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, 2021, 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, 2021, 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 provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Material uncertainty related to Going Concern:

"We draw attention to Note No. 54 of the Notes to financial statements which deals with losses incurred in the current year and of those brought down from the previous years. The Note says though the losses are incurred for more than three years the net worth of the company is not eroded. This detailed note explains the reasons for which the company is treated as going concern.

We also draw your attention to the Note No 52 of the Notes to financial statements which explains the uncertainties and the management's assessment of the financial impact on the financial statement of the Company due to lock-downs and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation which might impact the operations of the Company, for which a definitive assessment in the subsequent period is highly dependent upon the circumstances as they evolve.

These events and conditions, along with other matters as set forth in the said notes to accounts indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern".

Emphasis of Matter:

We also draw attention to Note no. 15 of the Notes to financial statements which deal with stock valuation.

Our Report is not modified in respect of this matter.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is 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 view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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:

i. the Company does not have any pending litigations which would impact its financial position;
ii. the Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and
iii. there were no amounts required to be transferred to the Investor Education and Protection Fund 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

Place: CHENNAI
Date:

For N.SIVAPRASAD ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 03885 S

(J.VIGNESH)
PARTNER
M. No. 245317.

Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the **Danish Steel Cluster Private Limited** on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management at periodic intervals, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to me and on the basis of examination of the records of the company, title deeds of immovable properties are held in the name of the Company.

(ii) 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. We are informed that the discrepancies noticed on such verification as compared to book records were not material. However, the discrepancies noticed on such verification have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanation given to us, 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) 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, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of Income-Tax, Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities. There are no undisputed amounts payable in respect of Income-Tax, Goods and Service Tax or any other statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable . But during the year in December 2020, the TDS authorities have raised a TDS demand of Rs.30,41,180/- (Rs.2064370/- pertaining to FY 2007-08 , Rs.76,650/- pertaining to FY 2010-11 , Rs.532450/- pertaining to FY 2011-12 , Rs.367570/- pertaining to FY 2012-13 and Rs.140/- pertaining to FY 2019-2020) which is unpaid as at the end of the year.

(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, the company has not borrowed any loan from any financial institution or bank or Government or debenture holders. Hence paragraph 3(viii) of the Order is not applicable.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on the examination of the records of the Company, no managerial remuneration is paid/ provided by the Company under section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on the examination of the records of the Company, we report that transactions with the related parties are in compliance with section 177 and 188 of the Act, where ever applicable. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards and disclosures specified under the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Thus, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the Paragraph 3(xv) of the Order is not applicable.

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

Place: CHENNAI
Date:

For N.SIVAPRASAD ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 03885 S

(J.VIGNESH)
PARTNER
M. No. 245317.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2021

1. Company Overview

Danish Steel Cluster Private Limited ("the Company") was incorporated on January 16, 2004 and is primarily engaged in manufacture of Customised Steel parts & Sheet metal components. The Company is domiciled in India and its registered office is situated at No. 46 KIADB Industrial Area, Bommsandra-Jigani Link Road, Jigani, Bangalore- 562 106. As on March 31, 2021, 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 2021 were authorized and approved for issue by the Board of Directors on XXXX, 2021.

3. Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised 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;

- 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 realisation in cash and cash equivalents. Based on the nature of products manufactured and the time between acquisition of assets for processing and their realisation 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.

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 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.

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. This reassessment may result in change in depreciation expense in future periods.

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. 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.

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.

Estimation uncertainty relating to COVID-19 outbreak - The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements

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 recognises 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 summarised 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 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 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. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

(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.

(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 derecognised.

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.

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 recognised 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 derecognises 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 derecognises 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.

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 amortised 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 recognised in statement of profit and loss.

V. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

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.

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 recognises 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 recognised 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 recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised 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 recognised 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.

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 recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised 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 recognised immediately in profit or loss.

7.6 Inventory

Inventories are stated at lower of cost and net realisable value.

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.

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 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 recognises 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 recognised in standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 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 recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Compensated Absences:

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability using the projected unit credit method at the year-end.

Short-term and other long-term employee benefits:

A liability is recognised 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 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.

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

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

Danish Steel Cluster Private Limited
Balance Sheet

	Particulars	Note	As At 31 March 2021	As At 31 March 2020
			(Amount in Rs.)	
I.	**ASSETS**			
1	**Non-current assets**			
(a)	Property, Plant and Equipments	8A	213,994,326	219,293,676
(b)	Capital work-in-progress	8B	3,245,293	3,245,293
(c)	Right-of-use assets	9	9,173,754	15,531,294
(d)	Other Intangible Assets	10	404,117	940,571
(e)	Financial Assets			
	(i) Other financial assets	11	6,153,512	5,806,787
(f)	Deferred tax assets (net)	12	1,798,948	1,798,948
(g)	Tax Assets	13	1,543,769	1,975,332
(h)	Other Non Current Assets	14	-	-
	Total non-current assets		**236,313,719**	**248,591,901**
2	**Current assets**			
(a)	Inventories	15	13,424,966	14,160,288
(b)	Financial Assets			
	(i) Trade receivables	16	10,642,685	41,184,600
	(ii) Cash and cash equivalents	17	2,863,023	16,080,312
	(iii) Bank balance other than (ii) above	18	300,000	300,000
	(iv) Other financial assets	19	109,889	93,998
(c)	Other Current Assets	20	8,290,023	3,499,666
	Total current assets		**35,630,586**	**75,318,864**
	TOTAL ASSETS		**271,944,305**	**323,910,765**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
(a)	Equity Share Capital	21	70,847,030	70,847,030
(b)	Other Equity	22	(37,746,329)	33,827,751
	Total equity		**33,100,701**	**104,674,781**
	LIABILITIES			
1	**Non-current liabilities**			
(a)	Financial Liabilities			
	(i) Borrowings	23	-	-
	(ii) Lease Liability	24	2,932,737	9,316,844
(b)	Provisions	25	-	2,084,565
(c)	Deferred tax liabilities (net)	26	34,111,776	34,330,703
	Total non-current liabilities		**37,044,513**	**45,732,112**
2	**Current liabilities**			
(a)	Financial Liabilities			
	(i) Trade payables	27	56,652,195	60,066,337
	(ii) Other financial liabilities	28	135,477,932	105,994,655
	(iii) Lease Liability	24	6,476,314	5,704,685
(b)	Other Current Liabilities	29	3,101,826	25,130
(c)	Provisions	30	90,824	1,713,065
	Total current liabilities		**201,799,091**	**173,503,872**
	Total Liabilities		**238,843,604**	**219,235,984**
	TOTAL EQUITY AND LIABILITIES		**271,944,305**	**323,910,765**
			-	**-**
	See accompanying notes forming part of the financial statements	1-55		

In terms of my report attached
FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants
FRN 03885S

J VIGNESH
Partner
Membership no : 245317

Place: Chennai
Date:24th May 2021

For and on behalf of the Board of Directors

R. Chandrasekar
Director
DIN: 06374821

B.Narendran
Director
DIN: 01159394

M.Rajamani
Director
DIN: 00195006

Danish Steel Cluster Private Limited
Statement of Profit and Loss

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Amount in Rs)	
I Revenue from Operations	31	47,792,020	209,727,504
II Other Income	32	851,610	2,847,983
III Total Revenue (I + II)		**48,643,630**	**212,575,487**
IV Expenses			
Cost of materials consumed	33	11,609,393	99,253,838
Changes in inventories of finished goods, stock in trade and work-in-progress	34	1,222,451	7,908,943
Employee benefits expense	35	71,886,921	61,376,294
Finance Cost	36	1,593,270	10,434,878
Depreciation and amortization expense	8A, 9 & 10	11,660,256	12,240,772
Other operating, selling and administrative expense	37	22,368,898	43,958,217
Total expenses (IV)		**120,341,188**	**235,172,942**
V Profit/ (Loss) before tax (III-IV)		**(71,697,558)**	**(22,597,455)**
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(218,927)	167,486
(3) Income Tax Earlier Years		**-**	**418,303**
VII (Loss) for the year (V - VI)		**(71,478,631)**	**(23,183,244)**
VIII Other Comprehensive Income			
A (i) Item that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans		(95,449)	(401,196)
(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)		-	-
IX Total Comprehensive Income for the year (VII+VIII)		**(71,574,080)**	**(23,584,440)**
X (Loss) Per Equity Share in Rs (Nominal value per share ₹ 10)	37		
(1) Basic		(10.09)	(3.27)
(2) Diluted		(10.09)	(3.27)
See accompanying notes forming part of the financial statements	1-55		

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FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants
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J VIGNESH
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Place: Chennai
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Danish Steel Cluster Private Limited
Statement of Changes in Equity for the year ended 31st March 2021

Amount in Rs.

Particulars	Equity Share Capital	Other Equity				Total Equity attributable to equity holders of the Company
		Reserves and Surplus			Other Comprehensive Income	
		Securities premium	General Reserve	Retained earnings	Effective portion of cash flow hedges	
Balance at April 1, 2019	**70,847,030**	**26,163,170**	**3,016,920**	**28,232,098**	**-**	**128,259,218**
(Loss) for the year	-	-	-	(23,183,244)	-	(23,183,244)
Other comprehensive income for the year, net of income tax	-	-	-	(401,196)	-	(401,196)
Balance at March 31, 2020	**70,847,030**	**26,163,170**	**3,016,920**	**4,647,658**	**-**	**104,674,778**
(Loss) for the year	-	-	-	(71,478,631)	-	(71,478,631)
Other comprehensive income for the year, net of income tax	-	-	-	(95,449)	-	(95,449)
Balance at March 31, 2021	**70,847,030**	**26,163,170**	**3,016,920**	**- 66,926,422**	**-**	**33,100,698**
See accompanying notes forming part of the financial statements	1-55					

In terms of my report attached

FOR N SIVA PRASAD ASSOCIATES
Chartered Accountants
FRN 03885S

J VIGNESH
Partner
Membership no : 245317

Place: Chennai
Date:24th May 2021

For and on behalf of the Board of Directors

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Director
DIN: 06374821

B.Narendran
Director
DIN: 01159394

M.Rajamani
Director
DIN: 00195006

Danish Steel Cluster Private Limited
Statement of Cash flows

Amount in Rs.

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	₹		₹	
A. Cash flow from operating activities				
Net profit / (loss) before tax		(71,697,558)		(22,597,455)
Adjustments for :				
Depreciation	11,660,256		12,240,772	
Loss/(Gain) on sale of assets	(54,796)		-	
Allowance for doubtful receivables (expected credit loss alowance)	-		40,000	
Interest Income	(231,500)		(791,863)	
Finance cost	1,593,270		10,434,878	
		12,967,230		21,923,787
Operating profit before working capital changes		(58,730,328)		(673,668)
Working capital adjustments				
(Increase)/decrease in Inventories	735,322		30,849,026	
(Increase)/decrease in Trade Receivables	30,541,915		21,161,764	
(Increase)/decrease in Other Financial Assets	(362,616)		(721,327)	
(Increase)/decrease in Other Non-financial Assets	(4,790,357)		1,279,386	
Increase/(decrease) in Other Financial Liabilities	(1,916,723)		4,970,817	
Increase/(decrease) in Trade Payables	(3,414,142)		(36,142,702)	
Increase/(decrease) in Other Non-financial Liabilities	34,476,696		(11,043,767)	
Increase/(decrease) in Provisions	(3,802,255)		29,576	
		51,467,840		10,382,773
Cash (used in)/generated from operations		(7,262,488)		9,709,105
Net Direct taxes (paid) / Refund		447,544		474,925
Net cash flow (used in) operating activities		**(6,814,944)**		**10,184,030**
B. Cash flow from investing activities				
Purchase of fixed assets		(41,700)		(3,177,515)
Sale of fixed assets		723,214		-
Movement in fixed deposits		-		-
Interest received		215,519		693,421
Net cash flow (used in) investing activities		**897,033**		**(2,484,094)**
C. Cash flow from financing activities				
Repayment of long-term borrowings		-		-
Payment of lease liabilities		(5,706,108)		(5,068,539)
Finance cost		(1,593,270)		(10,434,878)
Net cash flow (used in) financing activities		**(7,299,378)**		**(15,503,417)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(13,217,289)**		**(7,803,481)**
Cash and cash equivalents as at the beginning of the year		16,080,312		23,883,793
Cash and cash equivalents as at the end of the year - As per Balance Sheet - Note 16		**2,863,023**		**16,080,312**
See accompanying notes forming part of the financial statements	1-55	-		-
		-		-

In terms of my report attached
FOR N SIVA PRASAD ASSOCIATES
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FRN 03885S

J VIGNESH
Partner
Membership no : 245317

Place: Chennai
Date:24th May 2021

For and on behalf of the Board of Directors

R. Chandrasekar
Director
DIN: 06374821

B.Narendran
Director
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M.Rajamani
Director
DIN: 00195006

Note 8A

Property, Plant and Equipments

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

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, 2021	March 31, 2020
Freehold land	170,000,000	-	-	170,000,000	-	-	-	-	170,000,000	170,000,000
Factory Building	34,354,810	-	-	34,354,810	5,374,409	1,507,184	-	6,881,593	27,473,217	28,980,401
Office Building	5,625,136	-	-	5,625,136	444,747	111,112	-	555,859	5,069,277	5,180,389
Plant and Equipment	13,579,117	-	-	13,579,117	4,755,732	1,215,472	-	5,971,204	7,607,913	8,823,385
Tools & Accessories	6,836,730	-	-	6,836,730	2,605,028	1,099,835	-	3,704,863	3,131,867	4,231,702
Computer & Accessories	1,342,370	-	405,024	937,346	1,265,705	65,037	405,024	925,717	11,628	76,665
Office Equipment	1,939,672	-	26,603	1,913,069	1,183,321	309,130	14,657	1,477,794	435,275	756,351
Furniture and Fixtures	1,009,450	-	-	1,009,450	625,820	118,481	-	744,301	265,149	383,630
Vehicles	1,772,725	-	1,772,725	-	911,572	204,679	1,116,251	-	-	861,153
Total	**236,460,010**	**-**	**2,204,352**	**234,255,658**	**17,166,334**	**4,630,931**	**1,535,933**	**20,261,332**	**213,994,326**	**219,293,676**

Amount in Rs.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 are as follows:

Description	Gross block (at cost)				Depreciation				Net Block	
	April 01, 2019	Additions	Disposal	March 31, 2020	April 01, 2019	For the Year	Disposal / Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Freehold land	170,000,000	-	-	170,000,000	-	-	-	-	170,000,000	170,000,000
Factory Building	34,354,810	-	-	34,354,810	3,863,096	1,511,313	-	5,374,409	28,980,401	27,815,025
Office Building	5,625,136	-	-	5,625,136	333,330	111,417	-	444,747	5,180,389	5,402,918
Plant and Equipment	12,639,440	939,677	-	13,579,117	3,302,624	1,453,108	-	4,755,732	8,823,385	31,378,003
Tools & Accessories	6,836,730	-	-	6,836,730	1,502,180	1,102,848	-	2,605,028	4,231,702	5,994,792
Computer & Accessories	1,342,370	-	-	1,342,370	1,106,847	158,858	-	1,265,705	76,665	408,594
Office Equipment	1,939,672	-	-	1,939,672	831,462	351,859	-	1,183,321	756,351	1,245,097
Furniture and Fixtures	1,009,450	-	-	1,009,450	487,034	138,786	-	625,820	383,630	642,682
Vehicles	1,772,725	-	-	1,772,725	683,180	228,392	-	911,572	861,153	1,317,313
Total	**235,520,333**	**939,677**	**-**	**236,460,010**	**12,109,753**	**5,056,581**	**-**	**17,166,334**	**219,293,676**	**244,204,424**

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

Note 8B

Capital work in progress

The changes in the carrying value of Capital Work in Progress for the year ended March 31, 2021 are as follows **(Amount in Rs.)**

Description	April 1st 2020	Addition during the year	Capitalised during the year	March 31, 2021
Plant and Machinery	1,415,150	-	-	1,415,150
Building	1,830,143	-	-	1,830,143
	3,245,293	**-**	**-**	**3,245,293**

The changes in the carrying value of Capital Work in Progress for the year ended March 31, 2020 are as follows

Description	April 1st 2019	Addition during the year	Capitalised during the year	March 31, 2020
Generator	956,024	-	956,024	-
Plant and Machinery	-	1,415,150	-	1,415,150
Building	701,431	1,128,712	-	1,830,143
	1,657,455	**2,543,862**	**956,024**	**3,245,293**

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, 2021

Amount in Rs

Description	Gross block (at cost)			Depreciation				Net Block	
	April 01, 2020	Additions / (Disposals)	March 31, 2021	April 01, 2020	For the Year	Disposal / Adjustments	March 31, 2021	March 31, 2021	March 31, 2020
Plant & Machinery taken on lease (Reclassified on transition to IND AS 116)	21,958,038	-	21,958,038	6,426,744	6,451,171	93,631	12,784,284	9,173,754	15,531,294
	21,958,038	**-**	**21,958,038**	**6,426,744**	**6,451,171**	**93,631**	**12,784,284**	**9,173,754**	**15,531,294**

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

Note 10

Other Intangible assets

Amount in Rs

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	April 01, 2020	For the Year	Disposal / Adjustments	March 31, 2021	March 31, 2021	March 31, 2020
Computer software (acquired)	3,832,533	41,700	-	3,874,233	2,891,962	578,154	-	3,470,116	404,117	940,571
Total	**3,832,533**	**41,700**	**-**	**3,874,233**	**2,891,962**	**578,154**	**-**	**3,470,116**	**404,117**	**940,571**

The changes in the carrying value of Intangible Assets for the year ended March 31, 2020 are as follows

Description	Gross block (at cost)				Amortisation				Net Block	
	April 01, 2019	Additions	Disposal	March 31, 2020	April 01, 2019	For the Year	Disposal / Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Computer software (acquired)	3,182,533	650,000	-	3,832,533	2,134,515	757,447	-	2,891,962	940,571	1,048,018
Total	**3,182,533**	**650,000**	**-**	**3,832,533**	**2,134,515**	**757,447**	**-**	**2,891,962**	**940,571**	**1,048,018**

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

Note 11
Non-current financial assets - Others

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Unsecured and considered good		
Security deposit	6,153,512	5,806,787
	6,153,512	**5,806,787**

Note 12
Deferred tax assets

Particulars	As At 31 March 2021	As At 31 March 2020
Unutilized tax credits - Minimum Alternate Tax	1,798,948	1,798,948
	1,798,948	**1,798,948**

Note 13
Tax assets

Particulars	As At 31 March 2021	As At 31 March 2020
Income tax receivable (net of provisions)	335,043	766,606
VAT receivable	1,208,726	1,208,726
	1,543,769	**1,975,332**

Note 14
Other Non-current assets

Particulars	As At 31 March 2021	As At 31 March 2020
Advance for capital goods	-	-
Prepayment	-	-
	-	**-**

Note 15

Inventories

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Raw materials [Net of provisions for obsolescence - Rs. 21,00,000 (PY 2020 - Rs. 21,00,000]	11,173,080	10,685,951
Work-in-progress	-	-
Finished goods	2,251,886	3,474,337
	13,424,966	**14,160,288**

Due to COVID-19 related lock-down restrictions , the management was not able to provide valuation report of NRV of the existing stocks lying as at the year end. Any how the management based on their market enquiries , has stated that all the existing stocks will be sold at a price higher than cost with a margin and NRV are nevertheless below the cost price . This representation of the management has been relied upon and stock has been valued accordingly at cost.

Note 16

Current Financial Assets - Trade receivables (Unsecured)

Particulars	As At 31 March 2021	As At 31 March 2020
Receivables - Considered good	10,722,685	41,264,600
Less - Allowance for doubtful receivables including expected credit loss	(80,000)	(80,000)
Considered good	10,642,685	41,184,600
Receivables - Credit impaired	-	-
Less: Allowance for doubtful receivables	-	-
Credit Impaired	-	-
	10,642,685	**41,184,600**

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.

Note 17

Cash and cash equivalents

Particulars	As At 31 March 2021	As At 31 March 2020
Balance with banks		
- Current accounts	2,857,930	11,566,846
- Deposit accounts	-	4,500,000
Cash on hand	5,093	13,466
	2,863,023	**16,080,312**

Note 18
Bank balances other than above

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Balances held as margin money against guarantees and forward contracts	300,000	300,000
	300,000	**300,000**

Note 19
Current Financial Assets - Others

Particulars	As At 31 March 2021	As At 31 March 2020
Unsecured and considered good		
Interest accrued on fixed deposits	109,889	93,998
Other advances	-	-
	109,889	**93,998**

Note 20
Other current assets

Particulars	As At 31 March 2021	As At 31 March 2020
Unsecured and considered good		
Advance to suppliers	1,626,271	2,843,088
Duties and taxes receivable	6,584,687	164,160
Prepaid expenses	79,065	492,418
Prepayment	-	-
	8,290,023	**3,499,666**

Note 22
Other equity

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Securities premium	26,163,170	26,163,170
General reserve	3,016,920	3,016,920
Retained earnings	(66,926,419)	4,647,661
	(37,746,329)	**33,827,751**

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 23
Non-current financial liabilities - Borrowings

Particulars	As At 31 March 2021	As At 31 March 2020
Secured		
Loan from holding company (Refer note below)	108,700,000	77,300,000
Less: Current maturities of long term debt disclosed under	(108,700,000)	(77,300,000)
	-	-

Note 24
Lease Liabilities

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Non-Current		
Finance Lease Obligations		
Reclassified on adoption of IND AS 116	2,932,737	9,316,844
Total	**2,932,737**	**9,316,844**
Current		
Reclassified on Adoption of Ind AS 116		
Current Maturities of Lease Liabilities	6,476,314	5,704,685
Total	**6,476,314**	**5,704,685**

Note 25
Non-current Provisions

Particulars	As At 31 March 2021	As At 31 March 2020
Provision for employee benefits		
Compensated absences	-	2,084,565
	-	**2,084,565**

Note 26
Deferred tax liabilities

Particulars	As At 31 March 2021	As At 31 March 2020
Deferred tax liabilities (on Property, Plant and Equipment)	34,330,703	34,163,217
Less: Reversal of deferred tax liabilities recognised in profit or loss	(218,927)	167,486
	34,111,776	**34,330,703**

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.

The deferred tax on disallowances made under section 43B of the Income Tax Act , 1961 are not provided during the year on an assumption that the statutory liabilities oustanding as at 31.03.2021 will be paid by the company on or before due date of filing income tax return.

Note 27

Current financial liabilities - Trade payable

(Amount in Rs)

Particulars	As At 31 March 2021	As At 31 March 2020
Dues to Micro, Small and Medium Enterprises *	-	-
Dues to enterprises other than Micro, Small and Medium Enterprises#	56,652,195	60,066,337
	56,652,195	**60,066,337**

* 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. 43 for the amounts due to the Related parties

Note 28

Current financial liabilities - Others

Particulars	As At 31 March 2021	As At 31 March 2020
Current maturities of long term debt	108,700,000	77,300,000.00
Interest accrued and due on borrowings/advances*	26,604,563	26,604,563
Employee related liabilities	173,369	2,090,092
Others	-	-
	135,477,932	**105,994,655**

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

Note 29

Other current liabilities

Particulars	As At 31 March 2021	As At 31 March 2020
Advance from customers*	25,130	25,130
Statutory liabilities	3,076,696	-
Deferred revenue	-	-
	3,101,826	**25,130**

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

Note 30

Current Provisions

Particulars	As At 31 March 2021	As At 31 March 2020
Provision for employee benefits		
Compensated absences	-	310,892
Others including post retirement benefits	90,824	1,402,173
	90,824	**1,713,065**

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

Note 31
Revenue From Operations

(Amount in Rs)

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Sale of products		
Manufactured Goods	47,064,742	204,795,973
Sale of services	-	1,407,728
Other operating revenues	727,278	3,523,803
	47,792,020	**209,727,504**

Note 32
Other Income

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Interest - Income Tax refund	15,981	98,442
Remeasurement of Security deposit receivable	546,725	559,125
Interest - Others	215,519	693,421
Profit on sale of fixed assets	54,796	-
Sundry Creditors Write Off	18,589	1,496,995
	851,610	**2,847,983**

Note 33
Cost of Raw Materials Consumed

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Inventory at the beginning of the year	12,785,953	35,726,034
Add: Purchases	12,096,520	76,313,755
Less: Inventory at the end of the year	13,273,080	12,785,951
	11,609,393	**99,253,838**

Note 34
Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Inventory at the end of the year		
WIP	-	-
Finished Goods	2,251,886	3,474,337
	2,251,886	**3,474,337**
Inventory at the beginning of the year		
Finished Goods	3,474,337	11,383,280
WIP	-	-
	3,474,337	**11,383,280**
	1,222,451	**7,908,943**

Note 35
Employee benefit expense

(Amount in Rs)

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Salaries, wages and bonus	67,252,813	48,363,008
Contribution to provident fund and other employee benefits	2,882,241	4,763,817
Staff welfare expense	1,751,867	8,249,469
	71,886,921	**61,376,294**

Note - Salaries and wages include termination costs of Rs. 5.16 crores paid to employees in the form of compensation for lay off.

Note 36
Finance Cost

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Interest on long-term borrowing	-	6,988,767
Unwinding of operating lease liabilities	1,529,368	2,188,341
Interest to MSME creditors	-	1,108,665
Other borrowing cost	63,902	149,105
	1,593,270	**10,434,878**

Note 37
Other operating, selling and administrative expense

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Job work charges	11,252,038	17,121,476
Power & Fuel	891,163	6,160,656
Other sub-contract costs	566,139	7,504,595
Rent	-	-
Freight & Forwarding charges	710,710	3,175,048
Repairs & maintenance:		
Plant & Machinery	711,536	1,792,573
Building	-	702,130
Others	208,041	177,391
Rates & Taxes	1,141,551	1,316,791
Insurance	212,560	145,948
Office expenses	380,599	525,344
Travelling & Conveyance	199,665	1,132,256
Lease Charges on Plant & Machinary	72,601	51,199
Legal & Professional Fees	999,800	1,521,409
Audit fees including limited review fee	60,000	350,000
Claims and damages	3,795	84,748
Loss on Foreign Exchange Fluctuation	583,542	40,389
Loss on impairment of financial assets	-	40,000
Sundry Debtors write off	-	230,020
Bad Debts	-	917
TDS on Demand	3,041,180	
Other expenses	1,333,978	1,885,327
	22,368,898	**43,958,217**

Description	Terms of repayment & Nature of Security	Rate of interest	As At 31 March 2021	As At 31 March 2020
			Amount in Rs	
Loans from holding company	**Repayment structure** The Company is at liberty to repay part/full loan amount within expiry of 3 year period. The lender may, at its discretion, extend the time for repayment to the borrower beyond 3 years, at the request of the borrower. **Security** Secured against the original title deeds of the immovable properties of the Company.	12% p.a	108,700,000	65,000,000

Note : During the year considering the COVID-19 situations the holding company has waived the interest on loan for the year ended 31.03.2021 and hence no provision for interest is made in the books of accounts

Danish Steel Cluster Private Limited

Notes Forming Part Of The Financial Statements

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	In Rs	No of shares	In Rs
Note 21 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	70,847,030	7,084,703	70,847,030
	7,084,703	**70,847,030**	**7,084,703**	**70,847,030**

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

Reconciliation	2020-21		2019-20	
	No of Shares	In Rs	No of Shares	In Rs
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the year	7,084,703	70,847,030	7,084,703	70,847,030
Issued during the year	-	-	-	-
At the end of the year	**7,084,703**	**70,847,030**	**7,084,703**	**70,847,030**

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

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 31.03.2021, the Board of Directors have not proposed any dividend (During the year ended 31.03.20, 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.

21.2 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, 2021		As at March 31, 2020	
	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 Balance Sheet date.

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.

Note No 38: Earnings per equity share (EPS)

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

Particulars	31-Mar-21	31-Mar-20
Profit attributable to equity holders (In Rs.)	(71,478,631)	(23,183,244)
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.)	(10.09)	(3.27)
Diluted (in Rs.)	(10.09)	(3.27)

Note No 39: Tax Expense

Particulars	31-Mar-21	31-Mar-20
Tax Expenses		
Current Tax (including earlier years)	-	-
Deferred tax charge / (credit) including Minimum Alternate Tax (MAT) Credit	218,927	(1,261,053)
Income tax expense reported in the statement of profit or loss	218,927	(1,261,053)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 26% (25.75%) and the reported tax expense in the statement of profit or loss are as follows:

Reconciliation of tax expense and the accounting profit multiplied by		
Accounting profit before tax	(71,697,558)	(22,597,455)
Accounting profit before income tax	(71,697,558)	(22,597,455)
At statutory income tax rate of 26%	(18,641,365)	(5,875,338)
Tax effect of amounts which are not deductible (taxable) in calculating		
Non - Deductible Expenses	1,188,342	857,222
Unrecognized deferred tax credit on others	289,297	265,654
Tax impact of unrecognised deferred tax on unabsorbed losses	17,163,726	4,752,463
Movement in deferred tax recognised on fair value of PPE	(218,927)	167,486
Other Adjustments - Recognition of MAT credit of earlier years	-	418,303
Income tax expense	**(218,927)**	**585,789**

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of income tax assets is based on estimates of taxable income and the period over which income tax assets will be recovered. The Management has not recognised deferred tax asset on the carried forward losses.

Note No: 40 Employee Benefits

a) Defined Contribution plans:

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

Particulars	31-Mar-21	31-Mar-20
	in Rs.	
Employers' Contribution to Provident Fund	1,017,593	2,655,233
Employers' Contribution to ESIC	11,425	175,920

b) Defined Benefit plans:

The Company has the following Defined Benefit Plans:

(i) Gratuity (Funded)

(ii) Compensated absences (Unfunded)

Contribution to Gratuity Fund

(i) Change in present value of defined benefit obligation

Particulars	31-Mar-21	31-Mar-20
	in Rs.	
Present value of defined benefit obligation at the beginning of the year	9,031,676	7,310,473
Interest cost	-	475,181
Current service cost	-	974,719
Benefits paid	(9,031,676)	(170,006)
Actuarial (gain)/loss on obligation (changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions)	-	441,309
Present value of defined benefit obligation at the end of the year	**-**	**9,031,676**

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-21	31-Mar-20
	in Rs.	
Present value of defined benefit obligation at the end of the year	-	9,031,676
Fair Value of plan assets as at the end of the year	-	7,629,503
Net obligation as at the end of the year	**-**	**1,402,173**

(iii) Net Gratuity cost for the year ended

Particulars	31-Mar-21	31-Mar-20
	in Rs.	
Recognised in Statement of Profit and Loss		
Services Cost	-	974,719
Interest Cost	-	475,181
Expected Return on plan assets	-	(402,478)
Total	**-**	**1,047,422**
Recognised in Other Comprehensive Income (OCI)		
Remeasurement due to changes in the present value resulting from experience	-	427,339
Gratuity Cost in Total Comprehensive Income	**-**	**1,474,761**

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

Particulars	Gratuity	
	31-Mar-21	31-Mar-20
Discount rate	-	6.50%
Expected Rate of return	-	6.50%
Salary escalation rate	-	7.00%
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.

During the year the company has terminated major employees in Oct - 2020 as a measure of cost cutting and the no of employees as at 31.03.2021 is only 4 . No acturial valuation is made for these existing employees. But anyhow provision for gratuity for these employees has been made in the books of accounts as per Gratuity Act,1972.The terminated employees are fully settled with their retirement benefits including gratuity and the liability provided till the date of termination has been reversed after fully settling the employees.

Compensated Absences

(i) Change in present value of defined benefit obligation

Particulars	31-Mar-21 in Rs.	31-Mar-20 in Rs.
Present value of defined benefit obligation at the beginning of the year	2,395,457	2,248,356
Interest cost	155,705	146,143
Current service cost	38,816	378,128
Benefits paid	(2,604,685)	(520,955)
Actuarial (gain)/loss on obligation (changes in the present value resulting from	95,449	143,785
Present value of defined benefit obligation at the end of the year	**80,742**	**2,395,457**

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-21 in Rs.	31-Mar-20 in Rs.
Present value of defined benefit obligation at the end of the year	80,742	2,395,457
Fair Value of plan assets as at the end of the year	-	-
Net obligation as at the end of the year	**80,742**	**2,395,457**

(iii) Net Compensated Absence Cost for the year ended

Particulars	31-Mar-21 in Rs.	31-Mar-20 in Rs.
Recognised in Statement of Profit and Loss		
Services Cost	38,816	378,128
Interest Cost	155,705	146,143
Total	**194,521**	**524,271**
Recognised in Other Comprehensive Income (OCI)		
Remeasurement due to changes in the present value resulting from experience	95,449	143,785
Compensated absence in Total Comprehensive Income	**289,970**	**668,056**

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

Particulars	Compensated Absence	
	31-Mar-20	31-Mar-19
Discount rate	6.50%	6.50%
Salary escalation rate	7.00%	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 legistation 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: 41 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 amortised cost represent the best estimate of fair value:

31-Mar-21	**Carrying Amount in Rs.**		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets			
Non-Current			
(i) Other financial assets	-	-	6,153,512
Current			
(i) Trade receivables	-	-	10,642,685
(ii) Cash and cash equivalents	-	-	2,863,023
(iii) Bank balance other than (ii) above	-	-	300,000
(iv) Other financial assets	-	-	109,889
Financial Liabilities			
Non-Current			
(i) Borrowings	-	-	-
(ii) Lease Liability			2,932,737
Current			
(i) Trade payables	-	-	56,652,195
(ii) Other financial liabilities	-	-	135,477,932
(iii) Lease Liability	-	-	6,476,314

31-Mar-20	**Carrying Amount in Rs.**		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets			
Non-Current			
(i) Other financial assets	-	-	5,806,787
Current			
(i) Trade receivables	-	-	41,184,600
(ii) Cash and cash equivalents	-	-	16,080,312
(iii) Bank balance other than (ii) above	-	-	300,000
(iv) Others	-	-	93,998
Financial Liabilities			
Non-Current			
(i) Borrowings	-	-	-
(ii) Lease Liability	-	-	9,316,844
Current			
(i) Trade payables	-	-	60,066,337
(ii) Other financial liabilities	-	-	105,994,655
(iii) Lease Liability	-	-	5,704,685

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.

Impact of COVID -19

Trade receivable of Rs.1,06,42,685/- as at 31.03.2021 forms a significant part of the financial assets carried at ammortized cost which is valued considering the provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss , we have evaluated the likelihood of increased credit risk and consequential default considering the COVID-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The company is closely monitoring the developments across various business verticals. Based on this assessment , the provision made towards ECL is considered adequate. During the year no new provison is made towards ECL considering the certainity of collection.

(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 necessary support from the parent company.

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.

(in Rs.)

31-Mar-21	Due in 1st Year	Due in 2nd Year to 5th Year	Due after 5th year	Carrying Amount
Trade Payables	56,652,195	-	-	56,652,195
Other Financial Liabilities	135,477,932	-	-	135,477,932
Borrowings	-	-	-	-
Lease Liability	6,476,314	2,932,737		9,409,051
	198,606,441	**2,932,737**	**-**	**201,539,178**

31-Mar-20	Due in 1st Year	Due in 2nd Year to	Due after 5th year	Carrying Amount
Trade Payables	60,066,337	-	-	60,066,337
Other Financial Liabilities	105,994,655	-	-	105,994,655
Borrowings	-	-	-	-
Lease Liability	5,704,685	9,316,844		15,021,529
	171,765,677	**9,316,844**	**-**	**181,082,521**

(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 monitoring 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-21	Currency	Gross Exposure	Exposure hedged	Net Exposure
Assets		DKK	1,520,225	-	1,520,225
Assets		EURO	-	-	-
Liabilities		EURO	-	-	-

	As at 31-Mar-20	Currency	Gross Exposure	Exposure hedged	Net Exposure
Assets		DKK	1,635,595	-	1,635,595
Assets		EURO		-	-
Liabilities		EURO		-	-

(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 2021 and March 2020, does not carry any loans with variable interest.

Classification of borrowings by nature of interest rate

Particulars	As At 31 March 2021	As At 31 March 2020
Borrowings at variable interest rate		
Non-current	-	-
Current	-	-
Borrowings at fixed interest rate		
Non-current	-	77,300,000
Current	108,700,000	-
	108,700,000	**77,300,000**

Note No. 42 Capital Management

The Company's objectives when managing capital are:

• To ensure Group'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 manages its capital requirements by overseeing the following ratios–

Debt Equity Ratio

		(in Rs.)
	31-Mar-21	**31-Mar-20**
Net Debt*	105,836,977	61,219,688
Total Equity	33,100,701	104,674,781
Net Debt to Equity Ratio	**3.20**	**0.58**

* Net debt includes long term borrowings + short term borrowings + current maturity of long-term borrowings net off cash and cash equivalents (Including fixed deposits).

Note No. 43 Related Party Transactions

Relationship	**Name of the Related Parties**
Holding Company	Sicagen India Limited, Chennai
Key Management Personnel	R.Chandrasekar - Director (w.e.f- 28-11-2018) B.Narendran - Director (w.e.f- 1306-2020) M.Rajamani - Director (w.e.f- 13-06-2020)

			(in Rs.)	
	Holding Company		**KMP**	
Transactions for the Year Ended 31, March	**2021**	**2020**	**2021**	**2020**
Sales	188,546	-	-	-
Purchases	-	-	-	-
Other Cost of revenue	-	-	-	-
Interest	-	6,236,842	-	-
Purchase of assets	-	-		
Other expenses	60,616	51,143		
Remuneration (paid by holding company)	-	-	-	-
Reimbursement of Expenses	-	-	-	-
Borrowings during the year (net)	55,600,000	-	-	-
Trade Advance Received (net)	-	-	-	-

			(in Rs.)	
	Holding Company		**KMP**	
Closing Balances as at 31, March	**2021**	**2020**	**2021**	**2020**
Borrowings	108,700,000	77,300,000	-	-
Trade Receivables	-	-	-	-
Trade Payables including other payables	54,205,146	55,999,421	-	-
Interest Accrued but due / not due on borrowings	26,604,563	26,604,563	-	-
Trade Advance Received	-	-	-	-

Note No. 44 Contingent Liabilities and commitments

a) Contingent Liabilities	**(in Rs.)**	
Matters	**31-Mar-21**	**31-Mar-20**
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	284,504	284,504
III) Other Money for which the Company is contingently liable	-	-

b) Commitments	**(in Rs.)**	
	31-Mar-21	**31-Mar-20**
I) Capital Commitments	-	-
II) Other Commitments	-	-

Note No. 45 Dues to Micro and Small Enterprise

Particulars	**(in Rs.)**	
	31-Mar-21	**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	1,108,665
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

The above information is given to the extent available with the Company and relied upon by the auditor

Note No. 46 Information Regarding Imports (c.i.f)

Particulars	31-Mar-21	31-Mar-20
	(in Rs.)	
Raw Materials	-	1,201,063
Consumables	-	713,375
Capital Items	-	-
Total	**-**	**1,914,438**

Note No. 47 Earnings in foreign currency

Particulars	31-Mar-21	31-Mar-20
	(in Rs.)	
Export of Goods - FOB value	46,474,798	40,691,267
	46,474,798	**40,691,267**

Note No. 48 Expenditure incurred in foreign currency

Particulars	31-Mar-21	31-Mar-20
	(in Rs.)	
Travelling expense	-	-
Total	**-**	**-**

Note No. 49 Auditors Remuneration

Particulars	31-Mar-21	31-Mar-20
	(in Rs.)	
For Statutory Audit including limited reviews	60,000	350,000
For Tax Audit	-	-
For other Services	-	-
Total	**60,000**	**350,000**

The above amounts are net off GST

Note No. 50 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 operating 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 revenue from external customer to the extent Rs. 4,7792,020 (Rs.20,97,27,504)

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. 13,17,222 and from outside India is Rs. 4,64,74,798 (PY Rs. 16,90,36,237 and Rs.4,06,91,267 respectively) and the Non-Current Assets other than deferred tax assets from India are Rs. 23,45,14,771 (PY Rs. 24,67,92,953) and from outside India are Rs. Nil (PY Rs. Nil)

D. Information about major customers
More than ten percent revenues are from four customers of the Company.

51. 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 2021, have a value on realization, in theordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements.

52. The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus, like lock-downs, travel bans and other measures, have affected economic activity and caused disruption to regular business operations. These events have impacted the production as well as the execution of projects by the Company.

While the Management has evaluated and considered the possible impact of COVID-19 pandemic on the financial statements, given the uncertainties around its impact on future global economic activity, the impact of the subsequent events is dependent on the circumstances as they evolve.

Note 53- Subsequent Events
There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 54. The Company has incurred huge losses in the current year as well as in the previous years.Though the company has incurred losses for more than three continous years the net worth of the Company is not eroded. The Turnover of the company has drastically reduced during the year comparitively and as measure of cost cutting the management has terminated major part of the employees of the company. The terminated employees are settled fully along with their agreed compensation and termination benefits during the period. This additional termination cost has surged the losses of the company during the year. Any how the operations of the company are not completely affected as the company had export orders which were taken up with the help of contract labours/ job workers. The management 's evaluation process for relocating the operations to a new place is still continuing and the company is looking for better location with optimised cost. The Holding company also supports the company financially by providing loans/ advances for carrying out the operations. As per the management's assessment of going concern, the company will have regular monthly export orders in forthcoming months too and hence treating the company as going concern.

Note 55 - Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year’s presentation.