,228)	(689,356)
Amortisation of transaction cost		12,505,867	30,560,038
Adjustment of Deferred Tax		(132,005,431)	(136,480,267)
<b>Total adjustments to Equity</b>		<b>(120,326,791)</b>	<b>(106,609,586)</b>
<b>Total Equity under Ind AS</b>		<b>(14,693,047)</b>	<b>(16,455,965)</b>

(iii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Refer Note No. (Under 37(c))	(Amount in Rs.)		
		For the year ended 31st March, 2019 (As per Previous GAAP)	Ind AS Adjustments	For the year ended 31st March, 2019 (As per Ind AS)
Revenue from Operations		517,052,596	-	517,052,596
Other income		2,800,036	-	2,800,036
<b>TOTAL INCOME</b>		<b>519,852,632</b>	<b>-</b>	<b>519,852,632</b>
<b>EXPENSES</b>				
Employee Benefits Expense		16,027,099	-	16,027,099
Finance Costs		31,029,834	18,054,171	49,084,005
Depreciation and Amortisation Expense		50,375,656	-	50,375,656
Other Expenses		400,834,945	137,871	400,972,816
<b>TOTAL EXPENSES</b>		<b>498,267,534</b>	<b>18,192,042</b>	<b>516,459,576</b>
<b>Profit/(Loss) before tax</b>		<b>21,585,098</b>	<b>(18,192,042)</b>	<b>3,393,056</b>
<b>Tax expense:</b>				
(1) Current Tax		4,443,681	-	4,443,681
(2) Deferred Tax		1,561,293	5,746,296	7,307,589
<b>Profit/(Loss) for the year</b>		<b>15,580,124</b>	<b>(23,938,339)</b>	<b>(8,358,214)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
(i) Items that will not be reclassified to Profit or Loss		-	-	-
(ii) Income Tax relating to items that will not be reclassified to Statement of Profit or Loss		-	-	-
<b>Other Comprehensive Income for the Year (net of taxes)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>15,580,124</b>	<b>(23,938,339)</b>	<b>(8,358,214)</b>

**BMW Iron & Steel Industries Limited**  
Notes to the Financial Statements for the year ended 31st March 2020

(iv) **Reconciliation of Total Comprehensive Income for the year ended 31st March, 2019 :**

Particulars	(Amount in Rs.)	
	Refer Note No. (Under 37(c))	For the year ended 31st March, 2019
<b>Net profit for the period under previous GAAP</b>		
Amortisation of transaction cost		15,580,124
Effect of leasehold land being considered as operating lease under Ind AS		(18,054,171)
Impact of Deferred Tax		(137,871)
<b>Net Profit for the period under Ind AS</b>		<b>(5,746,296)</b>
Other Comprehensive Income (net of taxes)		(8,358,214)
<b>Total Comprehensive Income for the period under Ind AS</b>		<b>-</b>
		<b>(8,358,214)</b>

(v) **Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2019**

There were no material differences between the Statement of Cash Flows presented under Ind AS and the previous GAAP for the year ended 31st March, 2019.

(b) **FIRST-TIME ADOPTION – Mandatory Exceptions and optional Exemptions**

These financial statements are covered by Ind AS 101, "First Time Adoption of Indian Accounting Standards", as they are the Company's first Ind AS financial statements for the year ended March

**Overall principle:**

a) The Company has prepared the opening balance sheet as per Ind AS as at 1st April, 2018 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company used in its opening Ind AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind AS has been recognized directly in Retained Earnings at the date of transition.

b) However, this principle is subject to certain optional exemptions availed by the Company as detailed below:

(i) **Deemed cost for Property, Plant and Equipment**

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of transition date measured as per Previous GAAP and used that carrying value as its deemed cost as on transition date.

(ii) **Impairment of financial assets**

Ind AS 109 "Financial Instruments" requires the impairment to be carried out retrospectively; however, as permitted by Ind AS 101, the Company, has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(iii) **Determining whether an arrangement contains a lease**

The Company as on the date of transition complied with Ind AS 17 "Leases" to determine whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS

(iv) **Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2018 (Date of transition)

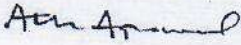
**BMW Iron & Steel Industries Limited**  
**Notes to the Financial Statements for the year ended 31st March 2020**

- (c) **Explanatory Notes to reconciliation between Previous GAAP and Ind AS**
- (i) **Accounting of leasehold land**  
Under Previous GAAP, leasehold land was shown as part of Property, Plant and Equipment, whereas under Ind AS, all leases are considered as operating leases (except those which qualify to be classified as finance lease as per the provisions of Ind AS 17) and therefore are shown as prepayments. Consequently, as on the transition date 1st April 2018 carrying amount of the leasehold land amounting to Rs. 41,36,138 has been decapitalised and remaining unamortised portion as on the transition date amounting to Rs. 34,46,782 have been shown as prepayments under Ind AS with corresponding decrease in Equity by Rs. 6,89,356. Subsequent changes for the year ended 31st March 2019 amounting to Rs. 1,37,871 shown under Other Expenses has been recognised in the Statement of Profit and Loss.
- (ii) **Borrowings**  
Under previous GAAP, transaction cost incurred in connection with borrowings are accounted upfront and charged to Statement of Profit and Loss in the year in which such costs are incurred. Under Ind AS, financial liability consisting of long term borrowings are to be fair valued and designated and measured at amortised cost based on Effective Interest Rate (EIR) method. The transaction costs so incurred are required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying EIR method.  
On transition date, the Company has adjusted the unamortised portion of outstanding borrowings based on EIR resulting in reduction of its borrowings by Rs. 3,05,60,038 as on 1st April 2018 with corresponding increase in total equity and subsequent changes for the year ended 31st March 2019 amounting to Rs. 1,80,54,171 shown under Finance Cost has been recognised in the Statement of Profit and Loss.
- (iii) **Taxation**  
Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. These adjustments have resulted increase in deferred tax assets and increase in equity by Rs. 13,20,05,431 and Rs. 13,64,80,267 as on 31st March, 2019 and 1st April, 2018 respectively.
- (iv) Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with financial statements prepared under Ind AS.

**BMW Iron & Steel Industries Limited**  
**Notes to the Financial Statements for the year ended 31st March 2020**

44 These financial statements have been approved by Board of Directors of the Company in their meeting dated May 21, 2019 for issue to the shareholders for their adoption.  
As per our report of even date

**For Atish Agrawal & Associates**  
Chartered Accountants  
Firm's ICAI Registration No.: 329103E

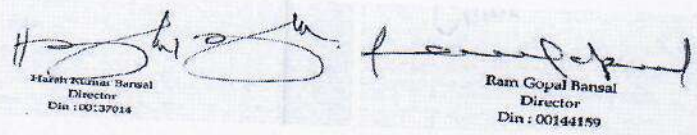


Atish Kumar Agrawal  
Partner  
Membership No.: 306777

Place: Kolkata  
Date: 10th July, 2020



**For and on behalf of the Board of Directors**



Hrishikesh Kumar Beraal  
Director  
Din : 00137014

Ram Gopal Bansal  
Director  
Din : 00144159