

**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**BALANCE SHEET**

(All amounts in Rupees unless otherwise stated)

	Note	As at	
		March 31, 2017	March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	70,847,030	70,847,030
Reserves and surplus	4	(23,195,657)	(8,306,795)
		<u>47,651,373</u>	<u>62,540,235</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	73,400,000	22,451,430
Long-term provisions	6	1,480,344	1,411,393
		<u>74,880,344</u>	<u>23,862,823</u>
<b>Current Liabilities</b>			
Short-term borrowings	7	-	(670,717)
Trade payables:	8		
(A) Total outstanding dues of micro enterprises and small enterprises and		-	-
(B) Total outstanding dues of creditors other than micro and small enterprises		73,478,980	50,355,955
Other current liabilities	9	3,258,389	26,368,508
Short-term provisions	10	180,298	186,559
		<u>76,917,667</u>	<u>76,240,305</u>
		<u><b>199,449,384</b></u>	<u><b>162,643,362</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	77,764,152	82,125,067
Intangible assets	12	933,441	815,988
Capital work-in-progress		1,171,693	822,000
Long-term loans and advances	13	1,591,409	770,103
Other non-current assets	14	300,000	332,039
		<u>81,760,695</u>	<u>84,865,197</u>
<b>Current Assets</b>			
Inventories	15	36,202,855	27,525,053
Trade receivables	16	67,784,960	35,972,292
Cash and bank balances	17	4,360,042	4,712,215
Short-term loans and advances	18	9,311,397	9,568,604
Other current assets	19	29,436	-
		<u>117,688,689</u>	<u>77,778,164</u>
		<u><b>199,449,384</b></u>	<u><b>162,643,362</b></u>

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to our report of even date

For Vishnu Daya & Co.,  
Chartered Accountants

Firm Registration Number: 0084568

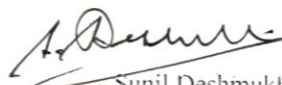


Shankar D  
Partner

Membership Number: 21654



For and on behalf of the Board of Directors



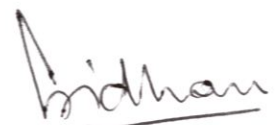
Sunil Deshmukh  
Director

DIN:05210882



Devidas Mali  
Director

DIN:01405268



Sridhar Sampath  
Director

DIN:00806244

Place: Bangalore

Date: 15.05.2017

**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS**

(All amounts in Rupees unless otherwise stated)

	Note	For the year ended	
		March 31, 2017	March 31, 2016
<b>INCOME</b>			
Revenue from operations(Gross)	22	172,044,056	162,693,910
Less: Excise duty		14,178,973	12,823,230
Revenue from operations(Net)		<b>157,865,083</b>	<b>149,870,680</b>
Other income	23	91,544	700,577
		<b>157,956,627</b>	<b>150,571,257</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	80,621,667	102,335,589
Changes in inventories of work-in-progress	25	655,926	1,520,133
Employee benefits expense	26	46,328,882	56,011,598
Finance cost	27	914,113	4,670,785
Depreciation and amortisation expense	28	7,055,769	6,609,913
Other expenses	29	37,269,132	53,426,545
		<b>172,845,489</b>	<b>224,574,564</b>
Loss before tax, exceptional items and prior period items		(14,888,862)	(74,003,305)
Extraordinary and Exceptional items		-	-
<b>Loss before Tax</b>		<b>(14,888,862)</b>	<b>(74,003,306)</b>
<b>Tax Expense:</b>			
Current tax		-	-
(i) for the period		-	(191,267)
(ii) relating to earlier years		-	-
Deferred tax charge/ (credit)		-	(191,267)
		<b>(14,888,862)</b>	<b>(73,812,039)</b>
<b>Loss for the Year</b>			
Basic and diluted earnings per share (Nominal value Rs.10 per share)	35	(2.10)	(11.64)

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Vishnu Daya & Co.,  
Chartered Accountants  
Firm Registration Number: 008456S

  
Shankar D  
Partner  
Membership Number: 216547



For and on behalf of the Board of Directors

  
Sunil Deshmukh  
Director  
DIN:05210882

  
Devidas Mali  
Director  
DIN:01405268

  
Sridhar Sampath  
Director  
DIN:00806244

Place: Bangalore  
Date: 15.05.2017

**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**CASH FLOW STATEMENT**

(All amounts in Rupees unless otherwise stated)

	For the year ended	
	March 31, 2017	March 31, 2016
Net increase in cash and cash equivalents (A+B+C)	(352,172)	(387,649)
Cash and cash equivalents at the beginning of the year	4,712,215	5,099,865
<b>Cash and cash equivalents at the end of the year</b>	<b>4,360,042</b>	<b>4,712,215</b>

**Components of cash and cash equivalents**

Cash on hand	25,975	26,141
Bank balances:		
- In Current Accounts	3,834,067	4,686,074
Demand deposits (less than 3 months maturity)	500,000	-
	<b>4,360,042</b>	<b>4,712,215</b>
<b>Total cash and cash equivalents as per Note 17</b>	<b>4,360,042</b>	<b>4,712,215</b>

Notes:

- 1) The above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard - 3 on Cash Flow Statements.
- 2) The notes are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date

For Vishnu Daya & Co.,  
Chartered Accountants

Firm Registration Number: 008456S

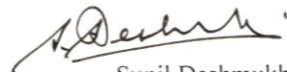


Shankar D  
Partner

Membership Number: 216547



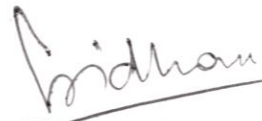
For and on behalf of the Board of Directors



Sunil Deshmukh  
Director  
DIN:05210882



Devidas Mali  
Director  
DIN:01405268



Sridhar Sampath  
Director  
DIN:00806244

Place: Bangalore  
Date: 15.05.2017

**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**CASH FLOW STATEMENT**

(All amounts in Rupees unless otherwise stated)

	For the year ended	
	March 31, 2017	March 31, 2016
<b>A. Cash flow from operating activities:</b>		
<b>Profit before tax</b>	(148,88,862)	(740,03,306)
Adjustments for:		
Finance costs	9,14,113	46,70,785
Profit on sale of asset	-	(3,92,157)
Provision/ Liabilities written back to the extent no longer required	(2,000)	26,91,019
Provision for bad debts and doubtful debts	-	12,50,000
Depreciation and amortisation	70,55,769	66,09,913
<b>Operating profits before working capital changes</b>	<b>(69,20,980)</b>	<b>(591,73,747)</b>
<b><u>Changes in working capital:</u></b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Long-term loans and advances	(8,21,306)	(10,250)
Other non current assets	32,039	(20,192)
Trade receivables	(318,12,667)	83,51,890
Short-term loans and advances	2,57,207	12,25,826
Inventory	(86,77,802)	268,80,140
Other current assets	(29,436)	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Long term provisions	68,951	(35,724)
Trade payables	231,25,025	113,60,295
Other current liabilities	(93,78,388)	114,32,723
Short term borrowings	6,70,717	(351,92,004)
Short term provisions	(6,261)	20,440
<b>Cash generated from operations</b>	<b>(334,92,901)</b>	<b>(351,60,606)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated from operating activities (A)</b>	<b>(334,92,901)</b>	<b>(351,60,606)</b>
<b>B. Cash flow from investing activities:</b>		
Sale of Fixed Assets	-	5,21,327
Purchase of Fixed Assets/CWIP	(31,62,001)	(110,25,457)
<b>Net cash from investing activities (B)</b>	<b>(31,62,001)</b>	<b>(105,04,130)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of shares	-	499,47,870
Proceeds from Long term borrowings(net of repayments)	372,16,839	-
Finance costs	(9,14,113)	(46,70,785)
<b>Net cash from financing activities (C)</b>	<b>363,02,726</b>	<b>452,77,085</b>



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Rupees unless otherwise stated)

3. SHARE CAPITAL	As at	
	March 31, 2017	March 31, 2016
<b>Authorised:</b>		
1,00,00,000 (2016: 1,00,00,000) Equity shares of Rs.10 each	1000,00,000	1000,00,000
<b>Issued, Subscribed and Paid-up:</b>		
70,84,703 (2016: 70,84,703) Equity shares of Rs.10 each fully paid up	708,47,030	708,47,030
	<b>708,47,030</b>	<b>708,47,030</b>

a) Reconciliation of number of shares

	Number of shares	As at March 31, 2017	Number of shares	As at March 31, 2016
<b>Equity Shares:</b>				
Balance as at the beginning of the year	70,84,703	708,47,030	47,06,233	470,62,330
Add: Shares issued during the year	-	-	23,78,470	237,84,700
Balance as at the end of the year	70,84,703	708,47,030	70,84,703	708,47,030

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by holding company and subsidiary of holding Company:

	As at	
	March 31, 2017	March 31, 2016
<b>Equity Shares:</b>		
42,50,823 (2016: Nil) shares are held by Sicagen India Limited India, the holding company	425,08,230	-
28,32,789 (2016: 70,83,612) shares held by DSC Denmark Holding ApS, Denmark	283,27,890	708,36,120

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Equity Shares:	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% of holding	Number of shares	% of holding
Sicagen India Limited	42,50,823	60.00%		
DSC Denmark Holding ApS	28,32,789	39.98%	70,83,612	99.98%

- e) There are no shares reserved for issue under options and contracts or commitments. Further, there are no shares that have been issued during the last 5 years pursuant to a contract without payment being received in cash, shares allotted as fully paid up by way of bonus shares or shares bought back.



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Rupees unless otherwise stated)

	As at	
	March 31, 2017	March 31, 2016
<b>4. RESERVES AND SURPLUS</b>		
<b>A Securities Premium Reserve</b>		
Opening balance	261,63,170	-
Add: Received on issue of shares	-	261,63,170
	<u>261,63,170</u>	<u>261,63,170</u>
<b>B General Reserve</b>		
Opening balance	30,16,920	30,16,920
Add: Transfer from Statement of profit and loss	-	-
	<u>30,16,920</u>	<u>30,16,920</u>
<b>C Surplus in the Statement of Profit and Loss:</b>		
Balance as at the beginning of the year	(374,86,885)	363,25,154
Add: Profit/(loss) for the year	(148,88,862)	(738,12,039)
	<u>(523,75,747)</u>	<u>(374,86,885)</u>
<b>Total (A+B+C)</b>	<u>(231,95,657)</u>	<u>(83,06,795)</u>
<b>5. LONG-TERM BORROWINGS</b>		
<b>a Foreign currency term loans</b>		
External commercial borrowings	-	350,25,446
<b>b Indian currency term loans</b>		
from financial institutions	-	11,57,715
from holding Company (refer note)	734,00,000	-
<b>Less:</b>		
Amount disclosed under "Other current liabilities"	-	137,31,731
	<u>734,00,000</u>	<u>224,51,430</u>
<b>Note:</b>		
<b>Terms of borrowings:</b>		
a. The Company had entered loan agreement dated 12th September 2016 towards working capital loan for Rs.9 Crores. As per the terms and conditions, Company had availed Rs.7.34 Crores as at reporting date against the security of land. As per the agreement, the interest will be paid @ 12% on quarterly basis. At the request of the Company, holding Company waived off the interest for the first year.		
b. The loan amount shall be serviced at the end of 3 years from the effective date i.e. 12th September 2016. The borrower shall be at liberty to repay part/full loan amount within the 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.		
<b>6. LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits:</b>		
Compensated absences	14,80,344	14,11,393
	<u>14,80,344</u>	<u>14,11,393</u>
<b>7. SHORT-TERM BORROWINGS</b>		
Loan repayable on demand		
-from banks	-	(6,70,717)
	<u>-</u>	<u>(6,70,717)</u>
<b>8. TRADE PAYABLES</b>		
Total outstanding dues of micro enterprises and small enterprises [Refer Note 38]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	734,78,980	503,55,955
	<u>734,78,980</u>	<u>503,55,955</u>



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Rupees unless otherwise stated)

**9. OTHER CURRENT LIABILITIES**

Current maturities of finance lease obligations	-	137,31,731
Interest accrued and due on borrowings	-	4,83,193
Advance from customers	-	26,07,203
Employee benefits payable	20,20,695	63,94,908
Statutory dues including provident fund and tax deducted at source	12,37,694	31,51,474
	<u>32,58,389</u>	<u>263,68,508</u>

**10. SHORT-TERM PROVISIONS**

*Provision for employee benefits:*

Compensated absences	1,80,298	1,86,559
	<u>1,80,298</u>	<u>1,86,559</u>

**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Rupees unless otherwise stated)

**13. LONG-TERM LOANS AND ADVANCES**

(Unsecured, considered good, unless otherwise stated)

Capital advances	7,88,306	-
Security deposits	8,03,103	7,70,103
	<u>15,91,409</u>	<u>7,70,103</u>

**14. OTHER NON-CURRENT ASSETS**

(Unsecured, considered good, unless otherwise stated)

Long term deposits with banks with maturity period more than 12 months [Refer note below]	3,00,000	3,32,039
	<u>3,00,000</u>	<u>3,32,039</u>

Note : Held as lien by bank, against bank guarantee



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Rupees unless otherwise stated)

As at  
March 31, 2017      March 31, 2016

**15. INVENTORIES**

*(lower of cost and net realisable value)*

Raw Materials	303,18,693	209,84,965
Work-in-progress	58,84,162	65,40,088
	362,02,855	275,25,053

**16. TRADE RECEIVABLES**

*Unsecured, considered good*

Outstanding for a period exceeding six months from the date they are due for payment	36,00,490	3,44,623
Others	641,84,470	356,27,669

*Unsecured, considered doubtful*

Outstanding for a period exceeding six months from the date they are due for payment	-	446,71,921
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Others

Less: Provision for doubtful debts	-	(446,71,921)
	677,84,960	359,72,292

**17. CASH AND CASH EQUIVALENTS**

Cash on hand	25,975	26,141
<b>Bank balances:</b>		
In Current Accounts	38,34,067	46,86,074
Demand deposits (less than 3 months maturity)	5,00,000	-
	43,60,042	47,12,215

**18. SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good, unless otherwise stated)

Advances recoverable in cash or kind	7,60,989	14,38,314
Prepaid Expenses	12,63,319	8,86,161
Minimum Alternate Tax Credit	17,98,945	17,98,945
Balance with government authorities	54,88,144	54,45,184
	93,11,397	95,68,604

**19. OTHER CURRENT ASSETS**

Interest accrued on bank deposits	29,436	-
	29,436	-

**20. CONTINGENT LIABILITIES**

a. Claims against the Company not acknowledged as debts.

- Demand from Income tax department for the Assessment Year 2012-13	2,64,610	2,64,610
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b. Guarantees;

	-	-
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c. Other money for which the company is contingently liable.

	-	-
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No provision has been made towards the contingent liabilities in the books by the Company as the management does not foresee any liability, based on the merit of the case.

**21. CAPITAL AND OTHER COMMITMENTS**

*Capital Commitments:*

a. Estimated value of contracts in capital account remaining to be executed	15,46,001	-
b. Uncalled liability on shares and other investments partly paid	-	-
c. Other commitments	-	-





**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Rupees unless otherwise stated)

	Year ended	
	March 31, 2017	March 31, 2016
<b>22. REVENUE FROM OPERATIONS</b>		
<i>Sale of products</i>		
Domestic	1325,81,207	1178,70,253
Export	350,36,395	334,90,375
<i>Sale of Services</i>		
Engineering services	26,97,111	70,72,866
Other operating revenues- Scarp sales	17,29,344	42,60,416
	<b>1720,44,056</b>	<b>1626,93,910</b>
<b>23. OTHER INCOME</b>		
Interest Income		
On bank deposits	89,544	1,37,664
Profit on sale of fixed assets	-	3,92,157
Provision/ Liabilities written back to the extent no longer required	2,000	1,70,756
	<b>91,544</b>	<b>7,00,577</b>
<b>24. COST OF MATERIAL CONSUMED</b>		
Opening Balance	209,84,965	463,44,972
Add: Purchases during the Year	899,55,395	769,75,582
Less: Closing Balance	303,18,693	209,84,965
	<b>806,21,667</b>	<b>1023,35,589</b>
<b>25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS</b>		
Closing Balance	58,84,162	65,40,088
Opening Balance	65,40,088	80,60,221
	<b>6,55,926</b>	<b>15,20,133</b>
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	406,84,902	487,92,257
Contribution to Provident and Other Funds [Refer note (a) below]	24,94,089	26,63,754
Gratuity [Refer note 34]	3,55,409	13,00,000
Staff Welfare Expenses	27,94,482	32,55,587
	<b>463,28,882</b>	<b>560,11,598</b>
(a) Defined Contribution Plans:		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to the authorities	21,96,849	23,73,284
(ii) Pension fund paid to the authorities	2,97,240	2,90,470
	<b>24,94,089</b>	<b>26,63,754</b>
<b>27. FINANCE COST</b>		
Interest expense	9,14,113	29,18,379
Other borrowing cost	-	17,52,406
	<b>9,14,113</b>	<b>46,70,785</b>



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Rupees unless otherwise stated)

	Year ended	
	March 31, 2017	March 31, 2016
<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Tangible assets (Refer Note 11)	66,59,954	63,63,109
Amortisation on Intangible assets (Refer Note 12)	3,95,815	2,46,804
	<b>70,55,769</b>	<b>66,09,913</b>
<b>29. OTHER EXPENSES</b>		
Power & Fuel	38,03,605	32,93,050
Rates & Taxes	16,06,887	19,26,945
Repairs and Maintenance		
- Buildings	2,27,029	6,28,668
- Plant and Machinery	20,26,027	8,88,984
-Others	10,27,961	9,36,765
Insurance	9,72,256	8,18,296
Labour charges	36,66,639	34,50,704
Professional Charges	21,17,424	38,48,447
Freight charges	56,50,176	73,26,396
Travelling & Conveyance	52,71,608	53,35,011
Bad debts	-	26,91,019
Provision for bad and doubtful debts(net)- refer note - 41	-	12,50,000
Net foreign Exchange Loss	7,64,366	44,54,111
Miscellaneous expenses*	40,42,575	50,77,999
	<b>372,69,132</b>	<b>534,26,545</b>

\*Miscellaneous expenses represents aggregate of various expenses which are less than 1% of turnover.



ISH STEEL CLUSTER PRIVATE LIMITED  
 STATEMENTS TO FINANCIAL STATEMENTS  
 (Amounts in Rupees unless otherwise stated)

PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross block (at cost)				Depreciation			Net Block March 31, 2017
	April 01, 2016	Additions	Disposal	March 31, 2017	April 01, 2016	For the Year	Disposal/ Adjustments	
<b>Assets:</b>								
Factory Building	85,36,181	-	-	85,36,181	-	-	-	85,36,181
Office Building	335,84,043	12,19,875	-	348,03,918	98,64,601	11,38,797	-	238,00,520
Plant and Equipment	77,40,064	8,34,836	-	77,40,064	21,14,928	1,11,112	-	55,14,024
Industrial Equipment's	620,37,639	-	-	628,72,475	248,17,790	41,09,596	-	339,45,089
Tools & Accessories	37,88,673	62,122	-	37,88,673	37,16,461	17,402	-	54,810
Computer & Accessories	50,15,944	1,29,972	-	50,78,066	22,72,611	2,42,254	-	25,63,202
Plant and Equipment	26,97,341	52,235	-	28,27,313	18,68,841	3,89,771	-	5,68,702
Furniture and Fixtures	17,25,482	-	-	17,77,717	10,31,174	2,57,160	-	4,89,382
Others	24,90,212	-	-	24,90,212	15,76,834	1,66,109	-	7,47,269
	18,22,527	-	-	18,22,527	49,802	2,27,752	-	15,44,973
<b>Total - A</b>	<b>1294,38,107</b>	<b>22,99,040</b>	<b>-</b>	<b>1317,37,147</b>	<b>473,13,040</b>	<b>66,59,954</b>	<b>-</b>	<b>539,72,994</b>



**ISH STEEL CLUSTER PRIVATE LIMITED**

**STATEMENTS TO FINANCIAL STATEMENTS**

(Amounts in Rupees unless otherwise stated)

**PROPERTY, PLANT AND EQUIPMENT (contd..)**

Particulars	Gross block (at cost)				Depreciation			Net Block March 31, 2016
	April 01, 2015	Additions	Disposal	March 31, 2016	April 01, 2015	For the Year	Disposal / Adjustments	
<b>Assets:</b>								
Factory Building	85,36,181	-	-	85,36,181	-	-	-	85,36,181
Office Building	320,04,469	15,79,574	-	335,84,043	87,55,179	11,09,422	-	237,19,443
Plant and Equipment	77,40,064	-	-	77,40,064	20,03,822	1,11,106	-	56,25,136
Industrial Equipment's	594,98,289	25,39,350	-	620,37,639	208,18,950	39,98,840	-	372,19,849
Tools & Accessories	37,88,673	-	-	37,88,673	36,97,657	18,804	-	72,212
Computer & Accessories	36,88,991	13,26,953	-	50,15,944	20,81,527	1,91,084	-	27,43,334
Office Equipment	16,94,301	10,03,040	-	26,97,341	15,83,250	2,85,590	-	8,28,501
Planture and Fixtures	11,41,091	5,84,391	-	17,25,482	8,09,181	2,21,993	-	6,94,308
Others	22,05,382	2,84,830	-	24,90,212	14,10,433	1,66,400	-	9,13,379
	12,82,195	18,22,527	12,82,195	18,22,527	9,42,957	2,59,870	11,53,025	17,72,725
<b>Total - A</b>	<b>1215,79,637</b>	<b>91,40,665</b>	<b>12,82,195</b>	<b>1294,38,107</b>	<b>421,02,956</b>	<b>63,63,109</b>	<b>11,53,025</b>	<b>821,25,067</b>



**SH STEEL CLUSTER PRIVATE LIMITED**  
**STATEMENTS TO FINANCIAL STATEMENTS**  
 (Amounts in Rupees unless otherwise stated)

**TANGIBLE ASSETS**

Particulars	Gross block (at cost)			Amortisation			Net Block	
	April 01, 2016	Additions	Disposal	March 31, 2017	April 01, 2016	For the Year		Disposal / Adjustments
Assets:								
Land	10,62,792	5,13,268	-	15,76,060	2,46,804	3,95,815	-	6,42,619
	<b>10,62,792</b>	<b>5,13,268</b>	<b>-</b>	<b>15,76,060</b>	<b>2,46,804</b>	<b>3,95,815</b>	<b>-</b>	<b>6,42,619</b>
								<b>9,33,441</b>
								<b>9,33,441</b>

: Balance amortisation period ranges from 1 month to 3 years.

Particulars	Gross block (at cost)			Amortisation			Net Block	
	April 01, 2015	Additions	Disposal	March 31, 2016	April 01, 2015	For the Year		Disposal / Adjustments
Assets:								
Land	-	10,62,792	-	10,62,792	-	2,46,804	-	2,46,804
	<b>-</b>	<b>10,62,792</b>	<b>-</b>	<b>10,62,792</b>	<b>-</b>	<b>2,46,804</b>	<b>-</b>	<b>2,46,804</b>
								<b>8,15,988</b>
								<b>8,15,988</b>

: Balance amortisation period ranges from 1 month to 3 years.



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Rupees unless otherwise stated)

	Year ended	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
<b>30. CIF VALUE OF IMPORTS</b>		
Raw materials	97,53,088	62,83,172
Consumables	3,99,203	10,78,112
	<u>101,52,291</u>	<u>73,61,284</u>
<b>31. EXPENDITURE IN FOREIGN CURRENCY</b>		
Professional fees	-	16,31,972
Interest on IFU loan	4,58,385	12,24,804
Job work	90,752	-
	<u>5,49,137</u>	<u>28,56,776</u>
<b>32. EARNINGS IN FOREIGN CURRENCY</b>		
Revenue from export of goods	350,36,395	334,90,375
	<u>350,36,395</u>	<u>334,90,375</u>
<b>33. ADDITIONAL INFORMATION RELATED TO SALES, PURCHASE AND CONSUMPTION:</b>		
<b>a. Purchase of raw materials under broad heads</b>		
Sheets	398,90,692	463,22,645
Structure	94,12,195	123,52,705
Tubes	53,18,806	108,08,617
Consumables and others	353,33,701	76,70,441
	<u>899,55,395</u>	<u>771,54,409</u>
<b>b. Sale of products comprises :</b>		
<i>Manufactured goods</i>		
Main frames assembly kits	409,68,268	285,28,499
Steel furniture's and chairs	267,90,293	258,99,414
Windmill parts	94,53,964	65,41,241
Other customised Steel parts & Sheet metal components	762,26,104	775,68,244
	<u>1534,38,629</u>	<u>1385,37,398</u>
<b>c. Sale of services comprises :</b>		
Engineering services	26,97,111	70,72,866
	<u>26,97,111</u>	<u>70,72,866</u>
<b>d. Details of consumption of imported and indigenous items</b>		
Raw materials - Imported	101,52,291	19,82,568
Raw materials - Indigenous	704,69,376	1005,31,848
	<u>806,21,667</u>	<u>1025,14,416</u>
% of Imported raw material consumed to total raw material	12.6%	1.9%
% of Indigenous raw material consumed to total raw material	87.4%	98.1%



**DANISH STEEL CLUSTER PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

(All amounts in Rupees unless otherwise stated)

**34. EMPLOYEE BENEFITS:**

**A. Defined Contribution Plan:**

**Gratuity:** The Company had a Insurance Policy with LIC of India for the Gratuity to employees. The Premium is fixed by LIC annually based on the actuarial valuation. The Company accrues the premium annually for the gratuity. Hence, no actuarial valuation is separately done by the Company.

**B. Defined benefit plans:**

	Year ended	
	March 31, 2017	March 31, 2016
Leave Encashment as per actuarial valuation		
<b>(i) Actuarial assumptions</b>		
Discount rate - Current	7.00%	8.00%
Attrition rate	13.24%	13.24%
Salary escalation - Current	10.00%	10.00%
Retirement age	58 Years	58 Years
	IALM 2006-08	IALM 2006-08
Mortality	Ultimate	Ultimate
<b>(ii) Present Value of Defined benefit obligation</b>		
Balance at the beginning of the year	15,97,952	16,13,236
Current Service Cost	2,82,477	3,76,298
Interest Cost	1,11,857	1,29,059
Benefits paid	(81,717)	(95,233)
Actuarial (Gains) / Losses	(2,49,927)	(4,25,408)
<b>Balance at the end of the year</b>	<b>16,60,642</b>	<b>15,97,952</b>

Notes:

(a) The discount rate is based on the prevailing market yield on Government Bonds as at the balance sheet date for the estimated term of obligations.

(b) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**35. EARNINGS PER SHARE:**

	Year ended	
	March 31, 2017	March 31, 2016
Nominal value of equity shares (Rs.)	10	10
Weighted average number of equity shares (Nos.)	70,84,703	63,39,466
Loss after tax (Rs.)	(148,88,862)	(738,12,039)
Earnings Per Share - Basic and Diluted (Rs.)	(2.10)	(11.64)



**VISHU STEEL CLUSTER PRIVATE LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

(amounts in Rupees unless otherwise stated)

**SEGMENT INFORMATION**

As the Company currently into manufacturing of Customised Steel parts & Sheet metal components and its business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'.

Fixed assets used in company's business and liabilities contracted for are not identifiable with reportable segments as they are used interchangeably between the segments. All other assets and liabilities are unallocable except for trade receivables.

Geographical segment is considered based on location of customers within India and outside India.

The secondary reporting disclosures for geographical segment as envisaged in Accounting Standard 17 on Segment Reporting are as follows:

Geographic Segment	Year ended March 31, 2017			Year ended March 31, 2016		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue by location of customers	1228,28,689	350,36,395	1578,65,083	1163,80,305	334,90,375	1498,70,680

**RELATED PARTY DISCLOSURES (as per Accounting Standard 18 on Related Party Disclosures)**

**Names of related parties and nature of relationship**

Where control exists

Description of relationship	Names of related parties
Holding Company	Sicagen India Limited
Associates	DSC Denmark Holding ApS
Company in which KMP / Relatives of KMP can exercise significant influence	LSJ Sourcing & Consulting ApS

**RELATED PARTY DISCLOSURES (contd..)**

**Key Management Personnel**

Sunil Sudhkarrao Deshmukh	Director
Devidas Daulat Mali	Director
Sridhar Sampath	Director
Lars Skov Jensen	Director
Marippa Nadar Rajamani	Additional Director

Summary of the transactions with related parties are as below:

(i) Nature of Transactions	Parties where control exists		Associates	
	March 31, 2017	March 31, 2016	March 31,	March 31,
Issue of shares	-	-	-	237,73,790
Purchases including freight	252,01,086	-	-	-
Loan received	734,00,000	-	-	-
Reimbursement of expenses	13,69,853	-	-	-
Rework charges	-	-	90,752	-

(ii) Balances as at year end	Parties where control exists		Associates	
	March 31, 2017	March 31, 2016	March 31,	March 31,
Loan	73400000	0	0	0
Reimbursement of expenses payable	1369853	0	0	0
Trade Payables	28120597	0	0	0

Notes:

(a) As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Managerial personnel cannot be individually identified.





DANISH STEEL CLUSTER PRIVATE LIMITED  
 NOTES TO FINANCIAL STATEMENTS  
 (All amounts in Rupees unless otherwise stated)

38. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE REPORTING DATE:

The Company does not enter into any derivative instruments to hedge its foreign currency exposures. Particulars of unhedged foreign currency exposures as at the reporting date are as follows:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Foreign currency	Rs.	Foreign currency	Rs.
Trade Payables				
EURO	21,025	1,461,413	16,284	1,236,467
Trade Receivables				
USD	-	-	20,836	562,087
DKK	659,688	6,161,490		
Long term borrowings				
USD	-	-	461,286	35,025,446
Advances				
DKK	-	-	255,608	2,607,203
EURO	52,083	3,777,305	-	-

39. THE DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8TH NOVEMBER, 2016 TO 30TH DECEMBER, 2016 IS AS BELOW:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	27,000	11,393	38,393
(+) Permitted receipts			
Withdrawal from the banks	-	70,000	70,000
(-) Permitted payments	-	48,017	48,017
(-) Amount deposited in Banks	27,000	-	27,000
Closing cash in hand as on 30.12.2016	-	33,376	33,376

40. DUES TO MICRO AND SMALL ENTERPRISES:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). Disclosures pursuant to the said MSMED Act are as follows:

	March 31, 2017	March 31, 2016
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(c) Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(f) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(g) Further interest remaining due and payable for earlier years	-	-

Note: The above information has been determined based on vendors identified by the Company and confirmed by the vendors, which has been relied upon by the auditors.

41. During the year, Company obtained approval from the Reserve Bank of India to write-off old export receivables pertaining to earlier years against which provision had been made in books. Consequently, the provision had been adjusted against the dues in the current year.

42. Previous year figures have been regrouped where necessary to conform with current year's classification.

For Vishnu Daya & Co.,  
 Chartered Accountants  
 Firm Registration Number: 008456S

Shankar D  
 Partner  
 Membership Number: 21695

Place: Bangalore  
 Date: 15.05.2017

For and on behalf of the Board of Directors

  
 Sunil Deshmukh      Devidas Mali      Sridhar Sampath  
 Director              Director              Director  
 DIN:05210882      DIN:01405268      DIN:00806244

