DEE Fabricom India Private Limited

Balance Sheet as at 31 March 2021 **(Amount in Rs.)**

Particulars		Notes	As at 31-03-2021	As at 31-03-2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3	34,94,58,519	38,49,48,545
	(b) Capital work-in-progress	3	55,37,292	-
	(c) Intangible assets	3 (a)	35,027	42,112
	(d) Right of use assets	3 (b)	2,29,51,344	1,68,84,121
	(e) Financial assets			
	(i) Loans	4(B)	43,69,441	27,22,468
	(f) Deferred tax assets (net)	13	1,99,67,907	-
	Total non-current assets		**40,23,19,530**	**40,45,97,246**
(2)	**Current assets**			
	(a) Inventories	6	1,91,34,395	1,14,39,694
	(b) Financial assets			
	(i) Trade receivables	4(A)	2,35,04,543	99,17,308
	(ii) Cash and cash equivalents	4(C)	25,14,720	9,83,748
	(iii) Others	4(D)	2,55,000	10,42,200
	(c) Other current assets	5	3,79,06,534	4,31,98,510
	Total current assets		**8,33,15,192**	**6,65,81,460**
	Total Assets		**48,56,34,721**	**47,11,78,706**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	7(C)	9,00,00,000	9,00,00,000
	(b) Other equity	8	(3,94,87,614)	(4,67,37,014)
	Total equity		**5,05,12,386**	**4,32,62,986**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	9(A)	28,80,68,459	29,92,48,008
	(ii) Other	10	2,06,60,841	1,51,55,864
	(b) Deferred tax liabilities (net)	13(C)	-	1,17,66,873
	(c) Provisions	11	9,37,090	3,54,085
	Total non-current liabilities		**30,96,66,390**	**32,65,24,830**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	9(B)	2,22,37,097	1,44,31,375
	(i) Trade payables	14	2,72,36,823	2,47,76,270
	(ii) Other	10	6,90,25,261	6,10,24,108
	(b) Provisions	11	37,686	16,286
	(c) Other current liabilities	12	69,19,079	11,42,851
	Total current liabilities		**12,54,55,946**	**10,13,90,890**
	Total Equity and Liabilities		**48,56,34,721**	**47,11,78,706**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Jugal Arora & Company
Chartered Accountants
ICAI Firm Reg. No.- 016691N

For and on behalf of the Board of Directors of
DEE Fabricom India Private Limited

Jugal Arora (FCA)
Partner
M. No: 097049

K.L. Bansal
Chairman & Managing Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Place : Faridabad
Date : September 03,2021

Deepak Behl
Company Secretary
ACS-A40924

DEE Fabricom India Private Limited

Statement of Profit and Loss for the year ended 31 March 2021 **(Amount in Rs.)**

	Particulars	Notes	For the year ended 31-03-2021	For the year ended 31-03-2020
I	Revenue from operations	15	15,87,28,242	7,98,47,160
II	Other income	16	1,47,161	3,32,476
III	**Total Income (I+II)**		**15,88,75,403**	**8,01,79,636**
IV	**Expenses**			
	Purchases of stock in trade		56,85,970	2,95,260
	Employee benefit expenses	17	3,31,48,297	1,95,11,146
	Depreciation and amortization expense	18	4,16,00,673	2,34,74,332
	Finance costs	20	4,30,55,998	2,26,83,016
	Other expenses	19	5,98,69,845	4,84,39,592
	Total expenses (IV)		**18,33,60,783**	**11,44,03,345**
V	**Profit before tax**		**(2,44,85,380)**	**(3,42,23,710)**
VI	**Tax expense:**			
(1)	Current tax		-	-
(2)	Income tax adjustment related to earlier years		-	-
(3)	Deferred tax (credit)/ charge	13	(3,17,34,780)	1,17,66,873
VII	**Profit for the year (VI-VII)**		**72,49,400**	**(4,59,90,582)**
VIII	**Other comprehensive income**		**-**	**-**
	Items that will not be reclassified to profit or loss:			
	Re-measurement gain on define benefit plans		-	-
	Income tax effect		-	-
IX	Total comprehensive income for the year (net of tax) (VIII+IX)		**72,49,400**	**(4,59,90,582)**
	Earnings per equity share nominal value of shares INR 10 each:	21		
	- Basic earnings per share		**0.81**	**(5.11)**
	- Diluted earnings per share		**0.81**	**(5.11)**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

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Place : Faridabad
Date : September 03,2021

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DEE Fabricom India Private Limited
Cash Flows for the year ended 31 March 2021

(Amount in Rs.)

Particulars			**For the year ended 31-03-2021**	**For the year ended 31-03-2020**
A.	**Cash flow from operating activities**			
	Profit before income tax		**(2,44,85,380)**	**(3,42,23,710)**
	Adjustments to reconcile profit before tax to net cash flows:			
	Right of use assets		(13,83,793)	(2,66,926)
	Depreciation and amortisation expense		4,16,00,673	2,34,74,332
	Interest Received		(1,47,161)	-
	Finance costs		4,30,55,998	2,26,83,016
	Operating profit before working capital changes		**5,86,40,337**	**1,16,66,712**
	Working capital adjustments:			
	Change in trade receivables		(1,35,87,236)	(99,17,308)
	Change in current/non-current financial assets		(16,46,973)	(17,15,618)
	Change in other current/non-current assets		55,53,720	(1,73,86,580)
	Change in trade payables		24,60,552	1,83,05,661
	Change in Inventories		(76,94,701)	(1,14,39,694)
	Change in current/non-current financial liabilities		-	1,04,015
	Change in other current/non-current liabilities		57,76,229	5,46,049
	Change in Provisions		6,04,405	3,70,371
	Cash generated/(used in) from operations		**5,01,06,333**	**(94,66,391)**
	Direct tax paid		-	-
	Net cash (outflow)/ inflow from operating activities	A.	**5,01,06,333**	**(94,66,391)**
B.	**Cash flow from investing activities**			
	Purchase of property, plant & equipment		(1,86,10,640)	(14,45,25,009)
	Proceeds from sale of property, plant & equipment		2,58,257	47,194
	Investments in bank deposits		-	(39,59,800)
	Proceeds from redemption/ maturity of bank deposits		7,87,200	29,17,600
	Interest received		2,11,603	-
	Net cash inflow/ (outflow) from investing activities	B.	**(1,73,53,580)**	**(14,55,20,015)**
C.	**Cash flow from financing activities**			
	Proceeds from Share capital		-	2,00,00,000
	Proceeds from borrowings		11,01,50,000	31,84,71,661
	Repayment of borrowing		(10,02,39,253)	(17,28,95,327)
	Interest paid		(4,11,32,528)	(2,26,83,016)
	Net cash inflow/ (outflow) from financing activities	C.	**(3,12,21,781)**	**14,28,93,318**
	Net (decrease) in cash and cash equivalents (A + B + C)		**15,30,971**	**(1,20,93,088)**
	Opening balance of cash and cash equivalents		9,83,748	1,30,76,836
	Closing balance of cash and cash equivalents		**25,14,720**	**9,83,748**

Notes:

1 The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows"

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Cash and cash equivalents		
Cash on hand	73,705	6,00,287
Balance with banks	24,41,014	3,83,461
Total	**25,14,720**	**9,83,748**

For Jugal Arora & Company
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Ashima Bansal
Director
DIN No. 01928449

Place : Faridabad
Date : September 03,2021

Deepak Behl
Company Secretary
ACS-A40924

DEE Fabricom India Private Limited
Statement of changes in equity for the year ended 31 March 2021 **(Amount in Rs.)**

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	Equity Shares	
	No.	**INR**
At 31 March 2019	70,00,000	7,00,00,000
Increase/ (decrease) during the year	20,00,000	2,00,00,000
At 31 March 2020	**90,00,000**	**9,00,00,000**
Increase/ (decrease) during the year	-	-
At 31 March 2021	**90,00,000**	**9,00,00,000**

B. Other equity

Particulars	Reserves and Surplus	Items of Other Comprehensive Income (OCI)	Total
	Surplus in P&L	**Employee benefits**	
Balance as at 31 March 2019	**(7,46,432)**	**-**	**(7,46,432)**
Add/ (less):	-		
Profit for the year	(4,59,90,582)	-	(4,59,90,582)
Balance as at 31 March 2020	**(4,67,37,014)**	**-**	**(4,67,37,014)**
Add/ (less):	72,49,400	-	72,49,400
Balance as at 31 March 2021	**(3,94,87,614)**	**-**	**(3,94,87,614)**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Jugal Arora & Company
Chartered Accountants
ICAI Firm Reg. No. - 016691N

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Place : Faridabad
Date : September 03,2021

Deepak Behl
Company Secretary
ACS-A40924

1. Corporate Information

DEE Fabricom India Private Limited is mainly engaged in Heavy Metal Fabrication Business. The Company has manufacturing facilities at Kutch (Gujarat). The financial statements were authorised for issue in accordance with a resolution of the directors on Date : September 03,2021

2 Significant Accounting Policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)

The financial statements of the company have been prepared on a historical cost basis, except for the following assets and liabilities:
(i) Certain financial assets and liabilities measured at fair value.
(ii) Defined benefit plan- plan assets measured at fair value.
The financial statements are presented in INR.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual result and estimates are recognised in the period in which the results are known/materialise.

c. Current vs 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.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. Foreign currencies

The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Company had availed the option of Para 46 A if AS 11 under previous GAAP and also same option has been continued under IND AS as per option given under IND AS 101 and accordingly exchange differences arising on translation of long-term foreign currency monetary items for the period ending immediately before the beginning of the first Ind AS financial reporting period is deferred/capitalised. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of Services

Revenue from erection and services and revenue from job work is recognised as per the contractual terms and as and when services are rendered.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

f. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset.

When the Company receives grant for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Profit or Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

g. Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax includes Minimum Alternate Tax (MAT) and recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have any convincing evidence that it will pay normal tax during the specified period.

For operations carried out under tax holiday period (80IA benefit of Income Tax Act, 1961), deferred tax asset or liabilities if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday period ends.

h. Property, Plant and Equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as at the transition date.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. All the property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company, based on technical assessment made by technical expert and management estimate, depreciates plant and machineries of piping division over estimated useful lives of 10 to 25 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

In case of other assets, depreciation has been provided on straight line method on the economic useful life prescribed by Schedule II to the Companies Act'2013. Depreciation on addition to or on disposal of Fixed Asset is calculated on pro rata basis. Addition, to Fixed Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

An item of property, plant and equipment and any significant part 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation of the finite intangible assets is allocated on systematic basis over the best estimate of their useful life and accordingly softwares are amortised on straight line basis over the period of six years or license period which ever is lower.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The Company has no intangible assets with an indefinite life.

j. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to the transition date, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l. Inventories

Inventories are valued as follows:-

Raw materials, Stores, Spares, Other Materials and Traded Goods	Lower of cost and net realizable value. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated, are expected to be sold at or above cost. Cost is determined on weighted average cost basis. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Finished goods	Lower of cost and net realizable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost basis. Cost of finished goods includes excise duty, wherever applicable.
Work in Progress	Work in Progress is valued at the lower of actual cost incurred or net realizable value. Cost includes direct materials, labour and proportionate overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

m. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

n. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a pre-tax rate that reflects when appropriate, the risks specific to the liability.

o. Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Gratuity is a defined benefit plan and provision is being made on the basis of actuarial valuation carried out by an independent actuary at the year end using projected unit credit method, and is contributed to the Gratuity fund managed by the Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment, and

► The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

► Net interest expense or income

Compensated Absences

Accumulated leave which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to statement of Profit and Loss in the period in which they occur. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

► Debt instruments at amortised cost
► Debt instruments at fair value through other comprehensive income (FVTOCI)
► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
► Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) 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 on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 or loss.

q. **Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

r. Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

t. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors identified as chief operating decision-maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segments. Segments are organised based on type of services delivered or provided. Segment revenue arising from third party customers is reported on the same basis as revenue in the standalone Ind AS financial statements. Segment results represent profits before unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include expenses that relate to costs attributable to the Company as a whole and are not attributable to segments.

u. 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

v. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share when applicable are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares when applicable are deemed converted as of the beginning of the period, unless they have been issued at a later date.

DEE Fabricom India Private Limited
Notes to the financial statements as at and for the year ended March 31, 2021

(Amount in Rs.)

3 Property, plant and equipment

Sl. No.	Nature	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.4.2020 (Rs.)	Addition (Rs.)	Deduction/ Adjustment (Rs.)	As on 31-03-2021 (Rs.)	As on 01.4.2020 (Rs.)	For the year (Rs.)	Deduction/ Adjustment (Rs.)	As on 31-03-2021 (Rs.)	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
	Tangible Assets										
I	Land	-	-	-	-	-	-	-	-	-	-
II	Building	12,44,52,678	7,72,714	-	12,52,25,392	57,02,485	1,16,35,499	-	1,73,37,985	10,78,87,407	11,87,50,192
III	Roads	-	-	-	-	-	-	-	-	-	-
IV	Computer And Data Processing Unit	8,28,272	63,102	-	8,91,374	2,28,205	3,15,000	-	5,43,206	3,48,168	6,00,066
V	Electrical Installation And Equipment	1,22,74,188	4,74,370	-	1,27,48,558	6,55,285	11,71,236	-	18,26,521	1,09,22,037	1,16,18,903
VI	Furniture & Fittings	29,97,984	5,64,377	-	35,62,362	1,91,111	3,00,196	-	4,91,307	30,71,054	28,06,873
VII	Motor Vehicle	19,32,946	-	-	19,32,946	3,01,158	2,29,537	-	5,30,695	14,02,251	16,31,788
VIII	Office Equioments	46,900	-	-	46,900	3,199	8,911	-	12,110	34,790	43,701
IX	Plant & Machinery-General	26,52,45,066	17,92,915	2,93,122	26,67,44,859	1,57,48,045	2,52,38,868	34,865	4,09,52,048	22,57,92,812	24,94,97,021
X	Mould & Dies	-	-	-	-	-	-	-	-	-	-
XI	Hydraulic Works, Pipelines And Sluices	-	-	-	-	-	-	-	-	-	-
	Total -A	**40,77,78,035**	**36,67,478**	**2,93,122**	**41,11,52,391**	**2,28,29,490**	**3,88,99,248**	**34,865**	**6,16,93,872**	**34,94,58,519**	**38,49,48,545**
	Intangible Assets										
I	Intangible Assets	42,500	-	-	42,500	388	7,085	-	7,473	35,027	42,112
	Total -B	**42,500**	**-**	**-**	**42,500**	**388**	**7,085**	**-**	**7,473**	**35,027**	**42,112**
	Right of Use Asset										
I	Right of Use	1,76,10,860	87,61,564	-	2,63,72,424	7,26,739	26,94,341	-	34,21,080	2,29,51,344	1,68,84,121
	Total -C	**1,76,10,860**	**87,61,564**	**-**	**2,63,72,424**	**7,26,739**	**26,94,341**	**-**	**34,21,080**	**2,29,51,344**	**1,68,84,121**
	Grand Total (A+B)	**42,54,31,395**	**1,24,29,042**	**2,93,122**	**43,75,67,315**	**2,35,56,617**	**4,16,00,674**	**34,865**	**6,51,22,425**	**37,24,44,890**	**40,18,74,778**

Capital work-in-progress

Particulars	31-Mar-21	31-Mar-20
Opening Balance	-	**25,63,68,494**
Additions during the year	55,37,292	2,19,95,450
Less : Capitalised during the year	-	27,83,63,944
Closing Balance	**55,37,292**	**-**

(Amount in Rs.)

3 Property, plant and equipment

Particulars	Freehold land	Buildings	Furniture & fittings	Plant & machinery	Electrical installations and equipment	Office equipment	Motor vehicles	Computers and data processing	Total	Capital work-in-progress
Gross block										
As at 01 April 2019	**-**	**-**	**10,25,842**	**-**	**-**	**-**	**19,16,946**	**3,09,040**	**32,51,828**	**25,63,68,494**
Additions	-	12,44,52,678	19,72,142	26,52,45,066	1,22,74,188	46,900	16,000	5,81,714	40,45,88,688	2,19,95,450
Disposal	-	-	-		-	-	-	(62,482)	(62,482)	(27,83,63,944)
As at 31 March 2020	**-**	**12,44,52,678**	**29,97,984**	**265245066**	**1,22,74,188**	**46,900**	**19,32,946**	**8,28,272**	**40,77,78,034**	**-**
Additions	-	7,72,714	5,64,377	17,92,915	4,74,370	-		63,102	36,67,478	55,37,292
Disposal	-	-	-	(2,93,122)		-		-	(2,93,122)	-
As at 31 March 2021	**-**	**12,52,25,392**	**35,62,361**	**26,67,44,859**	**1,27,48,558**	**46,900**	**1932946.00**	**8,91,374**	**41,11,52,390**	**55,37,292**
Accumulated depreciation										
As at 01 April 2019	-	-	4,507	-	-	-	72,345	20,721	**97,573**	-
Charge for the year	-	57,02,485	1,86,604	1,57,48,045	6,55,285	3,199	2,28,813	2,22,773	**2,27,47,204**	-
Disposal/Adjustment	-	-	-	-	-	-	-	(15,288)	**(15,288)**	-
As at 31 March 2020	**-**	**57,02,486**	**1,91,111**	**1,57,48,045**	**6,55,285**	**3,199**	**3,01,158**	**2,28,206**	**2,28,29,489**	**-**
Charge for the year	-	1,16,35,499	3,00,196	2,52,38,868	11,71,236	8,911	2,29,537	3,15,000	**3,88,99,247**	-
Disposal/Adjustment	-	-	-	(34,865)	-	-	-	-	**(34,865)**	-
As at 31 March 2021	**-**	**1,73,37,985**	**4,91,307**	**4,09,52,048**	**18,26,521**	**12,110**	**5,30,695**	**5,43,206**	**6,16,93,871**	**-**
Net Block:										
As at 31 March 2020	-	11,87,50,192	28,06,873	24,94,97,021	1,16,18,903	43,701	16,31,788	6,00,066	**38,49,48,545**	**-**
As at 31 March 2021	-	10,78,87,407	30,71,054	22,57,92,812	1,09,22,037	34,790	14,02,251	3,48,167	**34,94,58,519**	**55,37,292**

(Amount in Rs.)

3 (a) Intangible assets

Particulars	Software
Gross block	
As at 1 April 2019	**-**
Additions	42,500
Disposal	-
As at 31 March 2020	**42,500**
Additions	-
Disposal	-
As at 31 March 2021	**42,500**
Accumulated depreciation	
As at 1 April 2019	**-**
Charge for the year	388
Disposal	-
As at 31 March 2020	**388**
Charge for the year	7,085
Disposal	-
As at 31 March 2021	**7,473**
Net Block:	
As at 31 March 2020	**42,112**
As at 31 March 2021	**35,027**

DEE Fabricom India Private Limited
Notes to the financial statements as at and for the year ended March 31, 2021

(Amount in Rs.)

3 (b) Property plant and equipment

Particulars	Right of use Asset Leasehold Land and Plant & Machinery
Gross block	
As at 1 April 2019	**-**
Additions	1,76,10,860
Disposal	-
As at 31 March 2020	**1,76,10,860**
Additions	87,61,564
Disposal	-
As at 31 March 2021	**2,63,72,424**
Accumulated depreciation	
As at 1 April 2019	**-**
Charge for the year	7,26,739
Disposal	-
As at 31 March 2020	**7,26,739**
Charge for the year	26,94,341
Disposal	-
As at 31 March 2021	**34,21,080**
Net Block:	
As at 31 March 2020	**1,68,84,121**
As at 31 March 2021	**2,29,51,344**

(Amount in Rs.)

4 Financial assets

(A) Trade receivables

Particulars	Current As at 31 March 2021	Current As at 31 March 2020
Unsecured, considered good		
Trade receivables	2,35,04,543	99,17,308
Trade receivables from related parties	-	-
Total receivables	**2,35,04,543**	**99,17,308**

-No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies, respectively in which any director is a partner, a director or a member except as disclosed above.
-Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.
-For terms and conditions relating to Related party receivables, refer note 24
-Trade Receivable includes Amount not yet due Rs 23504543.42 .(March 31, 2020: 9917308)

(B) Loans (secured, considered good unless otherwise stated)

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Financial assets classified at amortised cost:				
Security deposits	43,69,441	27,22,468	-	-
Total loans	**43,69,441**	**27,22,468**	**-**	**-**

(C) Cash and cash equivalents

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Cash on hand			73,705	6,00,287
Bank Balance	-	-	24,41,015	3,83,461
Total	**-**	**-**	**25,14,720**	**9,83,748**

As at 31st March 2021, the company had available INR 3159903 of undrawn borrowing facilities

(D) Other financial assets

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Unsecured considered good unless otherwise stated				
Financial assets classified at amortised cost:				
Term deposits with maturity within 12 months	-	-	2,55,000	10,42,200
Total	**-**	**-**	**2,55,000**	**10,42,200**

* Deposits given as margin money against bank guarantee.

(Amount in Rs.)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	Cash and Cash Equivalents	Non Current Borrowing	Current Borrowing	Total
Net debt as at 1 April 2019	1,30,76,836	20,79,03,297	2,44,728	19,50,71,188
Cash flows	(1,20,93,088)	8,68,44,711	5,42,31,622	15,31,69,421
Interest expenses	-	2,08,09,267	11,45,676	2,19,54,943
Interest paid	-	(2,08,09,267)	(11,45,676)	(2,19,54,943)
Transaction cost adjustment	-	-	-	-
Net debt as at 31 March 2020*	9,83,748	29,47,48,008	5,44,76,350	34,82,40,609

* Net debt as at 31 March 2020 does not include unsecured loan from director 45,00,000)

Particulars	Cash and cash equivalents	Non current Borrowing	current borrowings	Total
Net debt as at 1 April 2020	**9,83,748**	**29,47,48,008**	**5,44,76,350**	**34,82,40,609**
Cash flows	15,30,971	(66,79,549)	2,10,90,296	1,28,79,776
Interest expenses	-	3,51,59,693	57,98,142	4,09,57,835
Interest paid	-	(3,51,59,693)	(57,98,142)	(4,09,57,835)
Transaction cost adjustment	-	-	-	-
Net debt as at 31 March 2021*	**25,14,720**	**28,80,68,459**	**7,55,66,646**	**36,11,20,385**

* Net debt as at 31 march 2021 doesn’t include unsecured loan from director (nill).

5 Other assets

Particulars	Non Current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	-	-	3,26,185	-
Prepaid expenses	-	-	3,06,093	1,58,200
Income Tax Recoverable	-	-	35,76,916	16,13,686
Advance to suppliers	-	-	14,30,262	7,36,925
Interest receivable	-	-	37,606	1,02,048
Balance with Government authorities	-	-	3,22,29,472	4,05,87,651
Total other assets	**-**	**-**	**3,79,06,534**	**4,31,98,510**

6 Inventories

(Value at lower of cost and net realizable value)

Particulars	Current	
	As at 31 March 2021	As at 31 March 2020
Consumable Material	1,91,34,395	1,14,39,694
	1,91,34,395	**1,14,39,694**

(Amount in Rs.)

7 Equity share capital

(A) Authorised share capital:

Particulars	No. of Shares	As at 31 March 2021
As at 31 March 2019	70,00,000	7,00,00,000
Increase/ (decrease) during the year	30,00,000	3,00,00,000
As at 31 March 2020	**1,00,00,000**	**10,00,00,000**
Increase/ (decrease) during the year	-	-
As at31 March 2021	**1,00,00,000**	**10,00,00,000**

(B) Terms/ rights attached to equity shares:

The company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share. The dividend except interim dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(C) Issued equity capital

Particulars	No. of Shares	As at 31 March 2021
Equity shares of INR 10 each issued, subscribed and fully paid		
As at 31 March 2019	70,00,000	7,00,00,000
Increase/ (decrease) during the year	20,00,000	2,00,00,000
As at 31 March 2020	**90,00,000**	**9,00,00,000**
Increase/ (decrease) during the year	-	-
	-	-
As at31 March 2021	**90,00,000**	**9,00,00,000**

(D) Details of shareholders holding more than 5% shares in the Company

	As at31 March 2021		As at31 March 2020	
Particulars	**No. of Shares**	**% of holding**	**No. of Shares**	**% of holding**
Dee Development Engineers Ltd.(Holding company) (including nominee shareholder)	90,00,000	100%	90,00,000	100%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(E) There are no equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

8 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
Surplus in the statement of profit and loss		
Opening balance	(4,67,37,014)	(7,46,432)
Add: Profit for the year	72,49,400	(4,59,90,582)
Other comprehensive income/ (loss) for the year*	-	-
Net surplus / (deficit) in the statement of profit and loss	**(3,94,87,614)**	**(4,67,37,014)**
Closing balance	**(3,94,87,614)**	**(4,67,37,014)**

(Amount in Rs.)

9 Borrowings

(A) Long-term borrowings

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Secured				
Term Loan				
a. From Banks (refer note a below)	17,11,87,044	22,42,22,544	5,30,35,500	3,97,76,625
b. Vehicle Loan from Banks (refer note b below)	5,85,135	8,79,184	2,94,049	2,68,350
c. Unsecured loans				
(i) From Holding Company	11,62,96,280	6,96,46,281	-	-
(ii) From Director (K.L. Bansal & Ashima Bansal))	-	45,00,000	-	-
	28,80,68,459	29,92,48,009	5,33,29,549	4,00,44,975
Less: current maturities of long term debts disclosed under 'other financial liabilities' (refer note 10)	-	-	(5,33,29,549)	(4,00,44,975)
Total	**28,80,68,459**	**29,92,48,009**	-	-

Repayment Schedule of long term borrowing - non-current:

Particulars	As at31 March 2021 'INR	As at31 March 2021 Repayment Installments	As at31 March 2020 'INR	As at31 March 2020 Repayment Installments
Secured Loans				
(i) Presently 10% to 10.10%	17,11,87,044	13 equal quarterly instalments	22,42,22,544	17 equal quarterly instalments starts from July, 2020
(ii) Presently 9.25%,	5,85,135	21 equal monthly instalments	8,79,184	33 equal monthly instalments
Unsecured Loans				
(i) Presently 10%	11,62,96,280	On demand	6,96,46,281	On demand
(ii) Interest free loans from Directors	-	On demand	45,00,000	On demand
	28,80,68,459		**29,92,48,009**	

Notes:

a Term loan from bank secured by Immovable property or any interest therein; Book debts; Floating charge; Movable property (not being pledge) of the

b Vehicle loan from bank secured by the vehicle of the Company financed under the scheme.

(B) Short-term borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Cash credits and WCDL (refer note (a) below)		
(i) Cash credit	1,22,37,097	1,44,31,375
(ii) Working capital demand loan	1,00,00,000	-
Total	**2,22,37,097**	**1,44,31,375**

Note:

a Secured by first charge on current assets including stock and book debts, personal guarantee of promoters and corporate guarentee of DEE Development Engineers Ltd.

10 Other financial liabilities

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Financial liabilities classified at amortised cost:				
Current maturities of long-term debts (refer note 9(A))	-	-	5,33,29,549	4,00,44,975
Creditors for capital goods	-	-	95,99,055	1,86,78,740
Interest accrued and not due on borrowings	-	-	20,35,793	1,12,323
Lease Liabilities *	2,06,60,841	1,51,55,864	40,60,864	21,88,070
Total other financial liabilities	**2,06,60,841**	**1,51,55,864**	**6,90,25,261**	**6,10,24,108**

* The effective interest rate for lease liabilities is 10%

DEE Fabricom India Private Limited
Notes to the financial statements as at and for the year ended March 31, 2021

(Amount in Rs.)

11 Provisions

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Provisions for employee benefits	9,37,090	3,54,085	37,686	16,286
Total provisions	**9,37,090**	**3,54,085**	**37,686**	**16,286**

12 Other liabilities

Particulars	Non Current As at 31 March 2021	Non Current As at 31 March 2020	Current As at 31 March 2021	Current As at 31 March 2020
Statutory dues	-	-	13,42,906	11,42,851
Advance received from customers	-	-	55,76,173	-
Total other liabilities	**-**	**-**	**69,19,079**	**11,42,851**

13 Income tax

Deferred tax
Deferred tax relates to following:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance sheet		
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporti	1,40,12,216	1,19,73,658
Impact of Carrry forward loss and unabsorbed depreciation	(3,37,80,572)	-
Impact on Ind AS adjustment	(1,99,551)	(96,296)
Expenditure allowed for tax purposes on payment basis	-	(1,10,489)
Net deferred tax (assets)/ liabilities	**(1,99,67,907)**	**1,17,66,873**

Statement of profit and loss	Year ended 31 March 2021	Year ended 31 March 2020
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporti	20,38,558	1,19,73,658
Impact of Carrry forward loss and unabsorbed depreciation	(3,37,80,572)	-
Impact on Ind AS adjustment	(1,03,255)	(96,296)
Expenditure allowed for tax purposes on payment basis	1,10,489	(1,10,489)
Deferred tax expense/ (income)	**(3,17,34,780)**	**1,17,66,873**
Other Comprehensive Income		
Impact on Ind AS adjustment	-	-
Deferred tax expense / (income)	**-**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

14 Trade Payables

Particulars	Current As at 31 March 2021	Current As at 31 March 2020
Trade payables	2,72,36,823	2,47,76,270
Trade payables to Micro, Small and Medium Enterprises	-	-
Total trade payables	**2,72,36,823**	**2,47,76,270**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 0 to 60 days terms
-For terms and conditions relating to Related party payable, refer note 24

(Amount in Rs.)

15 Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products:		
Sale of traded goods	58,15,970	4,00,000
Sale of service:		
Job work	14,69,16,038	7,93,87,420
Other operating income	59,96,234	59,740
Total revenue from operations	**15,87,28,242**	**7,98,47,160**

16 Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest recived from bank	1,47,161	1,49,328
Profit on sale of fixed assets	-	1,83,148
Total other income	**1,47,161**	**3,32,476**

17 Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	3,08,60,900	1,82,86,781
Contribution to provident and other funds	12,09,963	5,84,405
Gratuity Expenses	3,62,296	2,30,150
Staff welfare expenses	7,15,138	4,09,810
Total employee benefits expense	**3,31,48,297**	**1,95,11,146**

18 Depreciation and amortization expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on tangible assets	3,88,99,247	2,27,47,205
Depreciation on intangible assets	7,085	388
Depreciation of Right of Use Assets	26,94,341	7,26,739
Total	**4,16,00,673**	**2,34,74,332**

19 Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	1,76,30,947	1,87,51,370
Fabrication and job charges	2,00,12,169	1,01,90,632
Repair & Maintenance	4,61,965	8,51,736
Office and factory maintenance	10,93,143	9,58,893
Rent including lease rentals	80,99,749	53,40,432
Rates and taxes	10,321	4,83,510
Insurance	2,95,040	2,68,936
Power, fuel and water charges	54,41,892	48,54,938
Inspection & Testing	5,76,999	6,48,916
Auditor's remuneration	1,00,000	1,00,000
Legal and professional	17,13,337	25,90,411
Travelling and conveyance expense	14,43,517	15,20,339
Bank Charges	40,288	87,014
Sundry balances written off	1,53,127	1,410
Donation	1,05,000	50,000
Security and servicing charges	19,66,117	8,71,652
Software charges	1,90,970	1,94,065

(Amount in Rs.)

Printing & Stationery	1,37,800	1,85,693
Postage, Telegram, & Courier	14,630	34,844
Pooja & Function Expenses	15,935	66,830
Internet Charges	1,92,887	1,93,548
Miscellaneous	1,74,012	1,94,423
Total	**5,98,69,845.49**	**4,84,39,592**

Payment to auditors :	Year ended 31 March 2021	Year ended 31 March 2020
As auditor:		
- Audit fee	1,00,000	1,00,000
Total	1,00,000	1,00,000

20 Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Expense		
- on term loans	2,49,62,586	1,70,29,563
- on others	57,98,142	11,45,676
- on unsecured loan (Holding company)	1,01,97,107	37,79,704
Interest on lease liability	20,98,163	7,28,073
Total	**4,30,55,998**	**2,26,83,016**

21 Earnings per share (EPS)

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit attributable to equity holders of the Company for basic and diluted earnings (A)	72,49,400	(4,59,90,582)
Weighted average number of Equity shares for basic and diluted EPS* (B)	90,00,000	90,00,000
Earnings per share (A/B)		
- Basic earnings per share	0.81	(5.11)
- Diluted earnings per share	0.81	(5.11)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no transaction involving Equity shares or potential Equity shares during the year .

22 Significant accounting judgements, estimates and assumptions

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 accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

- Taxes
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- Defined benefit plans (gratuity)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

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

23 Gratuity and other post-employment benefit plans

A. Defined benefit plans - general description

The Company has a defined gratuity benefit plan. Every employee who completes service of five years or more, gets a gratuity, of 15 days salary (last drawn salary) for each completed year of service.
The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan (based on actuarial valuation) :

Amount recognised in statement of profit and loss

Net employee benefit expense recognized in the employee cost:

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Service cost	3,46,646	2,30,150
Net interest cost	15,650	-
Expenses recognised in the statement of profit and loss	**3,62,296**	**2,30,150**

Amount recognised in other comprehensive income

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Net actuarial (gain)/ loss recognised in the year	-	-
Expenses recognised in the other comprehensive income	-	-

Balance sheet

Benefit asset/ liability

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Present value of defined obligation at the end of the period	5,25,462	2,30,150
Less : Fair value of the plan assets at the end of the year	-	-
Net present value of defined benefit obligation	**5,25,462**	**2,30,150**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Opening defined benefit obligation	2,30,150	-
Service cost	3,46,646	2,30,150
Interest cost	15,650	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligation	(66,984)	-
Closing defined benefit obligation	**5,25,462**	**2,30,150**

Changes in the fair value of plan assets are as follows:

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Mortality charges	-	-
Contribution by the employer	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

B. The principal actuarial assumptions used in determining gratuity are as follows:

(a) Economic assumptions

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Discount rate	6.76	6.80
Average salary escalation rate	5.00	5.00
Ages	Withdrawal rate %	Withdrawal rate %
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

C. Demographic assumptions

Particulars	Year ended 31 march 2021	Year ended 31 March 2020
Retirement age	58 years	58 years
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)

D. A quantitative sensitivity analysis for significant assumption as at 31 March is as shown below:

Assumptions	Sensitivity Level	Impact on defined benefit obligation
Discount rate:		
31 march 2021	Increase of 0.50%	(43,310)
	Decrease of 0.50 %	48,322
31 March 2020	Increase of 0.50%	(18,662)
	Decrease of 0.50 %	20,831
Future salary increases:		
31 march 2021	Increase of 0.50%	48,932
	Decrease of 0.50 %	(44,197)
31 March 2020	Increase of 0.50%	21,101
	decrease of 0.50 %	(19,047)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

E. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 March 2021	31 March 2020
Within the next 12 months (next annual reporting period)	1,103	764
Between 2 and 5 years	25,139	17,005
Beyond 5 years	4,99,220	2,11,922
Total expected payments	**5,25,462**	**2,29,691**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.85 years (March 31, 2020 : 19.49)

(Amount in Rs.)

24 Related party transactions

(A) Names of related parties and related party relationship

	Nature of relationship	Name of related parties
(i)	**Holding Company:**	DEE Development Engineers Ltd.
(ii)	**Key management personnel:**	Mr. K.L. Bansal (Director)
		Mrs. Ashima Bansal (Director)
		Mr. Deepak Behl (Company Secretary)

(B) The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Name of related party	Year ended 31 march 2021	Year ended 31 March 2020
(i) With Holding Company - DEE Development Engineers Ltd.		
Purchase of goods	-	3,73,874
Sale of product	2,47,77,000	24,85,299
Interest Paid	1,01,97,107	65,71,420
Loan Received	8,41,50,000	24,09,59,386
Repayment of Loan	3,75,00,000	17,13,13,106
Equity Share Capital Received	-	2,00,00,000
Corporate Guarantee Taken	-	36,50,00,000
(ii) With Key management personnel and their relatives:		
Loan Received from Mr. K. L. Bansal	2,50,00,000	30,00,000
Loan Received from Mrs. Ashima Bansal	10,00,000	1,30,00,000
Loan Paid back to Mr. K. L. Bansal	2,60,00,000	20,00,000
Loan Paid back to Mrs. Ashima Bansal	45,00,000	95,00,000
Rent Paid to Mr. K. L. Bansal	24,000	24,000

(C) Following are the balances outstanding as at year end:

Name of related party	As at 31 March 2021	As at 31 March 2020
(i) With Holding Company - DEE Development Engineers Ltd.		
Corporate Guarantee given to Banker (to the extent of loan amount outstanding as on balance sheet date)	24,64,59,641	27,84,30,544
Advance Received	45,00,000	-
Loan Taken	11,62,96,000	6,96,46,280
(ii) With Key management personnel and their relatives:		
Mr. K.L. Bansal	-	10,00,000
Mrs. Ashima Bansal	-	35,00,000

(D) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free other than unsecured loan from parent company .

For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

(Amount in Rs.)

25 Commitments and Contingencies

Commitments

(a) Capital Commitments

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid INR 3.26 lacs)	**3,20,294**	-

(Amount in Rs.)

26 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Particulars	Carrying value		Fair value	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(A)	Financial assets				
	Non-current				
	Security deposits	43,69,441	27,22,468	43,69,441	27,22,468
	Current				
	Trade Receivables	2,35,04,543	99,17,308	2,35,04,543	99,17,308
	Cash and bank balances	25,14,720	9,83,748	25,14,720	9,83,748
	Term deposits with maturity within 12 months	2,55,000	10,42,200	2,55,000	10,42,200
	Interest Receivable	37,606	1,02,048	-	1,02,048
	Total financial assets	**3,06,81,310**	**1,47,67,772**	**3,06,43,704**	**1,47,67,772**
(B)	Financial liabilities				
	Non-Current				
	Borrowings	28,80,68,459	29,92,48,009	28,80,68,459.02	29,92,48,008
	Current				
	Borrowings	2,22,37,097	1,44,31,375	2,22,37,097	1,44,31,375
	Current maturities of Long-term debts	5,33,29,549	4,00,44,975	5,33,29,549	4,00,44,975
	Trade payables	2,72,36,823	2,47,76,270	2,72,36,823	2,47,76,270
	Interest accrued and not due on borrowings	20,35,793	1,12,323	20,35,793	1,12,323
	Total financial liabilities	**39,29,07,721**	**37,86,12,952**	**39,29,07,721**	**37,86,12,951**

Note:-
The management assessed that cash and cash equivalents, other bank balances, trade receivables, loan to employees, current portion of security deposits, other current assets, interest accrued on fixed deposits, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

a. Security deposits- The fair value of security deposits and inter-corporate loans are determined by using DCF method using discount rate that reflects the market rate of such instruments as at the end of the reporting period. Management has assessed that the carrying value of the instruments is significantly equal to fair value as on reporting date.

b. Term deposits- The fair value of term deposits is equal to carrying value since they are carrying market interest rates as per the banks.

c. Long-term borrowings - The fair value of long-term borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The carrying value and fair value of the borrowings has been considered the same since the existing interest rate approximates its fair value.

d. Others- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

27 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

This section explains the judgements and estimates made 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
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Specific valuation techniques used to value financial instruments include:

(i) the use of quoted market prices or dealer quotes for similar instruments
(ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

(iii) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

A Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

			Fair value measurement using
Particulars	**Date of valuation**	**Total**	**Significant unobservable inputs**
Financial assets measured at amortised cost			
Security deposits	31-Mar-21	43,69,441	43,69,441
Financial liabilities measured at amortised cost			
Long-term borrowings (including current maturities)	31-Mar-21	34,13,98,008	34,13,98,008

There have been no transfers between Level 1 and Level 2 during the year.

B Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

			Fair value measurement using
Particulars	**Date of valuation**	**Total**	**Significant unobservable inputs**
Financial assets measured at amortised cost			
Security deposits	31-Mar-20	27,22,468	27,22,468
Financial liabilities measured at amortised cost			
Long-term borrowings (including current maturities)	31-Mar-20	33,92,92,984	33,92,92,984

There have been no transfers between Level 1 and Level 2 during the year.

(Amount in Rs.)

28 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits given, employee advances, trade and other receivables, cash and term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings. The Company is not exposed to currency risk and other price risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumption have been made in calculating the sensitivity analysis:
- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021and 31 March 2020.

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 exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk because Company borrows funds at both floating interest rates. These exposures are reviewed by appropriate levels of management. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	31-Mar-21	
	Increase / Decrease in basis	Effect on profit before tax
Loan from banks	+0.50%	12,73,149
Loan from banks	-0.50%	(12,73,149)

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 including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables:

Trade receivables do not have any significant potential credit risk for the Company as the business of the Company is majorly cash based. Accordingly, any significant impairment analysis is not required to be performed by the management at each reporting date except on individual basis for major clients. The Company is a power generating company. The company is dealing with single customer having good credit worthiness, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customer is reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits and bank loans. Most of loans borrowed by the Company's will not mature in less than one year at 31 March 2021 based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31st March 2021, the company had available INR 3159903 of undrawn borrowing facilities(March 31, 2020: 5,68,625)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 March 2021						
Long term borrowings (including current maturities)	11,62,96,280	1,33,29,916	3,99,99,837	17,17,71,975	-	34,13,98,008
Short term borrowings	2,22,37,097	-	-	-	-	2,22,37,097
Trade payables	-	2,72,36,823	-	-	-	2,72,36,823
Other financial liabilities	-	20,35,793	-	-	-	20,35,793
	13,85,33,377	4,26,02,532	3,99,99,837	17,17,71,975	-	39,29,07,721
Year ended 31 March 2020						
Long term borrowings (including current maturities)	7,41,46,281	64,788	3,99,80,187	21,30,21,184	1,20,80,544	33,92,92,984
Short term borrowings	1,44,31,375	-	-	-	-	1,44,31,375
Trade payables	-	2,47,76,270	-	-	-	2,47,76,270
Other financial liabilities	-	1,12,323	-	-	-	1,12,323
	8,85,77,655	**2,49,53,381**	**3,99,80,187**	**21,30,21,184**	**1,20,80,544**	**37,86,12,952**

(Amount in Rs.)

29 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

The Company's gearing ratio is as follows:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Borrowings including current maturities	36,36,35,105	34,92,24,358
Trade payables		
Less: cash and cash equivalents	(25,14,720)	(9,83,748)
Net debt (A)	**36,11,20,385**	**34,82,40,610**
-Equity (refer note 7 and 8)	5,05,12,386	4,32,62,986
Total capital (B)	**5,05,12,386**	**4,32,62,986**
Total capital and net debt (C) = (A) + (B)	**41,16,32,771**	**39,15,03,596**
Gearing ratio (A)/(C) (%)	**87.73%**	**88.95%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

30 COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of these financial statements on the carrying value of its assets and liabilities as on March 31, 2021. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of its assets. The Company has adequate liquidity to discharge its obligations. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.

(Amount in Rs.)

31 Leases

The Company has entered into various lease agreement for its factory buildings. The lease terms for factory land for a period of one to ten years with a lock in period of 5-10 years and are cancellable at mutual consent thereafter. Normally there are renewal and escalation clauses in these contracts. Further, company has taken land for factory on long term lease ranging from 6-10 years.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for previously recognised prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(i) The effect of adoption Ind AS 116 as at 1 April 2020 increase/(decrease) is, as follows:

Particulars	**March 31, 2021**
Property, plant and equipment	
Right-of-use assets	2,29,51,344
Prepayment	
Total assets	**2,29,51,344**
Liabilities	
Lease liabilities	2,47,21,705
Total liabilities	**2,47,21,705**

(ii) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the Year ended March 31, 2021

Particulars	**Lease hold Land and Plant & Machinery**
Right of use assets recorded on adoption of Ind AS 116 as at 01 April 2020	1,76,10,860
Additions	87,61,564
Deletions	
Sub- Total (A)	2,63,72,424
Accumulated Depreciation on Right of use Asset	
Depreciation Expenses	26,94,341
Accumulated depreciation on derecognition of lease as on 1 April 2020	7,26,739
Net Accumulated depreciation on Right of use assets (B)	34,21,080
Net Right of Use assets as At 31st March, 2021 (A-B)	**2,29,51,344**

iii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the year ended March 31, 2021:

Particulars	**Lease hold Land and Plant & Machinery**
Lease liability recorded on adoption of Ind AS 116 as at 01 April 2020	1,73,43,934
Additions	87,61,564
Deletions	-
Interest	20,98,163
Repayment	(34,81,956)
As At 31st March,2021	**2,47,21,705**
Current	40,60,864
Non Current	2,06,60,841

(iv) The effective interest rate for lease liabilities is 10.00%, with maturity between 2022-2029

(v) The following are the amounts recognised in statement of profit and loss:

Particulars	**31-Mar-21**
Depreciation expense of right-of-use assets	26,94,341
Interest expense on lease liabilities	20,98,163
Expense relating to short-tem leases	-
(Profit)/Loss on derecognition of right of use asset	

(vi) The Company had total cash outflows for leases of Rs 34,81,956 in financial year 2020-21.

(vii) The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised

For Jugal Arora & Company
Chartered Accountants
ICAI Firm Reg. No. - 016691N

Jugal Arora (FCA)
Partner
M. No: 097049

Place : Faridabad
Date : September 03,2021

For and on behalf of the Board of Directors of
DEE Fabricom India Private Limited

K.L. Bansal
Director
DIN No. 01125121

Ashima Bansal
Director
DIN No. 01928449

Deepak Behl
Company Secretary
ACS-A40924