



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DANISH STEEL CLUSTER PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Danish Steel Cluster Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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 are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not

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provide a separate opinion on these matters. Except for the matters described in Material Uncertainty related to going concern , we have determined that there are no key audit matters to communicate in our report.

Other Information:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the IND AS financial statements and our auditor's report thereon. The Company's Annual report is expected to be made available to us after the date of this auditor's 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Company's Annual report, if 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.

Material uncertainty related to Going Concern:

"We draw attention to Note No. 57 of the Notes to financial statements which narrate about the application for merger of the company with its holding company and ceasing of business operations of the company in the current financial year. The management of the company has prepared the accounts accordingly treating the company as "not a going concern". As stated in Note No.57 and management reports, the decision of the management and shareholders to merge the company after sale of major chunk of the operating assets, management's inability to find a cost-effective labour set for continuing the overseas orders and therefore ceasing the business operations clearly indicates that material uncertainty relating to going concern exists and company has ceased to continue as going concern.

Since accounting treatment and disclosures are adequate, our opinion is not modified in respect of this matter".

Management's Responsibility for the Financial Statements:

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair

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view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 is 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 financial controls relevant to the audit in order to design audit

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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. This being a private company covered under the exemption provided in Notification No. GSR 583(E) dated June 13, 2017, the requirement of furnishing a detailed report regarding the internal financial controls over financial reporting is dispensed with and hence no such certificates is separately furnished

- 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. Please also refer our comments given in para "Material uncertainty related to 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

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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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to adequacy of internal financial controls, being a Private Limited Company with a turnover of less than Rs. 50 crores and borrowings from body corporate not exceeding Rs. 25 crores at any point of the time during the financial year, by virtue of the Notification No. G.S.R 583(E) issued on 13th June 2017 U/s 462 of the Companies Act, 2013 the Company is exempted with respect to reporting U/s 143(3)(i) on the adequacy of the internal financial controls over financial reporting of the Company and its operating effectiveness;

(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 me:

a. the Company does not have any pending litigations which would impact its financial position;

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- b. the Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and
- c. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.
- e. No dividend declared or paid during the year by the Company

3. 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, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any Managerial Remuneration under section 197 of the Companies Act, 2013 except for sitting fees. The sitting fees paid to directors is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate





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Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Place: CHENNAI
Date: 23.05.2022

For N. SIVA PRASAD ASSOCIATES
CHARTERED ACCOUNTANTS

FRN: 03885 S

(K. VIGNESH)

PARTNER

M. No. 245317.



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Annexure - A to the Independent Auditor's Report

The Annexure referred paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the **Danish Steel Cluster Private Limited** on the financial statements for the year ended 31 March 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. The immovable properties of the company were sold during the year and no immovable properties are held by the company as at the end of the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has sold major chunk of fixed assets during the year and has decided to merge with the holding company after ceasing its business operations and hence the accounts are prepared on the basis of "not as going concern" and balance fixed assets of the company are restated at realisable value as on the date of balance sheet as per applicable accounting principles. The revalued amount (i.e.) realisable value of the most of the assets are based on the valuation by the Registered valuer report except for few assets for which management themselves has arrived at a scrap value after analysing its useful life. Total change in net carrying value due to revaluation is Rs.29.08 Lacks. Please also refer note no.8A to notes to financial statements in this regard.



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(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital loans from banks on the basis of security of current assets and hence this clause is not applicable to the company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Hence paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any loans, guarantee or security as specified under Section 186 of the Companies Act, 2013. Hence paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposit during the year and there are no unclaimed deposits as at March 31, 2021 to which the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Companies Act 2013 are applicable. Hence paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the activities carried out by the Company. Hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.





(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of Goods and Service Tax - GST RCM amounting to Rs. 1,89,748/- and Income tax TDS demand of Rs.25,17,088/- are in arrears as at 31 March 2022 for a period of more than 12 months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-Tax, Goods and Services Tax or any other statutory dues which have not been deposited with the appropriate authorities on account of any disputes.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender other than its holding company for expenses during the year. No default has been made by the company in respect of any borrowing and accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the





financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. The company has no subsidiaries and hence accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) According to the information and explanations given to us, no report under sub section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADI-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to our audit, there are no such whistle blower complaints received by the Company during the year. Accordingly, clause 3(xi) (c) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.





xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) In our opinion Internal audit as per Section 138 of the Companies Act is not applicable to the company and hence no internal audit was conducted and no audit report issued.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company

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

(b) The Company is not required to conduct any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any LIL. Accordingly, the requirements of clause 3(xvi) (d) are not applicable.

(xvii) The Company has incurred cash losses in the current financial year and also in the immediately preceding financial years (i.e) in FY 2021-2022 – Rs. 95.98 Lacks, FY 2020-2021 – Rs. 59.47 Lacks, FY 2019-2020 – Rs.121.91 Lacks /-. Please also refer to our comment in main audit para "Material uncertainty related to going concern" regarding company's uncertainty to continue as going concern.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we believe and opine that material uncertainty exists as on the date of the audit report that the Company is not





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capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Please also refer to main audit report in para "Material uncertainty related to going concern" for further comments.

xx) In our opinion and according to the information and explanations given to us, the company itself will not fall under the criteria of provisions of section 135(1) and accordingly the sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, clauses 3(xx) (a) and 3(xx)(b) of the Order are not applicable.

Place: CHENNAI
Date: 23.05.2022

For N. SIVAPRASAD ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 03885 S


(J. VIGNESH)

PARTNER

M. No. 245317.

UDIN No: 22245317ANGPBT3916



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DANISH STEEL CLUSTER PRIVATE LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2022

1. Company Overview

Danish Steel Cluster Private Limited ("the Company") was incorporated on January 16, 2004 and is primarily engaged in manufacture of Customized Steel parts & Sheet metal components. The Company is domiciled in India and its registered office is situated at No. 46 KIADB Industrial Area, Bommasandra-Jigani Link Road, Jigani, Bangalore- 562 106. As on March 31, 2022, the entire equity share capital of the Company is held by Sicagen India Limited.

2. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 23rd May, 2022.

3. Basis of accounting

The financial statements have been prepared as a "**non-going concern**" basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on fair value basis considering the realizable value of assets and assets based on fair valuation. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

The Balance sheet, Statement of Profit and Loss, Statement of Changes In Equity and disclosure requirements with respect to Items in the Balance Sheet and Statement of Profit and Loss are prepared in the format prescribed in Division II- Ind AS Schedule III ("Schedule III") to the Company's Act, 2013 and are adequately presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Indian Accounting Standards. The Cash Flow Statement has been prepared under Indirect Method and presented as per the requirements of Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

The Company has consistently applied the following accounting policies to all periods presented in these standalone financial statements, except for the adoption of Ind AS 116 – Leases, which was adopted with effect from 1 April 2019.

4. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;



DANISH STEEL CLUSTER PRIVATE LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2022

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products manufactured and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

The Company has re-classified all its assets and liabilities as "Current" as per the company's accounts are prepared as non-going concern.

5. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Revenue Recognition - Contracts with customers occasionally include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately or together requires significant judgment based on nature of the contract, transfer of control over the product or service, ability of the product or service to benefit the customer on its own or together with



DANISH STEEL CLUSTER PRIVATE LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2022

other readily available resources and the ability of the product or service to be separately identifiable from other promises in the contract.

Provision for Income tax & deferred tax assets – The Company uses estimates and judgements based on the relevant rulings in the areas of allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. The company has not recognized any deferred tax asset or liability as the accounts are prepared as not as a going concern. The Deferred tax asset recognized earlier has been reversed during the year considering the going concern aspect of the company.

Defined benefit obligation (DBO) – Management’s estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of Property Plant & Equipment– The Company reviews the useful life of property, plant and equipment at the end of each reporting period.

Fair value measurements – When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using internal valuation techniques and as per the valuation of the external technical valuer. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Other estimates - The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

Leases - The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.



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The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

6. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the company can access at measurement date

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

7.1 Property, plant and equipment (PPE)

(i) Recognition and measurement

Properties plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for



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the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

The Company has re-classified all its Property, Plant and Equipment at realizable value as at 31.03.2022 as the accounts of the company are prepared as not as going concern. The difference between the book value and the fair value are considered as fair value differences and the same is recognized in the statement of profit and loss as an exceptional item.

(iii) Capital Work-in-progress

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets.

(iv) Depreciation

Depreciation on property, plant and equipment is provided on the Straight Line Method computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013

Category of the Assets	Useful Life
Factory Building	30 years
Office Building	60 years
Plant & Machinery	15 years
Electrical Equipments	10 years
Computer & Accessories	3 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Motor Car	8 years
Tools & Accessories	Over the estimated useful life of the individual assets

The depreciation methods, residual values & useful lives are reviewed at the end of each financial year.



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(iv) De-recognition

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is de-recognised.

7.2 Intangible Assets

(i) Recognition and measurement

Intangible Assets are measured at cost less accumulated amortization and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of preparing the asset for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

(iii) Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method. Intangible assets (Computer Software) are amortised over a period of three years.

7.3 Impairment of Non-Financial Assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.



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7.4 Foreign Currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('Rs.' Or '₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the dates of the respective transactions.

Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise

7.5 Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company de recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company de recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

I. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



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II. Financial Assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

III. Financial Assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

IV. Financial Assets at fair value through other profit and loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss. Since the accounts are prepared as not as a going concern all the financial assets are measured at fair value through other profit and loss. The fair value for these financial assets are the realizable value of these assets.

V. Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. Since the accounts are prepared as not as a going concern all the financial liabilities are measured at realizable value.

VI. Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

VII. Offsetting of financial instruments

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



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VIII. Impairment of Financial Assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

IX. Derivative financial instruments

The Company enters into a derivative financial instrument to manage its exposure to foreign exchange rate risks in the nature of foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Hedge Accounting

The Company designates hedging instruments in the nature of foreign exchange forward contracts entered to manage foreign currency risk as cash flow hedges.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) are included in the initial measurement of the cost of the non-financial asset or non-financial liability.



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Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

7.6 Inventory

Inventories are stated at net realizable value as the accounts of the company are prepared as not as a going concern.

Cost of raw materials, stores, spares, consumable tools and traded goods comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT schemes. Cost of work-in-progress and finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overheads, which is allocated on a systematic basis. Cost of inventories also includes all other related costs incurred in bringing the inventories to their present location and condition. There are no work in progress or finished goods stock as at the end of the year.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined as follows:

- Raw materials, stores, spares, consumable tools, traded goods: at FIFO basis; and
- Work-in-progress and finished goods: at cost including costs of conversion

Cost of obsolete/ slow moving inventories are adequately provided for.

7.7 Revenue Recognition

The Company's sales comprise revenue from the sale of fabricated stainless steel & Galvanized steel products & services adjusted by sales adjustments which primarily comprise product returns and quality issue charges. Company's most significant revenue is generated from sale of fabricated stainless steel & Galvanized steel for various industries based on customer specifications. Revenue from sale of services primarily includes the installation services associated with sale of some of the fabricated products.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from contracts for sale of products or services

Revenue from contracts with customers for the sale of products is recognized at a point in



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time when the control of the asset is transferred to the customer which is usually upon shipment or delivery of goods as per the terms of the each contract and where there is no uncertainty as to measurement or collectability of consideration.

Revenue from contracts with customers for the sale of services is recognized when a customer obtains control of the services, which is upon completion of service.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset (Receivables) based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability (referred as deferred revenue).

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognized when the right to receive the income is established as per the terms of the contract upon satisfaction of performance obligations.

Interest Income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

7.8 Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in standalone statement of profit and loss, except when they relate to items that are recognized in other



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comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income tax, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income tax assets and liabilities are recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

Deferred tax assets include Minimum Alternative Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set



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off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized. In the year in which the MAT credit becomes eligible to be recognized as an asset, it is recorded by way of a credit to the standalone statement of profit and loss and shown as deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified future period.

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

7.9 Employee Benefits

Defined contribution plan

Payments to defined contribution plans i.e., Company's contribution to provident fund and employee state insurance are determined under the relevant statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employees.

Defined benefit plan

For defined benefit plans i.e. Company's liability towards gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. During the year the company has not carried out actuarial valuation for gratuity obligation as the numbers of employees are less than 10 and no employees have crossed 5 years tenure. Anyhow the gratuity provision has been made for existing employees as per the regulation. To this extent IND AS 19 is followed.

Defined benefit costs are comprised of service cost (including current service cost, past service cost, as well as gains and losses on settlements), net interest expense or income and re-measurement. The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.



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Compensated Absences:

Short term compensated absences that is unutilized leave are provided for based on salary drawn and are paid at the end of the year or provided for at the end of the year and are paid off in due course. Long term compensated balances are not allowed at all as a policy. Leave encashment liability of an employee, who has left the Company before the close of the year is settled along with salary dues and is paid off immediately or provided for on the basis of number of days available on actual computation and is paid off in due course. During the year the company has not carried out actuarial valuation for leave salaries as the numbers of employees are less than 10. Anyhow the leave salary provision has been made for existing employees as per the regulation.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of salaries, wages, performance incentives and other short term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

7.10 . Operating Leases

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

Company as a Lessee

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has the right to obtain sufficiently all the economic benefits from the use of the asset throughout the period of use; and
- (iii) the Company has the right to control the use of the asset;

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the



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costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset, unless the title to the asset transfers at the end of the lease term, in which case the asset is depreciated over the useful life. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



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7.11 Borrowing Costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

7.12 Earnings per share (EPS)

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

7.13 Segment Reporting

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

7.14 Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company uses significant judgments to disclose contingent liabilities.



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Contingent assets are neither recognized nor disclosed in the financial statements.

7.15 Events after reporting period:

Event occurring after the reporting period are defined as 'events which occur between the end of the reporting date and the date when the financial statements are approved by the Board of Directors in case of a company' and 'by the corresponding authority in case of any other entity'.

Adjusting events – Those that provide evidence of conditions that existed at the end of the reporting period. Please refer Note No.56 to notes to financial statements.

Non-Adjusting events – Those that are indicative of conditions that arose after the reporting period.



Danish Steel Cluster Private Limited
Balance Sheet as at 31.03.2022

Particulars	Note	As At 31 March 2022	As At 31 March 2021
		(Rs. In Hundred)	
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	8A	22,668	2,139,943
(b) Capital work-in-progress	8B	-	32,453
(c) Right-of-use assets	9	-	91,738
(d) Other Intangible Assets	10	2,118	4,041
(e) Financial Assets			
(i) Other financial assets	11	-	-
(f) Deferred tax assets (net)	12	-	-
(g) Tax Assets	13	-	-
(h) Other Non Current Assets	14	-	-
Total non-current assets		24,786	2,268,175
2 Current assets			
(a) Inventories	15	3,853	134,250
(b) Financial Assets			
(i) Trade receivables	16	4,709	106,427
(ii) Cash and cash equivalents	17	7,654	28,630
(iii) Bank balance other than (iii) above	18	3,000	3,000
(iv) Other financial assets	19	14,301	62,634
(c) Current Tax Assets (Net)	20	19,063	33,427
(e) Other Current Assets	21	48,063	82,900
Total current assets		100,643	451,268
TOTAL ASSETS		125,429	2,719,443
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	708,470	708,470
(b) Other Equity	23	(1,028,885)	(377,463)
Total equity		(320,415)	331,007
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	-	-
(ii) Lease Liability	25	-	29,327
(b) Provisions	26	-	-
(c) Deferred tax liabilities (net)	27	-	341,118
Total non-current liabilities		-	370,445
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	28	410,323	566,522
(ii) Other financial liabilities	29	1,363	1,354,779
(iii) Lease Liability	30	-	64,763
(b) Other Current Liabilities	31	34,158	31,018
(c) Provisions	32	-	908
Total current liabilities		445,844	2,017,991
Total Liabilities		445,844	2,388,436
TOTAL EQUITY AND LIABILITIES		125,429	2,719,443
See accompanying notes forming part of the financial statements	1-68		

In terms of my report attached
FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants
ERN 038855

J VIGNESH
Partner

Membership no: 245317

UDIN No. 22245317ANGPBT3916

Place: Chennai

Date: 23rd May 2022

For and on behalf of the Board of Directors

R. Chandrasekar
Director
DIN: 06374821

B. Narendran
Director
DIN: 01159394

M. Rajamari
Director
DIN: 00195006



Danish Steel Cluster Private Limited
Statement of Profit and Loss for the year ending 31.03.2022

Particulars	Note	For the year ended 31	For the year ended 31
		March 2022	March 2021
		(Rs. In Hundred)	
I Revenue from Operations	33	566,511	477,920
II Other Income	34	40,323	8,516
III Total Revenue (I + II)		606,834	486,436
IV Expenses			
Cost of materials consumed	35	260,902	116,094
Changes in inventories of finished goods, stock in trade and work-in-	36	22,519	12,225
Employee benefits expense	37	18,567	718,869
Finance Cost	38	5,200	15,933
Depreciation and amortization expense	8A, 9 & 10	58,145	116,603
Other operating, selling and administrative expense	39	233,570	223,689
Total expenses (IV)		598,904	1,203,412
V Profit/ (Loss) before tax (III-IV)		7,931	(716,976)
VI Exceptional Items	40	870,683	
VII Loss after Exceptional Items before Tax (V-VI)		(862,752)	(716,976)
VIII Tax expense:			
(1) Current tax		129,788	-
(2) Deferred tax		(341,118)	(2,189)
(3) Income Tax Earlier Years		-	-
IX (Loss) for the year (V - VI)		(651,422)	(714,786)
X Other Comprehensive Income			
A (i) Item that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans		-	(954)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Item that will be reclassified subsequently to profit or loss			
(a) Fair value changes on derivatives designated as cash flow hedge, net		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the year (VII+VIII)		(651,421.89)	(715,741)
XII (Loss) Per Equity Share in Rs (Nominal value per share ` 10)			
(1) Basic	41	(0.09)	(0.10)
(2) Diluted		(0.09)	(0.10)
See accompanying notes forming part of the financial statements	1-68		

In terms of my report attached
FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants

FRN 038855

J VIGNESH

Partner

Membership no: 245317

UDIN No: 22245317ANGPBT3916

Place: Chennai

Date: 23rd May 2022

For and on behalf of the Board of Directors

R. Chandrasekar

Director

DIN: 06374821

M. Rajamani

Director

DIN: 00195006

B. Narendran

Director

DIN: 01159394



Dan sh Steel Cluster Private Limited
Statement of Changes in Equity for the year ended 31st March 2022

Particulars	Equity Share Capital	Other Equity				Total Equity attributable to equity holders of the Company
		Reserves and Surplus		Retained earnings	Other Comprehensive Income	
		Securities premium	General Reserve			
Balance at April 1, 2020	708,470	261,632	30,169	46,477	-	1,046,748
(Loss) for the year	-	-	-	(7-4,786)	-	(714,786)
Other comprehensive income for the year, net of income tax	-	-	-	(954)	-	(954)
Balance at March 31, 2021	708,470	261,632	30,169	(669,264)	-	331,007
(Loss) for the year	-	-	-	(651,422)	-	(651,422)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Balance at March 31, 2022	708,470	261,632	30,169	(1,320,686)	-	(320,415)

In terms of my report attached

FOR N SIVA PRASAD ASSOCIATES
 Chartered Accountants
 FRN 038855



J-VIGNESH
 Partner
 Membership no: 245317
 UDIN No: 22245317ANGIPBT 3916

Place: Chennai
 Date: 23rd May 2022

For and on behalf of the Board of Directors

R. Chandrasekar
R. Chandrasekar
 Director
 DIN: 06374821

M. Rajamani
M. Rajamani
 Director
 DIN: 00195006

B. Narendran
B. Narendran
 Director
 DIN: 01159394



Danish Steel Cluster Private Limited
Statement of Cash flows

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	(Rs. In Hundred)		(Rs. In Hundred)	
A. Cash flow from operating activities				
Net profit / (loss) before tax		7,931		(716,976)
Adjustments for :				
Depreciation	58,145		116,603	
Loss/(Gain) on sale of assets	-		(548)	
Loss on Sale of LAND	-			
Fair Value of Assets	-			
Loss on Sale of Raw Material	13,047			
Loss on Foreclosure of Lease -TATA Capital	32,448			
Allowance for doubtful receivables (expected credit loss allowance)	-			
Interest Income	(1,864)		(2,315)	
Slow Moveing Inventroy	21,000			
Finance cost	5,200		15,933	
		127,976		129,672
Operating profit before working capital changes		135,907		(587,303)
Working capital adjustments				
(Increase)/decrease in Inventories	130,397		7,353	
(Increase)/decrease in Trade Receivables	101,718		305,419	
(Increase)/decrease in Other Financial Assets	62,697		(3,626)	
(Increase)/decrease in Other Non-financial Assets	34,837		(47,904)	
Increase/(decrease) in Other Financial Liabilities	(766,417)		(19,107)	
Increase/(decrease) in Trade Payables	(159,138)		(34,141)	
Increase/(decrease) in Other Non-financial Liabilities	(1,080,922)		344,767	
Increase/(decrease) in Provisions	(908)		(38,023)	
		(1,177,736)		514,678
Cash (used in)/generated from operations		(1,041,829)		(72,625)
Net Direct taxes (paid) / Refund		(179,409)		4,475
Net cash flow (used in) operating activities		(1,171,237)		(68,149)
B. Cash flow from investing activities				
Purchase of fixed assets		(41,044)		(417)
Sale of fixed assets		1,289,109		7,232
Movement in fixed deposits		-		-
Interest received		1,485		2,155
Net cash flow (used in) investing activities		1,249,551		8,970
C. Cash flow from financing activities				
Repayment of long-term borrowings		-		-
Payment of lease liabilities		(94,091)		(57,061)
Finance cost		(5,200)		(15,933)
Net cash flow (used in) financing activities		(99,290)		(72,994)
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(20,977)		(132,173)
Cash and cash equivalents as at the beginning of the year		28,630		160,803
Cash and cash equivalents as at the end of the year - As per Balance Sheet - Note 17		7,654		28,630

In terms of my report attached
FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants
FRN 038855

J VIGNESH
Partner

Membership no : 24531734

UDIN No: 22245317ANGPBT3916

Place: Chennai

Date: 23rd May 2022

For and on behalf of the Board of Directors

R. Chandrasekar

R. Chandrasekar
Director
DIN: 06374821

M. Rajamani

M. Rajamani
Director
DIN: 00195006

B. Narendran

B. Narendran
Director
DIN: 01159394



Property, Plant and Equipments

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

Description	Gross block (at cost)					Depreciat on			Net Block	
	April 01, 2021	Additions	Disposal	March 31, 2022	April 01, 2021	For the Year	Disposal / Adjustments	FAIR VALUE ADJ	March 31, 2022	March 31, 2021
Freehold land	1,700,000	-	1,700,000	-	-	-	-	-	-	1,700,000
Factory Building	343,548	18,301	331,849	-	68,816	5,740	74,555	-	-	274,732
Office Building	56,251	-	56,251	-	5,559	423	5,982	-	-	50,693
Plant and Equipment(Incl TCL Lease assets)	135,791	55,195	105,969	81,017	59,712	16,577	27,985	17,809	14,905	76,079
Tools & Accessories	68,367	-	68,367	60,249	37,049	8,300	2,283	10,704	6,480	31,319
Computer & Accessories	9,373	-	6,821	2,552	9,257	199	6,821	65	380	116
Office Equipment	19,131	-	15,011	4,121	14,778	1,159	12,452	59	577	4,353
Furniture and Fixtures	10,095	-	7,503	2,586	7,443	225	5,578	570	326	2,651
Total	2,342,557	73,496	2,265,523	1,50,525	202,613	32,225	136,059	29,078	127,857	2,139,943

Note : 1. The title deeds, comprising all the immovable properties of land and buildings which were freehold, were held in the name of the Company till disposal. There were no leased immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements.

Note 2. The Company has revalued its Plant and Equipment during the year based on valuation report dated 22.04.2022 by a Registered Valuer (SADRUTA CONSULTANTS PRIVATE LIMITED, Valuers, Consulting & Chartered Engineers) and the details of such revaluation where the change is greater than or equal to 10% of the carrying amount of such class of PPE are as follows:

Class of PPE	Carrying amount before revaluation	Revalued amount (Rs. Hundreds)	Charge (Rs. Hundreds)
Plant and Equipment(Incl TCL Lease Tools & Accessories	32,714	14,905	17,809
Computer & Accessories	17,184	6,480	10,704
Office Equipment	315	380	65
Furniture and Fixtures	636	577	59
	897	326	571

Note : Please also refer Note No.57 related to going concern.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

Description	Gross block (at cost)					Depreciation			Net Block	
	April 01, 2020	Additions	Disposal	March 31, 2021	April 01, 2020	For the Year	Disposal / Adjustments	March 31, 2021	March 31, 2020	
Freehold land	1,700,000	-	-	1,700,000	-	-	-	-	1,700,000	
Factory Building	343,548	-	-	343,548	53,744	15,072	-	68,816	289,804	
Office Building	56,251	-	-	56,251	4,447	1,111	-	5,559	51,804	
Plant and Equipment	135,791	-	-	135,791	47,557	12,155	-	59,712	88,234	
Tools & Accessories	68,367	-	-	68,367	26,050	10,998	-	37,049	42,317	
Computer & Accessories	13,424	-	4,030	9,373	12,657	650	4,050	9,257	767	
Office Equipment	19,397	-	256	19,131	11,833	3,091	147	14,778	7,564	
Furniture and Fixtures	10,095	-	-	10,095	6,258	1,185	-	7,443	3,836	
Vehicles	17,727	-	7,727	-	9,116	2,047	11,163	-	8,612	
Total	2,364,600	-	32,244	2,342,557	171,663	46,309	15,539	202,613	2,139,943	



Note 8B

Capital work in progress

(Rs. In Hundred)

The changes in the carrying value of Capital Work in Progress for the year ended March 31, 2022 are as follows

Description	April 1st 2021	Addition during the year	Capitalised during the year	March 31, 2022
Plant and Machinery	14,152	-	14,152	-
Building	18,301	-	18,301	-
	32,453	-	32,453	-

2021 - 2022

Ageing Schedule of Capital Work-in-Progress (CWIP)

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Projects in Progress	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-
	-	-	-	-

Completion Schedule for Capital Work-in-Progress

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) Project 1 (give name of the project)	-	-	-	-
(ii) Project 2 (give name of the project)	-	-	-	-
	-	-	-	-

(Rs. In Hundred)

The changes in the carrying value of Capital Work in Progress for the year ended March 31, 2021 are as follows

Description	April 1st 2020	Addition during the year	Capitalised during the year	March 31, 2021
Plant and Machinery	14,152	-	-	14,152
Building	18,301	-	-	18,301
	32,453	-	-	32,453

2020 - 2021

Ageing Schedule of Capital Work-in-Progress (CWIP)

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Plant and Machinery	-	14,152	-	-
Building	-	18,301	-	-
Total	-	32,453	-	-

Completion Schedule for Capital Work-in-Progress

Particulars	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Plant and Machinery	14,152.00	-	-	-
Building	18,301.00	-	-	-
Total	32,453	-	-	-



Note 9

Right of use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

(Rs. In Hundred)

Description	Gross block (at cost)		Depreciation			Net Block	
	April 01, 2021	March 31, 2022	April 01, 2021	For the Year	March 31, 2022	March 31, 2021	March 31, 2021
Plant & Machinery taken on lease (Reclassified on transition to IND AS 116)	219,580	-	127,843	25,217	153,060	-	91,738
	219,580	(219,580)	127,843	25,217	153,060	-	91,738

Right of use Assets

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

(Rs. In Hundred)

Description	Gross block (at cost)		Depreciation			Net Block	
	April 01, 2020	March 31, 2021	April 01, 2020	For the Year	March 31, 2021	March 31, 2020	March 31, 2020
Plant & Machinery taken on lease (Reclassified on transition to IND AS 116)	219,580	219,580	64,267	64,512	936	127,343	155,313
	219,580	219,580	64,267	64,512	936	127,343	155,313

Reconciliation of the gross and net carrying amounts of each class of assets 2021 - 22

(Rs. In Hundred)

PARTICULARS	GROSS BLOCK	ACCUMULATED DEPRECIATION	NET AMOUNT
Plant & Machinery taken on lease (Reclassified on transition to IND AS 116)	-	-	-
TOTAL	-	-	-

Reconciliation of the gross and net carrying amounts of each class of assets 2020 - 21

(Rs. In Hundred)

PARTICULARS	GROSS BLOCK	ACCUMULATED DEPRECIATION	NET AMOUNT
Plant & Machinery taken on lease (Reclassified on transition to IND AS 116)	219,580	127,843	91,738
TOTAL	219,580	127,843	91,738



Note 10

Other Intangible assets

The changes in the carrying value of Intangible Assets for the year ended March 31, 2022 are as follows

(Rs. In Hundred)

Description	Gross block (at cost)			Amortisation			Net Block		
	April 01, 2021	Additions	Disposal	March 31, 2022	For the Year	Disposals / Adjustments	FAIR VALUE ADJ	March 31, 2022	March 31, 2021
Computer software (acquired)	38,742	-	-	38,742	703		(1,220)	2,118	4,041
Total	38,742	-	-	38,742	703		(1,220)	2,118	4,041

The Company has only one class of intangible asset (ie) Computer software. The Company has revalued its Intangible Assets during the year based on valuation by a Registered Valuer and the change due to such revaluation is greater than 10% of the carrying amount. The Change in fair value is Rs. (1220). Please also refer Note No.57 related to going concern.

(Rs. In Hundred)

The changes in the carrying value of Intangible Assets for the year ended March 31, 2021 are as follows

Description	Gross block (at cost)			Amortisation			Net Block		
	April 01, 2020	Additions	Disposal	March 31, 2021	For the Year	Disposals / Adjustments	FAIR VALUE ADJ	March 31, 2021	March 31, 2020
Computer software (acquired)	38,325	417	-	38,742	5,782	-		4,041	9,406
Total	38,325	417	-	38,742	5,782	-		4,041	9,406

Reconciliation of the gross and net carrying amounts of each class of assets 2021 - 22

(Rs. In Hundred)

Particulars	Gross Block	Accumulated Depreciation	Net Amount
Computer software (acquired)	38,742	36,624	2,118

Reconciliation of the gross and net carrying amounts of each class of assets 2020-2021

(Rs. In Hundred)

Particulars	Gross Block	Accumulated Depreciation	Net Amount
Computer software (acquired)	38,742	34,701	4,041



Danish Steel Cluster Private Limited
Notes Forming Part Of The Financial Statements

Note 11

Non-current financial assets - Others

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Unsecured and considered good Security deposit	-	-
	-	-

Note 12

Deferred tax assets

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Unutilized tax credits - Minimum Alternate Tax		
	-	-

Note 13

Tax assets

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Income tax receivable VAT receivable		
	-	-

Note 14

Other Non-current assets

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Advance for capital goods Prepayment	-	-
	-	-

Note 15

Inventories

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Raw materials (Previous year figure is net of provisions for obsolescence - Rs.21,000]	3,853	111,731
Work-in-progress	-	-
Finished goods	-	22,519
	3,853	134,250

The Company has physically verified the inventories at reasonable intervals and there are no discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.



Note 16

Current Financial Assets - Trade receivables

Particulars	As At	As At
	31 March 2022	31 March 2021
	(Rs. In Hundred)	
Receivables - Considered good	4,709	107,227
Less - Allowance for doubtful receivables including expected credit loss	-	(800)
Considered good	4,709	106,427
Receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
Credit Impaired	-	-
	4,709	106,427

Trade receivables are generally due between 30 to 90 days. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references, etc. The credit limit and credit period are reviewed regularly at periodic intervals.

Some trade receivables may be past due over the credit period but no impairment loss is recognised considering the certainty of realisation.

The receivables due from the related parties are furnished in Note No. 46

Refer Note No. 44 (b) for information about risk profile of Trade Receivables under Financial Risk Management

Financial year ending 31.03.2022

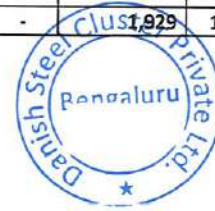
Trade Receivables ageing schedule

Particulars	(Rs. In Hundred)						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 Months-1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Considered good		577	425	-	-	3,707	4,709
(ii) Which have significant increase in credit risk and considered doubtful		-	-			-	-
(iii) Credit impaired							
Disputed Trade Receivable							
(i) Considered good							
(ii) Which have significant increase in credit risk and considered doubtful		-	-	-	-	-	-
(iii) Credit impaired		-	-	-	-	-	-
TOTAL		577	425	-	-	3,707	4,709

Previous year ending 31.03.2021

Trade Receivables ageing schedule

Particulars	(Rs. In Hundred)						
	Outstanding for following periods from						
	Not due	Less than 6 Months	6 Months- 1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Considered good		88,202	-	16,141			104,343
(ii) Which have significant increase in credit risk and considered doubtful		-	77	78	-	1,929	2,084
(iii) Credit impaired							
Disputed Trade Receivable							
(i) Considered good							
(ii) Which have significant increase in credit risk and considered doubtful		-	-	-	-	-	-
(iii) Credit impaired		-	-	-	-	-	-
TOTAL		88,202	77	16,219	-	1,929	106,427



Note 17**Cash and cash equivalents**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Balance with banks		
- Current accounts	7,644	28,579
- Deposit accounts	-	-
Cash on hand	10	51
	7,654	28,630

Note 18**Bank balances other than above**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Balances held as margin money against guarantees and forward contracts	3,000	3,000
	3,000	3,000

Note 19**Current Financial Assets - Others**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Unsecured and considered good		
Interest accrued on fixed deposits	1,301	1,099
Security Deposit	13,000	61,535
	14,301	62,634

Note 20**Current Tax Assets (Net)**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Unsecured and considered good		
Advance Tax	130,861	3,350
VAT receivable	-	12,087
Unutilized tax credits - Minimum Alternate Tax	17,989	17,989
Less:		
Provision for Tax	129,788	-
	19,063	33,427

Note 21**Other current assets**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Unsecured and considered good		
Advance to suppliers	-	16,263
Duties and taxes receivable	48,063	65,847
Prepaid expenses	-	791
	48,063	82,900



Danish Steel Cluster Private Limited
Notes Forming Part Of The Financial Statements

(Rs. In Hundred)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Note 22 Equity Share Capital				
Authorised: Equity Shares of Rs. 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed And Fully Paid Up Equity Shares of Rs. 10/- each	7,084,703	708,470	7,084,703	708,470
	7,084,703	708,470	7,084,703	708,470

22.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Reconciliation	2021-22		2020-21	
	No of Shares	Amount	No of Shares	Amount
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the year	7,084,703	708,470	7,084,703	708,470
Issued during the year	-	-	-	-
At the end of the year	7,084,703	708,470	7,084,703	708,470

The Company has only one class of equity shares having par value of Rs.10/- each.

The entire share capital is held by the Promoter and their Nominee and they are having control over the affairs of the Company as a

Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholding meeting, is entitled to vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

For the year ended 31.03.2022, the Board of Directors have not proposed any dividend (During the year ended 31.03.21, the Company did not declare any dividend).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

22.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Shareholder	No of shares held			
	As at March 31, 2022		As at March 31, 2021	
	Nos.	%	Nos.	%
Sicagen India Limited*	7,084,703	100.00%	7,084,703	100.00%

* 1091 shares are held in the name of nominee share holder

No shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the

The Company has not allocated any fully paid up equity shares by way of bonus shares, pursuant to contracts without payment received in cash nor has bought back any class of equity shares during the period of five years immediately preceding the Balance Sheet.

There are no securities convertible into equity/preference shares issued at the Balance Sheet date.

22.3 Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year				% Change during the
S. No	Promoter name	No. of Shares**	%of total shares**	
1	Sicagen India Limited*	7084703	100%	0%

** Details shall be given separately for each class of shares

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue. "



Note 23**Other equity**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Securities premium	261,632	261,632
General reserve	30,169	30,169
Retained earnings	(1,320,686)	(669,264)
	(1,028,885)	(377,463)

Nature of other equity balances**Securities Premium**

Securities Premium represents the difference between the face value of the equity shares and the consideration received in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium

General reserve

General reserve represents apportionment of profits. This represents free reserves and is available for dividend distributions. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the company and adjustment arising on account of transition to IND AS net of taxes.

Note 24**Non-current financial liabilities - Borrowings**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Secured		
Loan from holding company	-	-
Less: Current maturities of long term debt disclosed	-	-
	-	-

Note 25**Lease Liabilities**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Non-Current		
Finance Lease Obligations		
Reclassified on adoption of IND AS 116	-	29,327
Total	-	29,327



Note 26**Non-current Provisions**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Provision for employee benefits		
Compensated absences	-	-
	-	-

Note 27**Deferred tax liabilities**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Deferred tax liabilities (on Property, Plant and Equipment)	341,118	343,307
Less: Reversal of deferred tax liabilities recognised in profit or loss	(741,110)	(7,189)
	-	341,118

Note - No deferred tax assets are recognised on the carry forward losses and unabsorbed depreciation, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Note 28**Current financial liabilities - Trade payable**

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Dues to Micro, Small and Medium Enterprises *	-	-
Dues to enterprises other than Micro, Small and Medium Enterprises#	410,323	566,522
	410,323	566,522

* Dues to enterprises defined under Micro, Small and Medium Enterprises Development Act, 2006 as disclosed is on the basis of such parties having been identified by the management and relied upon by the auditors.

Refer Note No. 46 for the amounts due to the Related parties

Trade Payables ageing schedule 2021 - 22

(Rs. In Hundred)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,123.00	110.00	-	408,090.00	410,323.00
(iii) Disputed dues-MSME	-	-	-	-	-
(iii) Disputed dues-Others	-	-	-	-	-
(v). Unbilled Dues					
TOTAL	2,123.00	110.00	-	408,090.00	410,323.00



Trade Payables ageing schedule 2021 - 22

(Rs. In Hundred)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,123.00	110.00	-	408,090.00	410,323.00
(iii) Disputed dues-MSME	-	-	-	-	-
(iii) Disputed dues-Others	-	-	-	-	-
(v). Unbilled Dues	-	-	-	-	-
TOTAL	2,123.00	110.00	-	408,090.00	410,323.00

Trade Payables ageing schedule 2020 - 2021

(Rs. In Hundred)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	17,373	4,587	139,343	405,219	566,522
(iii) Disputed dues-MSME	-	-	-	-	-
(iii) Disputed dues-Others	-	-	-	-	-
(v). Unbilled Dues	-	-	-	-	-
TOTAL	17,373	4,587	139,343	405,219	566,522

Note 29

Current financial liabilities - Others

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Current maturities of long term debt	-	1,087,000
Interest accrued and due on borrowings/advances*	-	266,046
Employee related liabilities	1,363	1,734
Total	1,363	1,354,779

* Refer Note No. 43 for the amounts due to the Related parties

Note 30

Lease Liability

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Current		
Reclassified on Adoption of Ind AS 116		
Current Maturities of Lease Liabilities	-	64,763
Total	-	64,763

Note 31

Other current liabilities

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Advance from customers*	-	251
Statutory liabilities	34,158	30,767
Total	34,158	31,018

* Refer Note No. 43 for the amounts received from the Related parties

Note 32

Current Provisions

Particulars	As At 31 March 2022	As At 31 March 2021
	(Rs. In Hundred)	
Provision for employee benefits		
Others including post retirement benefits	-	908
Total	-	908



Danish Steel Cluster Private Limited
Notes Forming Part Of The Financial Statements

Note 33

Revenue From Operations

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Sale of products		
Manufactured Goods	538,004	470,647
Sale of services	-	-
Other operating revenues	28,507	7,273
	566,511	477,920

Note 34

Other Income

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Interest - Income Tax refund	379	160
Remeasurement of Security deposit receivable	2,278	5,467
Interest - Others	1,485	2,155
Profit on sale of fixed assets	-	548
Sundry Creditors Write Off	6,011	186
Sundry Debtors Write Back	649	-
Sundry Debtors Write Off	3,281	-
Slow Moving Inventory	21,000	-
TDS on Demand	5,241	-
	40,323	8,516

Note 35

Cost of Raw Materials Consumed

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Inventory at the beginning of the year	132,731	127,860
Add: Purchases	132,025	120,965
Less: Inventory at the end of the year	3,853	132,731
	260,902	116,094

Note 36

Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Inventory at the end of the year		
WIP	-	-
Finished Goods	-	22,519
	-	22,519
Inventory at the beginning of the year		
Finished Goods	22,519	34,743
WIP	-	-
	22,519	34,743
	22,519	12,225



Note 37**Employee benefit expense**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Salaries, wages and bonus	16,690	672,528
Contribution to provident fund and other employee benefits	1,248	28,822
Staff welfare expense	629	17,519
	18,567	718,869

Note 38**Finance Cost**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Interest on RCM	500	-
Unwinding of operating lease liabilities	4,189	15,294
Other borrowing cost	511	639
	5,200	15,933

Note 39**Other operating, selling and administrative expense**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Job work charges	105,740	112,520
Power & Fuel	12,669	8,912
Other sub-contract costs	3,712	5,661
Rent	10,400	-
Freight & Forwarding charges	3,073	7,107
<u>Repairs & maintenance:</u>		
Plant & Machinery	701	7,115
Building	9	-
Others	888	2,080
Rates & Taxes	21,253	11,416
Insurance	769	2,126
Office expenses	2,736	3,806
Travelling & Conveyance	3,655	1,997
Lease Charges on Plant & Machinery	213	726
Legal & Professional Fees	6,655	9,998
Audit fees including limited review fee	1,000	600
Claims and damages	-	38
Loss on Foreign Exchange Fluctuation	3,222	5,835
Loss on Sale of Raw Material	13,047	-
Loss on Foreclosure of Lease -TATA Capital	32,448	-
Sundry Debtors write off	2,317	-
TDS on Demand	-	30,412
Other expenses	9,055	13,340
	233,570	223,689



39.1 Payment to Auditor

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Statutory Audit Fee	1,000	600
Other services	135	-
Total	1,135	600

40. Exceptional items

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	(Rs. In Hundred)	
Profit / Loss on Sale of Building	(7,418)	-
Loss on Sale of Fixed Assesst	5,767	-
Loss on Sale of Land	842,036	-
Fair value on loss on restatement of assets at realisable value	30,298	-
Total	870,683	-



Note No 41: Earnings per equity share (EPS)

(Rs. In Hundred)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-22	31-Mar-21
Profit attributable to equity holders (In Rs.)	(651,422)	(714,786)
Weighted average number of equity shares	7,084,703	7,084,703
Earnings per equity share: Face Value of (Rs. 10 each)		
Basic (in Rs.)	(0.09)	(0.10)
Diluted (in Rs.)	(0.09)	(0.10)

Note No 42: Tax Expense

Particulars	31-Mar-22	31-Mar-21
Tax Expenses		
Current Tax (including earlier years)	129,788	-
Deferred tax charge / (credit) including Minimum Alternate Tax (MAT) Credit entitlement	(341,118)	218,927
Income tax expense reported in the statement of profit or loss	(211,330)	218,927

Note No 43: Employee Benefits**a) Defined Contribution plans:**

Contribution to Defined contribution plans, recognised as expense for the year are as under

Particulars	31-Mar-22	31-Mar-21
Employers' Contribution to Provident Fund	762	10,176
Employers' Contribution to ESIC	-	114

b) Defined Benefit plans:

The Company had the following Defined Benefit Plans:

- (i) Gratuity (Funded)
- (ii) Compensated absences (Unfunded)

During the year the company had only four employees out of which two employees has left as at the end of the year. The terminated employees are fully settled with their retirement benefits including gratuity and leave salary benefits and the excess liability provided has been reversed after settling the employees . Moreover the company's account is prepared as not as a going concern as mentioned in Note No.57 and hence no actuarial valuation was carried out . No actuarial valuation is made for these existing employees. But anyhow provision for gratuity and leave salary for these employees has been made in the books of accounts as per the respective Act assuming that employees will continue till the company exists.



Contribution to Gratuity Fund

(i) Change in present value of defined benefit obligation

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Present value of defined benefit obligation at the beginning of the year	-	90,317
Interest cost	-	-
Current service cost	-	-
Benefits paid	-	(90,317)
Actuarial (gain)/loss on obligation (changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions)	-	-
Present value of defined benefit obligation at the end of the year	-	-

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Present value of defined benefit obligation at the end of the year	-	-
Fair Value of plan assets as at the end of the year	-	-
Net obligation as at the end of the year	-	-

(iii) Net Gratuity cost for the year ended

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Recognised in Statement of Profit and Loss		
Services Cost	-	-
Interest Cost	-	-
Expected Return on plan assets	-	-
Total	-	-
Recognised in Other Comprehensive Income (OCI)		
Remeasurement due to changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions	-	-
Gratuity Cost In Total Comprehensive Income	-	-

(iv) For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Gratuity	
	31-Mar-22	31-Mar-21
Discount rate	-	-
Expected Rate of return	-	-
Salary escalation rate	-	-
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.



Compensated Absences

(i) Change in present value of defined benefit obligation

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Present value of defined benefit obligation at the beginning of the year	807	23,955
Interest cost	-	1,557
Current service cost	-	388
Benefits paid	(807)	(26,047)
Actuarial (gain)/loss on obligation (changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions)	-	954
Present value of defined benefit obligation at the end of the year	-	807

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Present value of defined benefit obligation at the end of the year	-	807
Fair Value of plan assets as at the end of the year	-	-
Net obligation as at the end of the year	-	807

(iii) Net Compensated Absence Cost for the year ended

Particulars	31-Mar-22	31-Mar-21
	(Rs. In Hundred)	
Recognised in Statement of Profit and Loss		
Services Cost	-	388
Interest Cost	-	1,557
Total	-	1,945
Recognised in Other Comprehensive Income (OCI)		
Remeasurement due to changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions	-	954
Compensated absence in Total Comprehensive Income	-	2,900

(iv) For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Compensated Absence	
	31-Mar-22	31-Mar-21
Discount rate	0.00%	6.50%
Salary escalation rate	0.00%	7.00%
Mortality table	Indian Assured Lives Mortality (2012-14)	

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

c) These plans typically expose the Company to actuarial risks such as: investment risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Regulatory risk

Legislative risk is the risk of increase in plan liabilities or reduction in plan assets due to change in legislation or regulation. The Government may amend the applicable legislation thus requiring the company to pay higher benefits to the employees. This will directly affect the present value of Defined benefit obligation.



Note No: 44 Financial Instruments - Fair Values and Risk Management

a) Accounting Classification and Fair Values

The following table shows the financial assets and financial liabilities by category and Management considers that carrying amounts of financial assets and financial liabilities recognised in the financial statements at fair value considering the uncertainty in going concern of the company and this value represent the best estimate of fair value:

31-Mar-22	Carrying Amount in Rs. In Hundred			Total
	FVTPL	FVTOCI	Amortised Cost	
Financial Assets				
Non-Current				
(i) Other financial assets	-	-	-	-
Current				
(i) Trade receivables	4,709	-	-	4,709
(ii) Cash and cash equivalents	7,654	-	-	7,654
(iii) Bank balance other than (ii) above	3,000	-	-	3,000
(iv) Other financial assets	14,301	-	-	14,301
Financial Liabilities				
Non-Current				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	-	-	-	-
Current				
(i) Trade payables	410,323	-	-	410,323
(ii) Other financial liabilities	1,363	-	-	1,363
(iii) Lease Liability	-	-	-	-

31-Mar-21	Carrying Amount in Rs. In Hundred			Total
	FVTPL	FVTOCI	Amortised Cost	
Financial Assets				
Non-Current				
(i) Other financial assets	-	-	-	-
Current				
(i) Trade receivables	-	-	106,427	106,427
(ii) Cash and cash equivalents	-	-	28,630	28,630
(iii) Bank balance other than (ii) above	-	-	3,000	3,000
(iv) Others	-	-	62,634	62,634
Financial Liabilities				
Non-Current				
(i) Borrowings	-	-	-	-
(ii) Lease Liability	-	-	29,327	29,327
Current				
(i) Trade payables	-	-	566,522	566,522
(ii) Other financial liabilities	-	-	1,354,779	1,354,779
(iii) Lease Liability	-	-	64,763	64,763



b) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including security deposits given for business purpose, loans to employees and other financial instruments.

Credit risk management

(a) Trade Receivables

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. In respect of trade receivables, the Company's customer profile include public sector enterprises and large private corporates. Accordingly, the Company's customer credit risk is low. However, the company recognises a provision for lifetime expected credit loss. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(b) Others

The credit risk on cash and bank balance is limited because the counterparties are banks with high credit ratings

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has decided to merge with holding company and major operations of the company has ceased and most of the outside creditors are paid off. The Company has necessary support from the parent company to repay the balance creditors. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on the undiscounted cash flows.

	31-Mar-22			Carrying Amount
	Due in 1st year	Due in 2nd Year to 5th Year	Due after 5th year	
Trade Payables (Includes Rs.407185/- to Parent Company)	410,323	-	-	410,323
Other Financial Liabilities	1,363	-	-	1,363
Borrowings	-	-	-	-
Lease Liability	-	-	-	-
	411,686	-	-	411,686

	31-Mar-21			Carrying Amount
	Due in 1st year	Due in 2nd Year to 5th Year	Due after 5th year	
Trade Payables	566,522	-	-	566,522
Other Financial Liabilities	1,354,779	-	-	1,354,779
Borrowings	-	-	-	-
Lease Liability	64,763	29,327	-	94,091
	1,986,064	29,327	-	2,015,392

(C) Market Risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.



(1) Foreign currency risk management:

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 undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company was actively managing its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures and as at the end of FY the Company has no outstanding derivative instruments. The movement in exchange rates are closely monitored by the Management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

As at 31-Mar-22	Currency	Gross Exposure	Exposure hedged	Net Exposure
Assets				
Assets	DKK	-	-	-
Liabilities	EURO	-	-	-
	EURO	-	-	-
As at 31-Mar-21				
Assets				
Assets	DKK	1,520,225	-	1,520,225
Liabilities	EURC	-	-	-
	EURC	-	-	-

(2) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107. The Company at the end of March 2022 and March 2021, does not carry any loans with variable interest.

Classification of borrowings by nature of interest rate

Particulars	As At 31 March 2022	As At 31 March 2021
Borrowings at variable interest rate		
Non-current	-	-
Current	-	-
Borrowings at fixed interest rate		
Non-current	-	-
Current	-	-

Note No. 45 Capital Management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The company has planned to merge with wholly owned parent company and all the existing assets and liabilities will be taken over by the parent company upon merger. Please also refer Note no.57 with regards to going concern uncertainty of the company. The Company manages its capital requirements by overseeing the following ratios:-

Debt Equity Ratio	Rs in Hundred)	
	31-Mar-22	31-Mar-21
Net Debt*	-	1,087,000
Total Equity	1320,415	331,007
Net Debt to Equity Ratio	-	3.28

* Net debt includes long term borrowings + short term borrowings + current maturity of long-term borrowings.



Note No. 46 Related Party Transactions

Relationship	Name of the Related Parties
Holding Company	Sicagen India Limited, Chennai
Key Management Personnel	R.Chandrasekar - Director B.Narendran - Director M.Rajamani - Director

Transactions for the Year Ended 31, March	Holding Company		(Rs. In Hundred)	
	2022	2021	KMP	
	2022	2021	2022	2021
Sales	329,030	1,885	-	-
Sales of Fixed Asset	6,801			
Purchases	-	-	-	-
Other Cost of revenue	-	-	-	-
Interest	-	-	-	-
Purchase of assets	-	-	-	-
Other expenses	5,696	606		
Remuneration (paid by holding company)	-	-	-	-
Reimbursement of Expenses	-	-	-	-
Borrowings during the year (net)	-	314,000	-	-
Trade Advance Received (net)	-	-	-	-

Closing Balances as at 31, March	Holding Company		(Rs. In Hundred)	
	2022	2021	KMP	
	2022	2021	2022	2021
Borrowings	-	1,087,000	-	-
Trade Receivables	835	-	-	-
Trade Payables including other payables	115,188	542,051	-	-
Interest Accrued but due / not due on borrowings	-	266,046	-	-
Trade Advance Received	-	-	-	-

Note - The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment



Note No. 47 Contingent Liabilities and commitments**a) Contingent Liabilities****Matters****(Rs. In Hundred)****31-Mar-22 31-Mar-21****I) Claims against Company not acknowledged as Debts:**

(i) Claims under Income Tax Act, 1961

(ii) Other Claims

Matters**II) Guarantees:**

(i) Guarantees given by Bank, counter guaranteed by the Company

III) Other Money for which the Company is contingently liable

b) Commitments**(Rs. In Hundred)****31-Mar-22 31-Mar-21**

I) Capital Commitments

II) Other Commitments

Note No. 48 Dues to Micro and Small Enterprise

Particulars	(Rs. In Hundred)	
	31-Mar-22	31-Mar-21
I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
III) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
V) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

No creditor during the year or as the end of the year have claimed themselves as MSME creditors. The above information is given to the extent available with the Company and relied upon by the auditor



Note No. 49 Information Regarding Imports (c.i.f)

Particulars

Raw Materials

Consumables

Capital Items

Total

(Rs. In Hundred)	
31-Mar-22	31-Mar-21
-	-
-	-
-	-
-	-
-	-

Note No. 50 Earnings in foreign currency

Particulars

Export of Goods - FOB value

(Rs. In Hundred)	
31-Mar-22	31-Mar-21
168,385	464,748
168,385	464,748

Note No. 51 Expenditure incurred in foreign currency

Particulars

Travelling expense

Total

(Rs. In Hundred)	
31-Mar-22	31-Mar-21
-	-
-	-

Note No. 52 Auditors Remuneration

Particulars

For Statutory Audit including limited reviews

For Tax Audit

For other Services

Total

The above amounts are net off GST

(Rs. In Hundred)	
31-Mar-22	31-Mar-21
1,000	600
-	-
125	-
1,125	600



Note No. 53 Segment Reporting

A. General Information

Factors used to identify the entity's reportable segments, including the basis of organisation for management purposes, the Company has only one reportable segment namely Manufacture of Customised Steel parts & Sheet metal components. The Chief of erating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

B. Information about products and services

The Company has generated revenue of Rs. 56650772.41 (PY Rs. 47761943.09).

C. Information about Geographical Areas

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. In presenting the geographical information, revenue in the disclosure below is based on the location of the customers and the Non-Current Assets in the disclosure below are based on the location of the respective Non-Current Assets.

The revenue from India is Rs. 3,98,12,226/- and from outside India is Rs. 1,68,38546.41/- (PY Rs. 1287144.77/- and Rs.46474798.32/- respectively) and the Non-Current Assets other than deferred tax assets from India are Rs. 24,78,600/- (PY Rs. 226817500/-) and from outside India are Rs. Nil (PY Rs. Nil)

D. Information about major customers

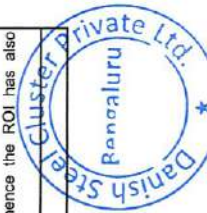
More than ten percent revenues are from one foreign customer of the Company.

54. Operating Lease

In the opinion of the Board of Directors, all current and non-current assets including non-current loans, appearing in the balance sheet as at 31 March 2022, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements.

55. Key Financial Ratios

Particulars	Unit of Measurement	Numerator	Denominator	March 31, 2022	Numerator	Denominator	March 31, 2021	Variation in %	Detailed Explanation
Current Ratio	In Times	100642.67	445843.84	0.23	451268.15	2017990.91	0.22	0%	Not very significant change
Debt-Equity Ratio	In Times	0.00	320414.87	0.00	(1087000.00)	(331007.01)	3.28	-100%	The company has huge losses during the year and the networth of the company has fully eroded and hence the equity has become negative. There are no long term or short term debts other than creditors.
Debt Service Coverage Ratio	In Times	(929194.45)	5199.97	(178.69)	(584440.32)	15932.70	(36.68)	387%	The company has huge losses during the year and the networth of the company has fully eroded and hence the equity has become negative. There are no long term or short term debts other than creditors.
Return on Equity Ratio	In %	(651421.89)	5296.07	(123.00)	(714786.31)	688877.51	(1.04)	-175.4%	The company has huge losses during the year and the networth of the company has fully eroded and hence the equity has become negative and hence the ROI has also shows a huge negative trend
Inventory turnover ratio	In Days	25203759.50	566510.96	44.49	50343088.99	477920.20	105.34	-58%	The company has ceased its operations and no further orders for the company and hence inventory is kept only for pending orders.
Trade Receivables turnover ratio	In Days	20282201.38	566510.96	35.80	94584795.13	477920.20	197.91	-82%	The Company has ceased its operations and no further sales for the company.
Trade payables turnover ratio	In Days	178274230.75	283421.12	629.01	213011321.56	128318.43	1660.02	-62%	There are no major operations in the company in the second half of the year after sale of major chunk of fixed assets and hence all the ratios shows a negative trend.
Net capital turnover ratio	In Days	(125998427.27)	566510.96	(222.41)	(571853806.52)	477920.20	(1196.55)	-81%	The company has huge losses during the year and the networth of the company has fully eroded and hence the equity has become negative. Thus the ratio shows a negative
Net profit ratio	In %	(651421.89)	566510.96	(1.15)	(714786.31)	477920.20	(1.50)	-23%	Not very significant change
Return on Capital employed	In %	(857552.04)	(320415.17)	2.68	(701042.88)	766215.28	(0.91)	-393%	The company has huge losses during the year and the networth of the company has fully eroded and hence the equity has become negative and hence the ROI has also shows a huge negative trend
Return on Investment	In %			NA			NA		



Formula adopted for above Ratios:

Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)
Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)
Net Profit Ratio = Net Profit / Net Revenue
Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

Note: 56- Subsequent Events

The company has applied for merger with the parent company in the month of April 2022 and the company has ceased to carry on its business operations. Hence this event being a significant factor for not treating the company as a going concern and accounts are prepared as not as a going concern accordingly. Please also refer note no.57

Note: 57 - Going concern

The Company has incurred huge losses in the current year as well as in the previous years. The company has incurred losses for more than three continuous years and the net worth of the Company is eroded. The total accumulated losses as at 31.03.2022 is Rs.10,28,88,496/- In view of the fact that existing operations have ceased and now new orders forthcoming inspite of best efforts made by the management, the Board of Directors have taken a decision to permanently discontinue the operations in the company from this year. The Management has applied for a merger with the parent company in the month of February 2022 after ceasing of operations and completing the existing pending export orders. The Merger application is still pending before the National Company Law Tribunal, Bangalore. Thus your directors have decided not to treat the company as a going concern and hence prepared the accounts treating the company as "not a going concern".

Note: 58-

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year. The company has applied for merger with the parent company named M/S.SICAGEN INDIA LTD before the National Company Law Tribunal, Bangalore on 25.04.2022 vide application No 2903111/00493/2022. The application for Merger is still pending before the NCLT.

Note: 59 -Advance or loan or investment to intermediaries and receipt of funds from intermediaries

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note: 60 -Undisclosed Income

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

Note: 61 -Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence, disclosures relating to it are not applicable.

Note: 62 -Relationship with Struck off Companies

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.



Note: 63 - Borrowings from banks and Utilisation

The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. The Company did not have any general or specific borrowings from banks or financial institutions and hence disclosure regarding the utilisation is not applicable.

Note: 64 - Proceedings under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note: 65 - Compliance with number of layers of companies

The Company is a subsidiary of parent company named SICAGEN INDIA LTD, Chennai . The Company is a first layer subsidiary and the company has not invested in any other company and it has no further associate or subsidiary companies. Thus the company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the year under consideration.

SI.NO	Name of holding company	CIN of holding company	Percentage of shares held by holding company
Layer -1	Sicagen India Limited	L74900TN2004PLC053467	100%

Note: 66 - Compliance with respect to Charge on assets

The company did not have any secured loan at the beginning of the year, during the year or at the end of the year . Hence Creation, Registration, Modification and Satisfaction of charges is not applicable to the company during the year under review.

Note: 67 - Disclosure regarding Corporate Social Responsibility

The company will not fall under the criteria of provisions of CSR as per section 135(1) and accordingly the sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company.

Note 68 - Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

