

Danish Steel Cluster Private Limited
Balance Sheet

Particulars	Note	As At 31 March 2019	As At 31 March 2018
		₹	
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments	8A	22,34,10,580	24,42,04,424
(b) Capital work-in-progress	8B	16,57,455	-
(c) Other Intangible assets	9	10,48,018	11,60,634
(d) Financial Assets			
(i) Other financial assets	10	51,00,703	8,03,103
(e) Deferred tax assets (net)	11	17,98,945	17,98,945
(f) Non-current tax assets	12	27,70,118	61,01,995
(g) Other non-current assets	13	34,26,247	2,48,050
Total non-current assets		23,92,12,066	25,43,17,151
2 Current assets			
(a) Inventories	14	4,50,09,314	5,06,62,348
(b) Financial Assets			
(i) Trade receivables	15	6,23,86,364	10,65,73,014
(ii) Cash and cash equivalents	16	2,38,83,793	19,00,422
(iii) Bank balance other than (ii) above	17	3,00,000	13,00,000
(iv) Other financial assets	18	78,755	1,31,647
(c) Other current assets	19	32,20,775	73,94,097
Total current assets		13,48,79,001	16,79,61,528
TOTAL ASSETS		37,40,91,067	42,22,78,679
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	20	7,08,47,030	7,08,47,030
(b) Other Equity	21	5,74,12,188	8,14,36,860
Total equity		12,82,59,218	15,22,83,890
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	6,50,00,000	9,00,00,000
(b) Provisions	23	19,37,428	13,92,172
(c) Deferred tax liabilities (net)	24	3,41,63,217	3,43,07,765
Total non-current liabilities		10,11,00,645	12,56,99,937
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	25	9,62,09,039	10,23,84,636
(ii) Other financial liabilities	26	2,37,23,838	1,54,56,655
(b) Other current liabilities	27	2,33,68,897	2,46,70,154
(c) Provisions	28	14,29,430	17,83,407
Total current liabilities		14,47,31,204	14,42,94,852
Total Liabilities		24,58,31,849	26,99,94,789
TOTAL EQUITY AND LIABILITIES		37,40,91,067	42,22,78,679
See accompanying notes forming part of the financial statements	1-51		
In terms of our report attached			
For Sundar Sridhar & Sridhar		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration Number: 004201S			
S Sridhar		M. Nandakumar	R. Chandrasekar
Partner		Director	Director
Membership Number: 025504		DIN: 07164883	DIN: 06374821
Place: Chennai			
Date: May 21, 2019			

Danish Steel Cluster Private Limited
Statement of Profit and Loss

Particulars	Note	For the year ended 31	For the year ended 31
		March 2019	March 2018
		₹	
I Revenue from operations	29	26,58,11,604	28,13,70,434
II Other income	30	47,41,739	35,79,217
III Total Revenue (I + II)		27,05,53,343	28,49,49,651
IV Expenses			
Cost of materials consumed	31	13,88,63,070	14,88,92,064
Purchases of Stock-in-Trade		-	1,90,14,521
Changes in inventories of finished goods, stock in trade and work-in-progress	32	7,39,656	(62,38,774)
Excise duty on sale of goods		-	41,04,728
Employee benefits expense	33	6,75,27,639	6,20,05,130
Finance costs	34	1,02,78,248	1,05,85,342
Depreciation and amortization expense	8A & 9	75,88,116	82,50,627
Other operating, selling and administrative expense	35	6,97,43,863	5,68,10,224
Total expenses (IV)		29,47,40,592	30,34,23,862
V (Loss) before tax (III-IV)		(2,41,87,249)	(1,84,74,211)
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(12,61,053)	(1,29,211)
VII (Loss) for the year (V - VI)		(2,29,26,196)	(1,83,45,000)
VIII Other Comprehensive Income			
A (i) Item that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans		(12,17,578)	(2,92,536)
(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		1,19,102	(1,19,102)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total Comprehensive Income for the year (VII+VIII)		(2,40,24,672)	(1,87,56,638)
X (Loss) Per Equity Share in Rs (Nominal value per share ₹ 10)	37		
(1) Basic		(3.24)	(2.59)
(2) Diluted		(3.24)	(2.59)
See accompanying notes forming part of the financial statements	1-51		
In terms of our report attached			
For Sundar Srini & Sridhar		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration Number: 004201S			
S Sridhar		M. Nandakumar	
Partner		Director	
Membership Number: 025504		DIN: 07164883	
		R. Chandrasekar	
		Director	
		DIN: 06374821	
Place: Chennai			
Date: May 21, 2019			

Danish Steel Cluster Private Limited
Statement of Changes in Equity for the year ended 31st March 2019

(₹)

Particulars	Equity Share Capital	Other Equity			Other Comprehensive Income Effective portion of cash flow hedges	Total Equity attributable to equity holders of the Company		
		Reserves and Surplus						
		Securities premium	General Reserve	Retained earnings				
Balance at April 1, 2017	7,08,47,030	2,61,63,170	30,16,920	7,10,13,408	-	17,10,40,528		
(Loss) for the year	-	-	-	(1,83,45,000)	-	(1,83,45,000)		
Other comprehensive income for the year, net of income tax	-	-	-	(2,92,536)	(1,19,102)	(4,11,638)		
Balance at March 31, 2018	7,08,47,030	2,61,63,170	30,16,920	5,23,75,872	-	15,22,83,890		
(Loss) for the year	-	-	-	(2,29,26,196)	-	(2,29,26,196)		
Other comprehensive income for the year, net of income tax	-	-	-	(12,17,578)	1,19,102	(10,98,476)		
Balance at March 31, 2019	7,08,47,030	2,61,63,170	30,16,920	2,82,32,098	-	12,82,59,218		
See accompanying notes forming part of the financial statements	1-51							
For Sundar Srini & Sridhar Chartered Accountants Firm Registration Number: 004201S S Sridhar Partner Membership Number: 025504 Place: Chennai Date: May 21, 2019		For and on behalf of the Board of Directors <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> M. Nandakumar Director DIN: 07164883 </td> <td style="width: 33%; vertical-align: top;"> R. Chandrasekar Director DIN: 06374821 </td> </tr> </table>					M. Nandakumar Director DIN: 07164883	R. Chandrasekar Director DIN: 06374821
M. Nandakumar Director DIN: 07164883	R. Chandrasekar Director DIN: 06374821							

Danish Steel Cluster Private Limited
Statement of Cash flows

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	₹			
A. Cash flow from operating activities				
Net profit / (loss) before tax		(2,41,87,249)		(1,84,74,211)
Adjustments for :				
Depreciation	75,88,116		82,50,627	
Loss on impairment of assets	-		3,70,751	
Loss/(Gain) on sale of assets	(22,67,806)		10,480	
Allowance for doubtful receivables (expected credit loss allowance)	-		40,000	
Interest Income	(21,55,011)		(72,066)	
Finance cost	1,02,78,248		1,05,85,342	
		1,34,43,547		1,91,85,134
Operating profit before working capital changes		(1,07,43,702)		7,10,923
Working capital adjustments				
(Increase)/decrease in Inventories	56,53,034		(1,44,59,493)	
(Increase)/decrease in Trade Receivables	4,41,86,650		(3,88,28,054)	
(Increase)/decrease in Other Financial Assets	(42,44,708)		6,29,342	
(Increase)/decrease in Other Non-financial Assets	9,95,125		(55,61,086)	
Increase/(decrease) in Other Financial Liabilities	83,86,285		1,06,91,302	
Increase/(decrease) in Trade Payables	(61,75,597)		2,89,05,656	
Increase/(decrease) in Other Non-financial Liabilities	(13,01,257)		2,34,32,460	
Increase/(decrease) in Provisions	(10,26,299)		2,66,992	
		4,64,73,233		50,77,119
Cash (used in)/generated from operations		3,57,29,531		57,88,042
Net Direct taxes (paid) / Refund		65,35,081		(6,13,851)
Net cash flow (used in) operating activities		4,22,64,612		51,74,191
B. Cash flow from investing activities				
Purchase of fixed assets		(1,15,85,033)		(1,27,24,535)
Sale of fixed assets		2,55,13,729		4,000
Movement in fixed deposits		10,00,000		(10,00,000)
Interest received		68,308		72,066
Net cash flow (used in) investing activities		1,49,97,004		(1,36,48,469)
C. Cash flow from financing activities				
Proceeds from long-term borrowings		-		1,66,00,000
Repayment of long-term borrowings		(2,50,00,000)		-
Finance cost		(1,02,78,248)		(1,05,85,342)
Net cash flow (used in) financing activities		(3,52,78,248)		60,14,658
Net (decrease)/increase in cash and cash equivalents (A+B+C)		2,19,83,368		(24,59,620)
Cash and cash equivalents as at the beginning of the year		19,00,422		43,60,042
Cash and cash equivalents as at the end of the year - As per Balance Sheet - Note 16		2,38,83,790		19,00,422
See accompanying notes forming part of the financial statements	1-51			
In terms of our report attached				
For Sundar Sridhar & Sridhar		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration Number: 004201S				
S Sridhar		M. Nandakumar	R. Chandrasekar	
Partner		Director	Director	
Membership Number: 025504		DIN: 07164883	DIN: 06374821	
Place: Chennai				
Date: May 21, 2019				

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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, Bommasandra-Jigani Link Road, Jigani, Bangalore- 562 106. As on March 31, 2019, the entire equity share capital of the Company is held by Sicagen India Limited.

2. General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 21 May 2019.

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.

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.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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 the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

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.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

6. Measurement of fair values

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

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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 or indirectly; and

Level 3: Inputs for asset or liability that are not based on observable market data.

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) 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

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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 residual values, useful lives and method of depreciation of 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

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

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 date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. 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

I. Financial Assets

i) Classification

The Company classifies financial assets as subsequently measured at

- amortised cost or
- fair value through other comprehensive income or
- fair value through profit or loss

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ii) Initial Recognition and Measurement

Financial assets are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of such assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

iii) Subsequent Measurement

For the purpose of subsequent measurement, the financial assets are classified into three categories:

- Debt Instruments at amortised cost
- Debt instruments at fair value through other comprehensive income
- Debt instruments at fair value through profit or loss

iv) Debt Instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the finance income in the Statement of Profit and Loss. The Losses arising from impairment are recognised in the Statement of Profit and Loss.

v) Debt Instruments at fair value through other comprehensive income

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss.

vi) Debt Instruments at fair value profit or loss

Debt instruments included within the fair value through profit and loss (FVTPL)

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

vii) Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily de-recognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

viii) Impairment of Financial Assets

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109, which requires lifetime expected credit losses to be recognised for trade receivables.

Other financial assets

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

II. Financial Liabilities

i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

ii) Initial Recognition and measurement

Financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the issue of financial liabilities are deducted from the fair value of such assets on initial recognition.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

iii) Loans and Borrowings

After initial recognition, interest –bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iv) Derecognition

A financial liability is derecognised when the related obligation expires or is discharged or cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

v) 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.

vi) 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

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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.

III. Share Capital

Incremental costs directly attributable to the issue of ordinary equity shares are recognised as a deduction from equity.

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 realisable 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.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note No.7 "Significant Accounting Policies", in the Company's 2018 financial statements for the policies in effect for revenue prior to April 1, 2018. The effect of adoption of Ind AS 115 was insignificant.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

The Standard requires identification of performance obligations for the transfer of goods and services in each contract with customers. 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 recognised 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 recognised 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 recognised this gives rise to a contract liability (referred as deferred revenue).

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss except for the period upto 30th June 2017 where Revenue includes excise duty.

Other Operating Revenues:

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised 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 represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or 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 tax:

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 (funded), other retirement/ terminations benefits and compensated absences, 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.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits 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.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

7.10 Operating Leases

Company is lessee

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

7.11 Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

7.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

DANISH STEEL CLUSTER PRIVATE LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

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

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

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

Note 8A
Property, Plant and Equipments

in ₹

Description	Gross block (at cost)				Depreciation				Net Block	
	April 01, 2018	Additions	Disposal	March 31, 2019	April 01, 2018	For the Year	Disposal / Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Freehold land	17,00,00,000	-	-	17,00,00,000	-	-	-	-	17,00,00,000	17,00,00,000
Factory Building	3,02,53,055	41,01,755	-	3,43,54,810	24,38,030	14,25,066	-	38,63,096	3,04,91,714	2,78,15,025
Office Building	56,25,136	-	-	56,25,136	2,22,218	1,11,112	-	3,33,330	52,91,806	54,02,918
Plant and Equipment	3,84,96,466	30,22,588	2,88,79,614	1,26,39,440	71,18,463	31,39,707	69,55,546	33,02,624	93,36,816	3,13,78,003
Tools & Accessories	66,60,548	17,99,592	16,23,410	68,36,730	6,65,756	11,37,980	3,01,556	15,02,180	53,34,550	59,94,792
Computer & Accessories	12,46,870	95,500	-	13,42,370	8,38,276	2,68,571	-	11,06,847	2,35,523	4,08,594
Office Equipment	17,46,601	1,93,071	-	19,39,672	5,01,504	3,29,958	-	8,31,462	11,08,210	12,45,097
Furniture and Fixtures	9,75,878	33,572	-	10,09,450	3,33,196	1,53,838	-	4,87,034	5,22,416	6,42,682
Vehicles	17,72,725	-	-	17,72,725	4,55,412	2,27,768	-	6,83,180	10,89,545	13,17,313
	25,67,77,279	92,46,078	3,05,03,024	23,55,20,333	1,25,72,855	67,94,000	72,57,102	1,21,09,753	22,34,10,580	24,42,04,424

Description	Gross block (at cost)				Depreciation				Net Block	
	April 01, 2017	Additions	Disposal	March 31, 2018	April 01, 2017	For the Year	Disposal / Adjustments	March 31, 2018	March 31, 2018	April 01, 2017
Freehold land	17,00,00,000	-	-	17,00,00,000	-	-	-	-	17,00,00,000	17,00,00,000
Factory Building	2,49,39,317	53,13,738	-	3,02,53,055	11,38,797	12,99,233	-	24,38,030	2,78,15,025	2,38,00,520
Office Building	56,25,136	-	-	56,25,136	1,11,112	1,11,106	-	2,22,218	54,02,918	55,14,024
Plant and Equipment	3,80,54,685	19,40,025	14,98,244	3,84,96,466	41,09,596	42,08,823	11,99,956	71,18,463	3,13,78,003	3,39,45,089
Tools & Accessories	28,03,541	43,42,386	4,85,379	66,60,548	2,42,253	8,36,419	4,12,916	6,65,756	59,94,792	25,61,288
Computer & Accessories	9,58,472	2,88,398	-	12,46,870	3,89,771	4,48,505	-	8,38,276	4,08,594	5,68,701
Office Equipment	7,46,543	10,24,208	24,150	17,46,601	2,57,160	2,54,014	9,670	5,01,504	12,45,097	4,89,383
Furniture and Fixtures	9,13,378	62,500	-	9,75,878	1,66,109	1,67,087	-	3,33,196	6,42,682	7,47,269
Vehicles	17,72,725	-	-	17,72,725	2,27,752	2,27,660	-	4,55,412	13,17,313	15,44,973
	24,58,13,797	1,29,71,255	20,07,773	25,67,77,279	66,42,550	75,52,847	16,22,542	1,25,72,855	24,42,04,424	23,91,71,247

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

Note 8B

Capital work in progress

in ₹

Description	April 1st 2018	Addition during the year	Capitalised during the year	March 31, 2019
Generator	-	9,56,024	-	9,56,024
Building		48,03,186	41,01,755	7,01,431
	-	57,59,210	41,01,755	16,57,455

Description	April 1st 2017	Addition during the year	Capitalised during the year	March 31, 2018
Building	11,71,693	41,42,048	53,13,741	-
	11,71,693	41,42,048	53,13,741	-

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

Note 9

Other Intangible assets

in ₹

Description	Gross block (at cost)				Amortisation				Net Block	
	April 01, 2018	Additions	Disposal	March 31, 2019	April 01, 2018	For the Year	Disposal / Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Computer software (acquired)	25,01,033	6,81,500	-	31,82,533	13,40,399	7,94,116	-	21,34,515	10,48,018	11,60,634
	25,01,033	6,81,500	-	31,82,533	13,40,399	7,94,116	-	21,34,515	10,48,018	11,60,634

Description	Gross block (at cost)				Amortisation				Net Block	
	April 01, 2017	Additions	Disposal	March 31, 2018	April 01, 2017	For the Year	Disposal / Adjustments	March 31, 2018	March 31, 2018	March 31, 2017
Computer software (acquired)	15,76,060	9,24,973	-	25,01,033	6,42,619	6,97,780	-	13,40,399	11,60,634	9,33,441
	15,76,060	9,24,973	-	25,01,033	6,42,619	6,97,780	-	13,40,399	11,60,634	9,33,441

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

Note 10
Non-current financial assets – Others

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Unsecured and considered good		
Security deposit - Operating Lease	41,32,030	-
Security deposit - Others	9,68,673	8,03,103
	51,00,703	8,03,103

Note 11
Deferred tax assets

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Unutilized tax credits - Minimum Alternate Tax	17,98,945	17,98,945
	17,98,945	17,98,945

Note 12
Non-current tax assets

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Income tax receivable (net of provisions)	27,70,118	61,01,995
	27,70,118	61,01,995

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

Note 13
Other Non-current assets

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Advance for capital goods	21,05,000	2,48,050
Prepayment	13,21,247	-
	34,26,247	2,48,050

Note 14
Inventories

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Raw materials [Net of provisions for obsolescence - Rs. 21,00,000 (PY 2018 - Rs. 21,00,000)]	3,36,26,034	3,85,39,412
Work-in-progress	69,05,604	1,21,22,936
Finished goods	44,77,676	-
	4,50,09,314	5,06,62,348

Note 15
Current Financial Assets - Trade receivables (Unsecured)

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Considered good	6,24,26,364	10,66,13,014
Doubtful	-	12,50,000
Less - Allowance for doubtful receivables including expected credit loss	(40,000)	(12,90,000)
	6,23,86,364	10,65,73,014

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

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, however within 365 days, no impairment loss is recognized considering the certainty of realization.

Note 16
Cash and cash equivalents

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Balance with banks		
- Current accounts	1,48,60,533	16,60,978
- Deposit accounts	90,00,000	2,20,000
Cash on hand	23,260	19,444
	2,38,83,793	19,00,422

Note 17
Bank balances other than above

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Balances held as margin money against guarantees and forward contracts	3,00,000	13,00,000
	3,00,000	13,00,000

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

Note 18
Current Financial Assets – Others

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Unsecured and considered good		
Interest accrued on deposits	59,755	55,735
Other advances	19,000	75,912
	78,755	1,31,647

Note 19
Other current assets

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Unsecured and considered good		
Advance to suppliers	10,38,359	29,39,858
Duties and taxes receivable	2,20,895	20,30,991
Prepaid expenses	14,14,798	23,72,568
Prepayment	5,46,723	
Others	-	50,680
	32,20,775	73,94,097

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

Note 20
Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	In Rs	No of shares	In Rs
Authorised: Equity Shares of Rs. 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed And Fully Paid Up Equity Shares of Rs. 10/- each	70,84,703	7,08,47,030	70,84,703	7,08,47,030
	70,84,703	7,08,47,030	70,84,703	7,08,47,030

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

Reconciliation	2018-19		2017-18	
	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	70,84,703	7,08,47,030	70,84,703	7,08,47,030
Issued during the year	-	-	-	-
At the end of the year	70,84,703	7,08,47,030	70,84,703	7,08,47,030

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 31.03.2019, the Board of Directors have not proposed any dividend (During the year ended 31.03.18, the Company did not declare any dividend).

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

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.

20.2 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, 2019		As at March 31, 2018	
	Nos.	%	Nos.	%
Sicagen India Limited*	70,84,703	100.00%	70,84,703	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 21
Other equity

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Securities premium	2,61,63,170	2,61,63,170
General reserve	30,16,920	30,16,920
Cash flow hedge reserve	-	(1,19,102)
Retained earnings	2,82,32,098	5,23,75,872
	5,74,12,188	8,14,36,860

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

Note 22

Non-current financial liabilities – Borrowings

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Secured Loan from holding company (Refer note below)	6,50,00,000	9,00,00,000
Less: Current maturities of long term debt disclosed under 'Other current liabilities'	-	-
	6,50,00,000	9,00,00,000

Description	Terms of repayment & Nature of Security	Rate of interest	As At 31 March 2019	As At 31 March 2018
			₹	
Loan from holding company	<p>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.</p> <p>Security Secured against the original title deeds of the immovable properties of the Company.</p>	12% p.a	6,50,00,000	9,00,00,000

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

Note 23
Non-current Provisions

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Provision for employee benefits		
Compensated absences	19,37,428	13,92,172
	19,37,428	13,92,172

Note 24
Deferred tax liabilities

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Deferred tax liabilities (on Property, Plant and Equipment)	3,43,07,765	3,44,36,976
Less: Reversal of deferred tax liabilities recognised in profit or loss	(1,44,548)	(1,29,211)
	3,41,63,217	3,43,07,765

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.

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

Note 25

Current financial liabilities - Trade payable

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Dues to Micro, Small and Medium Enterprises *	86,78,463	-
Dues to enterprises other than Micro, Small and Medium Enterprises#	8,75,30,576	10,23,84,636
	9,62,09,039	10,23,84,636

* 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.

Dues include interest payable to Micro, Small and Medium Enterprises on account of delayed payments to an extent of Rs. 91,335

Refer Note No. 41 for the amounts due to the Related parties

Note 26

Current financial liabilities – Others

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Current maturities of long term debt	-	-
Interest accrued but not due on borrowings/advances	-	48,91,666
Interest accrued and due on borrowings/advances*	2,03,67,721	76,05,000
Employee related liabilities	33,18,746	21,97,225
Capital creditors	-	6,43,662
Derivatives designated in hedging relationships	-	1,19,102
Others	37,371	-
	2,37,23,838	1,54,56,655

* Refer Note No. 41 for the amounts due to the Related parties

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

Note 27
Other current liabilities

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Advance from customers*	1,70,17,774	1,82,52,876
Statutory liabilities	9,57,858	64,17,278
Deferred revenue	53,93,265	-
	2,33,68,897	2,46,70,154

* Refer Note No. 41 for the amounts received from the Related parties

Note 28
Current Provisions

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Provision for employee benefits		
Compensated absences	3,10,928	2,23,551
Others including post retirement benefits	11,18,502	15,59,856
	14,29,430	17,83,407

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

Note 29
Revenue From Operations

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Sale of products (Including Excise duty)		
Traded Goods	-	1,90,36,420
Manufactured Goods	25,78,01,858	25,27,82,253
Sale of services	37,29,982	74,83,906
Other operating revenues	42,79,764	20,67,855
	26,58,11,604	28,13,70,434

Disaggregate Revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings industry wise. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2019 (₹)
Offerings industry wise	
Railways	17,51,42,802
Wind Energy	3,56,19,906
Hotel	3,66,81,845
Automation and Defense	1,24,96,228
Others	58,70,823
Total	26,58,11,604

Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as a receivable. A receivable is a right to consideration that is unconditional upon passage of time. Invoicing in excess of earnings is classified as deferred revenue. Trade receivable is presented net of impairment in the Balance Sheet.

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

Other Disclosures

a) Aggregate amount of the transaction price allocated to the performance obligation that are not satisfied as at the end of the reporting period: ₹ 53,93,265. The company expects to recognise the entire amount as revenue in FY 2020.

b) Contracts with customers that provide a right to return, trade discounts or volume rebates are rarely used by the Company, thus their effect to the revenue recognition is estimated to be immaterial.

Note 30
Other Income

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Interest - Income Tax refund	20,86,703	-
Remeasurement of Security deposit receivable	3,18,922	-
Interest – Others	68,308	72,066
Recovery of bad debts	-	6,40,052
Claims recovered	-	26,64,934
Gain on Foreign Exchange Fluctuation	-	1,21,171
Profit on sale of fixed assets	22,67,806	
Others - Non operating Income	-	80,994
	47,41,739	35,79,217

Note 31
Cost of Raw Materials Consumed

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Inventory at the beginning of the year	4,06,39,412	3,03,18,693
Add: Purchases	13,39,49,692	15,92,12,783
Less: Inventory at the end of the year	3,57,26,034	4,06,39,412
	13,88,63,070	14,88,92,064

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

Note 32

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

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Inventory at the end of the year		
WIP	69,05,604	1,21,22,936
Finished Goods	44,77,676	
	1,13,83,280	1,21,22,936
Inventory at the beginning of the year		
WIP	1,21,22,936	58,84,162
	1,21,22,936	58,84,162
	7,39,656	(62,38,774)

Note 33

Employee benefit expense

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Salaries, wages and bonus	5,16,40,248	4,81,39,943
Contribution to provident fund and others	54,80,269	40,58,242
Staff welfare expense	1,04,07,122	98,06,945
	6,75,27,639	6,20,05,130

Note 34

Finance Cost

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Interest on long-term borrowing	92,76,093	1,03,04,220
Interest to MSME creditors	91,335	-
Other borrowing cost	9,10,820	2,81,122
	1,02,78,248	1,05,85,342

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

Note 35

Other operating, selling and administrative expense

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	₹	
Job work charges	1,94,64,309	1,65,40,296
Power & Fuel	74,01,736	52,63,222
Other sub-contract costs	1,13,27,960	88,95,317
Rent	25,21,359	11,89,738
Freight & Forwarding charges	51,59,201	63,26,915
Repairs & maintenance		
Plant & Machinery	35,75,802	30,53,526
Building	10,21,145	11,93,828
Others	2,54,097	9,39,036
Rates & Taxes	16,97,669	14,28,145
Insurance	2,82,900	3,19,260
Office expenses	7,95,514	19,61,174
Travelling & Conveyance	32,71,592	20,11,549
Lease Charges on Plant & Machinery	45,92,649	-
Legal & Professional Fees	23,49,851	25,03,678
Audit fees including limited review fee	4,00,000	4,00,000
Provision for slow and non-moving inventories	-	21,00,000
Claims and damages	18,21,428	4,41,064
Loss on Foreign Exchange Fluctuation	7,23,392	-
Loss on impairment of financial assets	-	40,000
Loss on impairment of non-financial assets	-	3,70,751
Other expenses	30,83,256	18,32,725
	6,97,43,860	5,68,10,224

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

Note 36: Earnings per equity share (EPS)

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

Particulars	31-Mar-19	31-Mar-18
Profit attributable to equity holders (In ₹)	(2,29,26,196)	(1,83,45,000)
Weighted average number of equity shares	70,84,703	70,84,703
Earnings per equity share: Face Value of (Rs. 10 each)		
Basic (in ₹)	(3.24)	(2.59)
Diluted (in ₹)	(3.24)	(2.59)

Note 37: Tax Expense

Particulars	31-Mar-19	31-Mar-18
		(₹)
Tax Expenses		
Current Tax (including earlier years)	-	-
Deferred tax charge / (credit) including Minimum Alternate Tax (MAT) Credit entitlement	(12,61,053)	(1,29,211)
Income tax expense reported in the statement of profit or loss	(12,61,053)	(1,29,211)

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:

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

₹

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Accounting profit before tax	(2,41,87,246)	(1,84,74,211)
Accounting profit before income tax	(2,41,87,246)	(1,84,74,211)
At statutory income tax rate of 26%	(62,88,684)	(47,57,109)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non - Deductible Expenses	23,747	2,060
Tax - Exempt Income	-	-
Change in recognised deductible temporary differences	5,19,677	1,69,556
Tax impact of unrecognised deferred tax on unabsorbed losses	57,45,261	44,56,282
Movement in deferred tax recognised on transition date	(1,44,548)	
Other Adjustments - Recognition of MAT credit of earlier years	(11,16,505)	-
Income tax expense	(12,61,053)	(1,29,211)

Significant management judgment 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 38: Employee Benefits

a) Defined Contribution plans:

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

Particulars	31-Mar-19	31-Mar-18
	₹	
Employers' Contribution to Provident Fund	27,63,561	24,59,586
Employers' Contribution to ESIC	3,20,297	2,96,629

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

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-19	31-Mar-18
	₹	
Present value of defined benefit obligation at the beginning of the year	54,75,199	40,98,684
Interest cost	4,10,640	3,07,401
Current service cost	9,07,002	7,35,275
Benefits paid	(1,07,475)	(1,61,539)
Actuarial (gain)/loss on obligation (changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions)	6,25,107	4,95,378
Present value of defined benefit obligation at the end of the year	73,10,473	54,75,199

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-19	31-Mar-18
	in Rs.	
Present value of defined benefit obligation at the end of the year	73,10,473	54,75,199
Fair Value of plan assets as at the end of the year	61,91,971	39,15,343
Net obligation as at the end of the year	11,18,502	15,59,856

(iii) Net Gratuity cost for the year ended

Particulars	31-Mar-19	31-Mar-18
	₹	
Recognised in Statement of Profit and Loss		
Services Cost	9,07,002	7,35,275
Interest Cost	4,10,640	3,07,401
Expected Return on plan assets	(2,98,987)	(2,35,746)
Total	10,18,655	8,06,930

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

Recognised in Other Comprehensive Income (OCI)

Remeasurement due to changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions	6,11,137	5,71,069
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Gratuity Cost in Total Comprehensive Income	16,29,792	13,77,999
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(iv) For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Gratuity	
	31-Mar-19	31-Mar-18
Discount rate	7.50%	7.50%
Expected Rate of return	7.00%	7.50%
Salary escalation rate	7.00%	7.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	

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

Compensated Absences

(i) Change in present value of defined benefit obligation

Particulars	31-Mar-19	31-Mar-18
		₹
Present value of defined benefit obligation at the beginning of the year	16,15,723	16,60,642
Interest cost	1,21,179	1,24,548
Current service cost	4,17,875	2,50,355
Benefits paid	(5,12,862)	(1,41,289)
Actuarial (gain)/loss on obligation (changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions)	6,06,441	(2,78,533)
Present value of defined benefit obligation at the end of the year	22,48,356	16,15,723

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

(ii) Amount recognised in the Balance Sheet

Particulars	31-Mar-19	31-Mar-18
	₹	
Present value of defined benefit obligation at the end of the year	22,48,356	16,15,723
Fair Value of plan assets as at the end of the year	-	-
Net obligation as at the end of the year	22,48,356	16,15,723

(iii) Net Compensated Absence Cost for the year ended

Particulars	31-Mar-19	31-Mar-18
	₹	
Recognised in Statement of Profit and Loss		
Services Cost	4,17,875	2,50,355
Interest Cost	1,21,179	1,24,548
Total	5,39,054	3,74,903

Recognised in Other Comprehensive Income (OCI)

Remeasurement due to changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions	6,06,441	(2,78,533)
Compensated absence in Total Comprehensive Income	11,45,495	96,370

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

Particulars	Compensated Absence	
	31-Mar-19	31-Mar-18
Discount rate	7.50%	7.50%
Salary escalation rate	7.00%	7.00%
Mortality table	Indian Assured Lives Mortality (2006-08) 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.

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

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.

Note 39: 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-19	Carrying Amount in ₹			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Non-Current				
(i) Other financial assets	-	-	51,00,703	51,00,703
Current				
(i) Trade receivables	-	-	6,23,86,364	6,23,86,364
(ii) Cash and cash equivalents	-	-	2,38,83,793	2,38,83,793
(iii) Bank balance other than (ii) above	-	-	3,00,000	3,00,000
(iv) Other financial assets	-	-	78,755	78,755
Financial Liabilities				
Non-Current				
(i) Borrowings	-	-	6,50,00,000	6,50,00,000
Current				
(i) Trade payables	-	-	9,62,09,039	9,62,09,039
(ii) Other financial liabilities	-	-	2,37,23,838	2,37,23,838

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

31-Mar-18	Carrying Amount in ₹			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Non-Current				
(i) Other financial assets	-	-	8,03,103	8,03,103
Current				
(i) Trade receivables	-	-	10,65,73,014	10,65,73,014
(ii) Cash and cash equivalents	-	-	19,00,422	19,00,422
(iii) Bank balance other than (ii) above	-	-	13,00,000	13,00,000
(iv) Others	-	-	1,31,647	1,31,647
Financial Liabilities				
Non-Current				
(i) Borrowings	-	-	9,00,00,000	9,00,00,000
Current				
(i) Trade payables	-	-	10,23,84,636	10,23,84,636
(ii) Other financial liabilities	-	-	1,54,56,655	1,54,56,655

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

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

based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(b) Others

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

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has 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.

31-Mar-19	(₹)			Carrying Amount
	Due in 1st Year	Due in 2nd Year to 5th Year	Due after 5th year	
Trade Payables	9,62,09,039	-	-	9,62,09,039
Other Financial Liabilities	2,37,23,838	-	-	2,37,23,838
Borrowings	-	6,50,00,000	-	6,50,00,000
	11,99,32,877	6,50,00,000	-	18,49,32,877

31-Mar-18				Carrying Amount
	Due in 1st Year	Due in 2nd Year to 5th Year	Due after 5th year	
Trade Payables	10,23,84,636	-	-	10,23,84,636
Other Financial Liabilities	1,54,56,655	-	-	1,54,56,655
Borrowings	-	9,00,00,000	-	9,00,00,000
	11,78,41,291	9,00,00,000	-	20,78,41,291

Danish Steel Cluster Private Limited
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(C) Credit 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-19	Currency	Gross Exposure	Exposure hedged using derivatives	Net Exposure
Assets	DKK	9,95,764	-	9,95,764
Assets	EURO	14,457	-	14,457
Liabilities	EURO	582	-	582
As at 31-Mar-18	Currency	Gross Exposure	Exposure hedged using derivatives	Net Exposure
Assets	DKK	6,85,478	6,85,478	-
Assets	EURO	38,446	-	38,446
Liabilities	NA	-	-	-

(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 2018 and March 2019, does not carry any loans with variable interest.

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

Classification of borrowings by nature of interest rate

Particulars	As At 31 March 2019	As At 31 March 2018
	₹	
Borrowings at variable interest rate		
Non-current	-	-
Current	-	-
Borrowings at fixed interest rate		
Non-current	6,50,00,000	9,00,00,000
	6,50,00,000	9,00,00,000

Note 40: 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

	31-Mar-19	31-Mar-18
Net Debt*	4,11,16,207	8,80,99,578
Total Equity	12,82,59,221	15,22,83,890
Net Debt to Equity Ratio	0.32	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).

Danish Steel Cluster Private Limited
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Note 42 Contingent Liabilities and commitments

a) Contingent Liabilities

Matters

₹
31-Mar-19 31-Mar-18

I) Claims against Company not acknowledged as Debts:

(i) Claims under Income Tax Act, 1961	-	2,64,610
(ii) Other Claims	-	-

Matters

II) Guarantees:

(i) Guarantees given by Bank, counter guaranteed by the Company	2,84,504	2,84,504
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III) Other Money for which the Company is contingently liable

- -

b) Commitments

₹
31-Mar-19 31-Mar-18

I) Capital Commitments	4,61,500	-
II) Other Commitments	-	-

Note 43 Dues to Micro and Small Enterprise

Particulars	₹	
	31-Mar-19	31-Mar-18
I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	86,78,463	Nil
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
III) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	91,335	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.

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

Note 44 Information Regarding Imports (CIF value)

	(₹)	
Particulars	31-Mar-19	31-Mar-18
Raw Materials	53,13,397	1,23,70,046
Consumables	21,85,275	32,27,709
Capital Items	23,87,200	1,00,602
Total	98,85,872	1,56,98,357

Note 45 Earnings in foreign currency

	(₹)	
Particulars	31-Mar-19	31-Mar-18
Export of Goods - FOB value	4,47,65,503	3,84,54,406
	4,47,65,503	3,84,54,406

Note 46 Expenditure incurred in foreign currency

	(₹)	
Particulars	31-Mar-19	31-Mar-18
Travelling expense	45,510	-
	45,510	-

Note 47 Auditors Remuneration

	(₹)	
Particulars	31-Mar-19	31-Mar-18
For Statutory Audit including limited reviews	3,50,000	3,50,000
For Tax Audit	50,000	50,000
For other Services	-	-
Total	4,00,000	4,00,000

The above amounts are net off GST

Note 48 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

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

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 ₹ 26,58,11,604 (₹ 28,13,70,434)

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 ₹ 22,10,46,101 and from outside India is ₹ 4,47,65,503 (PY ₹ 24,29,16,028 and ₹ 3,84,54,406 respectively) and the Non-Current Assets other than deferred tax assets from India are ₹ 23,79,59,844 (PY ₹ 25,25,18,206) and from outside India are ₹ Nil (PY ₹ Nil)

D. Information about major customers

More than ten percent revenues are from four customers of the Company.

Note 49 - Operating Lease

The Company had taken plant and machinery on operating lease which are not cancellable and the lease is for a period ranging from 36-48 months. The lease rental debited in Income Statement for the year is ₹ 45,92,649.

The lease rental payable for the next twelve months is ₹ 73,08,072 and beyond twelve months is ₹ 1,76,09,982

Note 50 - During the year, the Company had entered into a sale and lease back transaction of identified Property, Plant and Equipment (PPE) with TATA Capital Financial Services Limited and thereby PPE having a carrying value of ₹ 2,31,71,713 as on 1st September 2018 were sold to TATA Capital Financial Services Limited for ₹ 2,54,23,729 and the said assets were leased back to the Company under an operating lease agreement. In accordance with Ind AS 17 Leases, the difference between the sale proceeds and carrying value was accounted as profit on sale of assets which is included under Other Income.

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

Note 51 - 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 2019, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements.

For Sundar Srini & Sridhar
Chartered Accountants

Firm Registration Number: 004201S

For and on behalf of the Board of Directors

S Sridhar
Partner

Membership Number: 025504

M. Nandakumar
Director

DIN: 07164883

R. Chandrasekar
Director

DIN: 06374821

Place: Chennai

Date: May 21, 2019