

Deem Roll-Tech Limited

[CIN: U27109GJ2003PLC042325]

Audited Financial Statements

Financial Year 2021-22

**Registered Office: SURVEY NO. 110/1, P-1, 110/2, GANESHPURA, TA:KADI, MAHESANA,
GUJARAT-382729,INDIA**

**Corporate Office : C-3/301, ANUSHRUTI APARTMENT, OPP NEW YORK TOWER, NR. JAIN
MANDIR, S.G. HIGHWAY AHMEDABAD GUJARAT-380054,INDIA**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEEM ROLL-TECH LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **DEEM ROLL-TECH Ltd.** ("the company"), which comprise the Balance Sheet as at March 31 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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



Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management discussion and Analysis and Report on corporate governance but does not include the consolidated financial statements, financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required



to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not a public listed company in which public shareholders have made investment and hence this clause of transfer of funds to the Investor Education and Protection fund by the company is not applicable to the company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether



recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year in contravention of the provisions of Section 123 of Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Jayamal Thakore & Co.
Chartered Accountants
Firm's Registration Number:
104098W

Place: Ahmedabad
Date : 2nd September, 2022

Anup Kumar Bhattacharjee
Partner
Membership number: 082184
UDIN: 22082184ASBGNV5644



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **DEEM ROLL-TECH LIMITED** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

1. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the Internal Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Jayamal Thakore & Co.
Chartered Accountants
Firm's Registration Number: 104098W**

**Place: Ahmedabad
Date: 2nd September, 2022**

**Anup Kumar Bhattacharjee
Partner
Membership number: 082184
UDIN: 22082184AMLHMA5438**



ANNEXURE “B” TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) According to information and explanation given to us, during the year, the management conducted physical verification of certain fixed assets in accordance with its policy of physical verification in a phased manner. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its fixed assets. As explained to us, the discrepancies noticed on physical verification as compared to book records maintained, were not material and have been properly dealt with in the books of account.

(c) We are unable to form an opinion on whether the title deeds of immovable property are held in the name of company since the management has not provided necessary documentary evidences, in order to certify whether, the title deeds of immovable properties are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and tangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The Company is engaged in the business of manufacturing steel and alloy rolls. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(b) As disclosed in note 7 to the financial statements, the Company has been sanctioned working capital limits in excess of ` Five crores in aggregate from banks during the year on the basis of security of current assets of the



Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

3. (a) The Company has not provided any advances in the nature of loans, guarantee and security to any other entity during the year.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits and hence reporting under clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us, in respect of statutory due:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material Statutory Dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident fund , Employees' State Insurance, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears applicable under Income tax Act, 1961 as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, except Income Tax dues no dues of Service tax, Duty of Customs, Excise Duty, Value Added tax, Goods and Service tax, cess which have not been deposited on account of disputes.

The particulars of dues of Fringe Benefit Tax outstanding as at March 31, 2022 on Income Tax CPC Portal which have been deposited and AO order also received but pending on portal. Details are as follows:

Name of the statute	Nature of Dues	Amount paid but not reflected on CPC portal (in Rs.)	Period to which the amount relate
Income Tax Act	Fringe Benefit Tax	5,13,916	2009-10



8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9.
 - (a) Based on our audit procedures performed by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate company or joint venture.
 - (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associate or joint venture.
10.
 - (a) In our opinion and according to the information and explanations given to us, the company has not raised fund by way of further public offers/right offer or private placement during the year.
 - (b) During the year, the Company has not made any preferential allotment or private placement of shares and hence reporting under clause 3(x)(b) of the Order is not applicable
11.
 - (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company which has been noticed or reported during the year, nor have we been informed of any such case by the Management.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provisions of 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the company issued till the date of audit report, for the period under audit.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with its directors or persons connected with him and hence provisions hence requirement to report on clause 3(xv) of the Order is not applicable to the Company
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses in the current financial year and the immediately preceding financial year
18. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios (Refer note 37 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the

Jayamal Thakore & Co.

CHARTERED ACCOUNTANTS



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AHMEDABAD-380009

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balance sheet date, will get discharged by the company as and when they fall due.

20. (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects that are required to be transferred to as special account in compliance of provision of sub section (6) Section 135 of the Companies Act, 2013

**For Jayamal Thakore & Co.
Chartered Accountants
Firm's Registration Number:
104098W**

**Place: Ahmedabad
Date: 2nd September, 2022**

**Anup Kumar Bhattacharjee
Partner
Membership number: 082184
UDIN : 22082184ASBGNV5644**

DEEM ROLL-TECH LIMITED

Notes forming part of Financial Statements

1. CORPORATE INFORMATION

Deem Roll-Tech Limited is a public limited company incorporated in India.

The company is in business of roll manufacturers. The company comprises three fully integrated factories with machine shops, foundries and heat treatment plants.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”)/ Companies Act, 1956 (“the 1956 Act”), as applicable. The accounts of the company are prepared on historical cost basis as a going concern and are consistent with the general accepted accounting principles. The company follows the Mercantile system of Accounting and recognizes income and expenditure on accrual basis except Export Incentive/ Duty Drawback income which is recognized on cash basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Classification of Assets and Liabilities as Current or Non - Current

All assets and liabilities are classified as current or non-current as per the company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

c) Use of Estimates

The preparation of financial statement in conformity with the generally accepted principles requires management to make estimates and assumption to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reported period. The difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

d) Revenue Recognition

- i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of product is transferred to the customer, which is generally on dispatch of goods.
- iii) Other income is recognized on accrual basis except when there are significant uncertainties

(e) Use of judgement, estimates and assumptions

The preparation of the financial statements requires the management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of financial statement and the reported amounts of income and expenditure during the reported year. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Income taxes

The Company's major tax jurisdictions is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) Impairment testing

Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

iii) Depreciation and amortisation

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

iv) Other estimates

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(b) Property, plant and equipment

Property, plant and equipment are measured at historical cost or its deemed cost less accumulated depreciation and impairment losses, if any. Historical Cost includes expenditures directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

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

Subsequent expenditure on additions and betterment of operational properties are capitalized, only if, it is probable that the future economic benefits associated with the expenditure will flow to the Company and expenditures for maintenance and repairs are charged to statement of Profit & Loss as incurred.

(c) Depreciation/ Amortisation

Depreciable amount for assets is the cost of asset less its estimated residual value.

Depreciation has been provided on assets on the straight line method, as per the useful life prescribed in Schedule II of the Companies Act, 2013.

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. The Company assesses at each Balance Sheet date whether there is objective evidence that a asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Employee Benefits

Salaries and wages paid to employees is recognized as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

The contributions remitted to government administered Provident and Pension Fund on behalf of its employees is in accordance with the relevant statute and are charged to the Statement of Profit and Loss as and when due. The Company has no further obligations for future Provident/ Pension fund benefits other than its monthly contributions.

Provision for Gratuity benefits are recognized as per the actuarial valuation report .

(e) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the

reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

(f) Income Taxes

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax - Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the year. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the year. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred tax - Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

The carrying amount of deferred income 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 income tax asset to be utilized.

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

(g) Cash flow Statement:

Cash flows are reported using the indirect method as explained in the Accounting Standard (AS) 3 - Cash Flow Statements, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

(h) Leases

Leases are classified as Finance or Operating leases depending upon the term of lease Agreement. Assets held under the Finance Lease are recognized as assets of the company on the date of Acquisition and depreciated over the estimated useful life. Initial direct cost under the finance lease is included as a part of the amount recognized as assets under the Finance Lease.

Rentals payable under an Operating Lease are treated as expense as and when they are incurred.

(i) Foreign Currency transactions and translations

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

(j) Finance Income and expense

Finance income consists of interest income on funds invested, dividend income and fair value gains on the FVTPL financial assets. Interest income is

recognized as it accrues in the statement of profit and loss, using the effective interest method.

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method.

(k) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(l) Contingent Liabilities

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

The company has not made provision for above referred contingent liabilities in its financial statements.

(m) Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

(n) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

(o) Borrowing Costs

Borrowing costs include interest and amortization of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Borrowing costs that are attributable to the acquisition and construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying Asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(p) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand rupees as per the requirement of Schedule III, unless otherwise stated.

(q) Goods & Service Tax:

GST credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

The GST credits so taken are utilized for payment of excise duty/GST on sales. The unutilized GST credit is carried forward in the books. The GST credits so taken are utilized for payment of tax on goods sold. The unutilized GST credit, if any, is carried forward in the books.

(r) Inventories

i) Raw materials, Stores & Spares, Loose Tools are valued at Cost or Net Realizable Value, whichever is lower.

- ii) Finished goods are valued at Cost or Net Realizable Value, whichever is lower.
- iii) Work-in-progress is valued at lower of estimated cost and Net Realizable Value.
- iv) Cost is determined as per FIFO method of accounting.

(s) Investments

Investments, if any are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

(t) Fixed Assets

Fixed assets (except Freehold Land) are stated at Cost of Acquisition or Construction including installation cost, attributable interest and Financial Cost till such time assets are ready for its intended use, less accumulated depreciation, impairment of Losses and specific Grants received, if any. Freehold Land is stated at Cost.

(u) Expenditure on Research & Development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources/ability to complete development and to use or sell the asset.

The expenditure to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in profit or loss as incurred.

Separate accounts have been maintained in respect of expenditure on R&D including Capital expenditure, Salaries & Wages of R&D staff, Materials & Consumables used in R&D and other R&D related recurring expenditure.

II - Other Notes to Accounts

- i) The company has not employed any person who was in receipt of remuneration exceeding the limit prescribed under section 197 of Companies Act, 2013 when employed for the part of the year except to Managing Director of the company to whom salary of Rs.1,68,00,000 is paid. The company has passed special resolution for such excess remuneration payment in Board of Directors Meeting of the company held on 12/04/2021 as specified in Section 197 of Companies Act,2013.
- ii) Estimated amount of contract remaining to be executed on capital account not provided for: NIL
- iii) **Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.**

Total creditors as on 31.03.2022 is **Rs. 14,39,15,825**. Details of classification of outstanding creditors as on 31-03-2022 is MSME Rs.2,93,86,281 and non MSME is Rs.11,45,29,544 payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

- iv) In the opinion of Management, any of the assets other than items of property, plant and equipment, intangible assets and Non-Current Investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, unless otherwise stated.
- v) On periodical basis and as and when required, the Company reviews the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss have been provided in the Financial Year 2021-22 (Previous Year Rs. Nil)
- vi) **Financial Instruments and Risk Management**

Risk Management Framework

The Company's risk management is governed by policies and approved by the board of directors. Company's identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The company has policies for overall risk management, as well as policies covering specific areas, such as - exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company maintains its cash and cash equivalents and bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-

worthiness on an on-going basis. The maximum exposure to credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of the adoption of Ind AS 109, the company uses ECL model to assess the impairment loss or gain. The company uses a provision matrix to compute the ECL allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the company's experience for customers.

The Company reviews trade receivables on periodic basis and charges to profit and loss account when management feels the amount will not be receivable in future. The Company also calculates the expected credit loss (ECL) for non-collection of receivables.

b. Liquid Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

Exposure to Liquid Risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

c. Market Risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market factors. Market risk comprises two types of risks:

a) Currency Risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of receivables in foreign currency. Company is exposed to currency risk on account of receivables in foreign currency. The company does not have any unhedged foreign currency exposure as on 31/03/2022.

b) Price Risk

As of 31st March 2022, the company has nil exposure on security price risks.

d. Fair value measurement

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

The carrying amount of cash and cash equivalents, trade receivables, trade payables considered to be the same as their values due to their short term nature.

vii) Ageing of Trade Receivable : Current outstanding as at March 31,2022

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables-considered good	1198.58	97.60	46.21	123.48	50.66	1516.54
ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables-considered good	0.85	15.29	7.06	0.31	35.19	58.69
v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
Total	1199.43	112.89	53.27	123.79	85.85	1575.23

Ageing of Trade Receivable : Current outstanding as at March 31,2021**(Rs. In Lakhs)**

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables- considered good	735.20	82.47	209.36	172.62	10.15	1209.80
ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables- considered good	3.94	6.32	0.53	13.46	37.22	61.47
v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	739.14	88.79	209.89	186.08	47.37	1271.27

viii) Ageing of Trade Payables : Current outstanding as at March 31,2022**(Rs. In Lakhs)**

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
MSME	291.58	1.35	0.24	-	0.31	293.48
Others	819.05	221.07	15.81	12.17	16.58	1084.68
Disputed dues –MSME	-	-	-	-	-	-
Disputed dues- Other	-	-	0.22	2.02	58.76	61.00
Total	1110.63	222.42	16.27	14.19	75.65	1439.16

Ageing of Trade Payables : Current outstanding as at March 31, 2021**(Rs. In Lakhs)**

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	Total
MSME	279.06	1.58	-	-	0.32	280.96
Others	994.15	99.67	41.95	4.08	14.43	1154.28
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues- Other	0.33	0.22	1.29	4.18	55.03	61.05
Total	1273.54	101.47	43.24	8.26	69.78	1496.29

- ix) Balances of Sundry Debtors, Sundry Creditors, Loans & Advances recoverable in cash or kind, Unsecured Loans, Banks, etc. are subject to confirmation, reconciliation and adjustment, if any.
- x) Working capital loans from State Bank of India, Axis Bank Limited and ICICI Bank Limited are secured by hypothecation of present and future raw materials, work in progress, finished goods, stores & spares and book debts of the company.
- xi) Term loan from State Bank of India, Axis Bank and ICICI Bank is secured by lease hold rights over Factory land & Building situated at Plot no. 1006/1007, GIDC Chhatral, Dist-Mehsana; Survey No.110/1, P-110/2, Ganeshpura, Ta. Kadi, and JL No. 66, Sanihati, PS Dadhpur, Hoogly (W.B.), P-4,9th Floor, Block-Shyam, Parthsarathi Avenue, Near Chief Justice Bungalow, Ahmedabad; Fixed Deposits of Rs. 20 Lakhs and 90% of shares of Deem Roll Tech Ltd. standing in the name of key promoter(Mr. Jyoti Prasad Bhattacharya) and hypothecation of existing and proposed Plant & Machinery.

xii) Disclosures as per Accounting Standard-18 “Related Party Disclosures”:

A) List of related parties with whom transactions have taken place and relationships:

1. Key Management Personnel
 - i) Jyoti Prasad Bhattacharya (Managing Director & CEO)
 - ii) Ranajit Dey (Director)
 - iii) Pijush Kanti Dey (Director)
2. Relative of Key Management Personnel
 - i) Madhuchhanda Bhattacharya
 - ii) Shila Dey
 - iii) Soma Dey
 - iv) Dev Bhattacharya
 - v) Diacut Machining

Transactions during the year with and balance outstanding as at the end of the year with the related parties are as follows:-

S.N	Name of Related Party	Nature of Transactions	Amount (Rs.)	O/s Balance as at the end of the year, if any	
1	Jyoti Prasad Bhattacharya	Director Remuneration	1,68,00,000	9,09,800	Cr
2	Ranajit Dey	Director Remuneration	21,19,400	1,69,200	Cr
3	PijushKantiDey	Director Remuneration	6,60,000	53,000	Cr
4	Shila Dey	Salary	5,40,000	43,000	Cr
5	Soma Dey	Rent	2,21,500	20,000	Cr
6	Jyoti Prasad Bhattacharya	-Interest on Unsecured Loan Paid	4,56,001 --	38,00,000	Cr
7	Madhuchhanda Bhattacharya	No transactions during the year but having outstanding as on 31/03/2022	--	7,00,000	Cr
8	Dev Bhattacharya (Diacut Machining)	Job Work Charges Purchase of Raw Materials Total:	2,65,50,000 40,06,460 3,05,56,460	3,07,31,108	Cr

B) Note: Related Party Transactions

The related party transactions entered by the company were in the ordinary course of business and at arm's length distance and were not materially significant and were presented before the Board for approval specifying the nature etc. of the transactions.

The unsecured loans received from Mr. Jyoti Prasad Bhattacharya, Managing Director & CEO and his wife Mrs. Madhuchhanda Bhattacharya are covered under Rule 2 [1] [c] [xiii] of the Companies [Acceptance of Deposits] Rules, 2014 and are not deposits under the Companies Act,2013.

xiii) Company is receiving Duty Drawback against export of goods, which is credited as Indirect Incomes to Profit & Loss Account as per Accounting Standard – 12 (Government Grants)

xiv) Research and Development Expenditure included in the statement of profit and loss
(Amount in Rs.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salary expense	6,248,613	5,335,216
Raw Material for Research & Development	41,807,987	38,022,898
Consumable Material for Research & Development	5,061,235	3,377,314
Printing & Stationery Expenses	1,480	4,950
Job work Charges	509,300	480,000
Staff Welfare Expenses	16,183	10,960
Inspection & Testing Exp	11600	0
Conveyance Exp	1800	0
Total	53658198	47,231,338

i) Research and Development Expenditure incurred for acquisition of capital assets included in the Fixed Assets in Balance Sheet:

(Amount in Rs.)

Particulars	Additions during the Financial Year 2021-22	Closing Balance as at March 31, 2022
Computers		33,148.00
Crane		36,57,911.00
Electric Installation		45,287.00
Factory Equipment		1,17,981.00
Machinery		2,53,07,628.20
Office Equipment		9,683.00
Total	NIL	2,91,71,638.20

*There is Capital WIP of Rs.74,30,462.44 under Research and Development.

xv) Contingent Liabilities not provided for in respect of:

Particulars	As at 31/03/2022	As at 31/03/2021
Guarantees issued by the company's bankers on behalf of the company:	4,47,27,491	3,19,25,734
Letter of Credit Facilities provided by the Bank	2,81,28,315	2,94,56,875
ESIC Demanded for which suit is being filed	3,87,613	3,87,613
Civil Cases litigation demand for raw material and others	1,33,36,106	1,33,36,106

xvi) Disclosure as per Accounting Standard – Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies:

There are Prior Period Items of Rs. 4,86,037/- charged in the Profit & Loss Account

xvii) Disclosure related to CSR expenditure on Corporate Social Responsibility Activities being company covered under section 135 of Companies Act, 2013

(a) Gross amount required to be spent by the company during the year : Rs. 10,00,000

(b) Amount spent during the year on:

Sl. No.	Particulars	In Cash/Bank	Yet to be Paid in Cash	Total
1	Construction/acquisition of any asset			
2	On other purposes	10,00,000	0.00	10,00,000

The Company has made payment of Rs. 10,00,000 for CSR related activities as per section 135 of Companies Act, 2013

xviii) Additional Information pursuant to the sub clause (ii) of clause (40) of section 2 of the Companies Act,2013:

a) CIF value of imports (including Capitalized items)

S.N	Particulars	31/03/2022	31/03/2021
a)	Raw Materials	50,10,617	8,43,208
b)	Capital Goods	41,10,461	27,62,585
c)	Adv. Against Goods	5,71,525	3,428,933

b) Expenditure and Earning in Foreign Currency

S.N	Particulars	31/03/2022	31/03/2021
a)	- Expenditure in Foreign Currency: Payment of License fees & others	9,53,396	5,44,429
	- Purchase of Raw Materials	50,10,617	8,43,208
	-Purchase of Capital Goods	41,10,461	27,62,585
b)	Earnings in Foreign Currency: FOB value of exports	13,99,28,019	8,55,12,255

c) Details of Raw Materials and Components Consumed:

(i) Raw Materials Consumed (including components)

S.N	Particulars	2021-2022	2020-2021
1	Consumption of Raw Materials	49,49,14,560	35,19,42,714

(ii) Imported and indigenous raw materials consumed (including components)

S.N	Particulars	31/03/2022	31/03/2021	31/03/22 (% of Total consumed)	31/03/21 (% of Total consumed)
i)	Imported	50,10,617	8,43,208	1.01%	0.24%
ii)	Indigenous	48,99,03,943	35,10,99,506	98.99%	99.76%
	Total	49,49,14,560	35,19,42,714	100%	100%

xix) Auditors Remuneration

Sr.No	Particulars	Current Year	Previous Year
1	Audit Fees – Statutory Audit	6,00,000	6,00,000
2	Taxation Matter	-	-
	Total	6,00,000	6,00,000

xx) Payment to Directors Payment to Directors

Sr.No	Particulars	Current Year	Previous Year
1	Remuneration	1,95,79,400	1,43,72,500

xxi) We have taken valuation of stock as certified by management.

xxii) There is no impact on profit as per the provision of ICDS.

xxiii) The figures in respect of previous year have been regrouped / rearranged wherever necessary to confirm to this year's classification.

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance (in%)
Current Ratio (in times)	Current Assets	Current Liabilities	1.39	1.22	13.61
Debt-Equity Ratio (in times)	Long term debts	Shareholders Fund	2.37	2.84	-16.54
Debt Service Coverage Ratio (in times)	EBITDA	Interest + Principal	3.50	2.83	23.75
Return on Equity Ratio (in %)	Profit After Tax	Shareholders Fund	4.30	4.82	-10.86
Inventory Turnover ratio	Net Sales	Average Inventory	4.55	2.61	74.48
Trade Receivables Turnover Ratio (in times)	Revenue From Operation	Average Trade Receivables	5.82	5.02	16.01

Trade Payables Turnover Ratio (in times)	Cost of Materials Consumed+ Other Expense	Average Trade Payable	4.19	2.98	40.70
Net Capital Turnover Ratio (in times)	Revenue From Operation	Average working capital (CA-CL)	7.08	8.30	-14.63
Net Profit Ratio (in %)	Profit After Tax	Revenue From Operation	6.48	10.45	37.99
Return on Capital employed (in %)	Profit before tax and finance cost	Capital Employed = Networth + Non Current Borrowings	53.60	74.69	-28.24
Return on Investment (in %)	Income generated from investments	Time weighted average investments	N.A.	N.A.	N.A.

xxiv) Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

**As per our report of even date
For Jayamal Thakore & Co.
Chartered Accountants
FRN: 104098W**

For Deem Roll-Tech Limited

**Anup Kumar Bhattacharjee
(Partner)
M. No. 082184**

**Jyoti Prasad Bhattacharya
(Managing Director & CEO)
DIN No.00340485**

**Place: Ahmedabad
Date: 02/09/2022**

**Ranajit Dey
(Director)
DIN No.06462998**

DEEM ROLL-TECH LIMITED
BALANCE SHEET AS ON 31 MARCH 2022

Particulars	Note No.	As at 31 Mar , 2022 (Rs.)	As at 31 Mar , 2021 (Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	13,832,400	13,832,400
(b) Reserves and surplus	3	421,488,023	362,037,170
(c) Money received against share warrants	-		
		435,320,423	375,869,570
2 Share application money pending allotment			
	-	-	
3 Non-current liabilities			
(a) Long-term borrowings	4	32,816,064	39,319,726
(b) Deferred tax liabilities (net)	5	27,061,635	28,061,154
(c) Other long-term liabilities	-		
(d) Long-term provisions	6	4,548,897	4,199,347
		64,426,596	71,580,227
4 Current liabilities			
(a) Short-term borrowings	7	116,228,143	86,530,541
(b) Trade payables	8	143,915,825	149,628,590
(c) Other current liabilities	9	63,816,469	100,028,749
(d) Short-term provisions	10	7,953,676	7,704,893
		331,914,113	343,892,773
TOTAL		831,661,132	791,342,570
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Property, Plant and Equipments	-	331,483,351	342,552,661
(ii) Intangible assets	-		
(iii) Capital work-in-progress	-	7,430,463	2,000,587
		338,913,814	344,553,248
(b) Non-current investments	12		-
(c) Deferred tax assets (net)	-		
(d) Long-term loans and advances	13	31,361,291	26,006,206
(e) Other non-current assets	-		
		31,361,291	26,006,206
2 Current assets			
(a) Current investments	-	10,000,000	
(b) Inventories	14	201,594,156	244,689,124
(c) Trade receivables	15	157,522,784	127,127,233
(d) Cash and cash equivalents	16	38,257,140	26,180,220
(e) Short-term loans and advances	17	49,111,493	15,476,074
(f) Other current assets	18	4,900,455	7,310,466
		461,386,027	420,783,116
TOTAL		831,661,132	791,342,570
See Accompanying Notes Forming an Integral Part of The Financial Statements		1	
In terms of our report attached.			
For, Jayamal Thakore & Co. Chartered Accountants FRN: 104098W		For and on behalf of the Board of Directors Deem Roll-Tech Limited	
Anup Kumar Bhattacharjee Partner M.No. 082184 UDIN No:-22082184ASBGNV5644		Jyoti Prasad Bhattacharya Managing Director & CEO DIN No.00340485	Ranajit Dey Director DIN No.06462998
Place : Ahmedabad Date :02/09/2022		Place : Ahmedabad Date :02/09/2022	

DEEM ROLL-TECH LIMITED
PROFIT AND LOSS AS ON 31 MARCH 2022

Particulars		Note No.	For the year ended 31 March ,2022	For the year ended 31 March, 2021
			Rs.	Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations (net)	19	917,045,477	637,948,571
	Less: Excise duty	19	-	-
	Revenue from operations (net)		917,045,477	637,948,571
2	Other income	20	3,857,757	10,004,765
3	Total Income (1+2)		920,903,234	647,953,336
4	Expenses			
	(a) Cost of materials consumed	21(a)	494,914,560	351,942,714
	(b) Purchases of stock-in-trade	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21(b)	37,531,055	-56,027,369
	(d) Employee benefits expense	22	87,472,042	71,204,724
	(e) Finance costs	23	21,439,615	28,370,708
	(f) Depreciation and amortisation expense	10	17,231,341	16,343,302
	(g) Power and Fuel	-	96,262,235	77,212,764
	(h) Other expenses	24	107,601,052	93,275,735
	Total expenses		862,451,900	582,322,578
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		58,451,334	65,630,758
6	Exceptional items	25	-	-
7	Profit / (Loss) before extraordinary items and tax (5 ± 6)		58,451,334	65,630,758
8	Extraordinary items			
9	Profit / (Loss) before tax (7 ± 8)		58,451,334	65,630,758
10	Tax expense:			
	(a) MAT expense for current year		14,007,464	10,955,086
	(b) (Less): MAT credit (where applicable)		-14,007,464	-10,955,086
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		-	-
	(e) Deferred tax	5	-999,519	-1,065,372
			-999,519	-1,065,372
11	Profit / (Loss) from continuing operations (9 ± 10)		59,450,853	66,696,130
B	DISCONTINUING OPERATIONS		N.A.	N.A.
12.i	Profit / (Loss) from discontinuing operations (before tax)			
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations			
12.iii	Add / (Less): Tax expense of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing operations			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 ± 13)		59,450,852.94	66,696,130.00

Deem Roll-Tech Limited
PROFIT AND LOSS AS ON 31 MARCH 2022

Particulars		Note No.	For the year ended 31 March ,2022	For the year ended 31 March, 2021
			Rs.	Rs.
15.i	Earnings per share (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations	26	42.98	48.22
	(ii) Total operations	26	42.98	48.22
	(b) Diluted			
	(i) Continuing operations	26	N.A.	N.A.
	(ii) Total operations	26	N.A.	N.A.
15.ii	Earnings per share (excluding extraordinary items) (of Rs. 10/- each):			
	(a) Basic			
	(i) Continuing operations	26	42.98	48.22
	(ii) Total operations	26	42.98	48.22
	(b) Diluted			
	(i) Continuing operations	26	N.A.	N.A.
	(ii) Total operations	26	N.A.	N.A.
	See accompanying notes forming an Integral part of the financial statements	1		
<p>For, Jayamal Thakore & Co. Chartered Accountants FRN: 104098W</p> <p>Anup Kumar Bhattacharjee Partner M.No. 082184 UDIN No:-22082184ASBGNV5644</p> <p>Place : Ahmedabad Date :02/09/2022</p>		<p style="text-align: center;">For and on behalf of the Board of Directors Deem Roll-Tech Limited</p> <p style="text-align: center;">Jyoti Prasad Bhattacharya Managing Director & CEO DIN No.00340485</p> <p style="text-align: center;">Ranajit Dey Director DIN No.06462998</p> <p style="text-align: center;">Place : Ahmedabad Date :02/09/2022</p>		

DEEM ROLL-TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31st MARCH, 2022

Particulars	For the Year Ended on 31st March, 2022		For the Year Ended on 31st March, 2021	
	Rs.	Rs.	Rs.	Rs.
A) Cash flows from Operating Activities				
Net Profit/(Loss) Before Tax and Exemptions & Extra Ordinary Items		58,451,334		65,630,758
<i>Adjustments:</i>				
Add:				
Depreciation	17,231,341		16,343,302	
Loss on Sale of Asset	-		23,054	
Less:				
Interest Income	(1,013,680)		(2,706,856)	
Exchange Income	-		-	
Profit on sale of Asset	-		-	
		16,217,661		13,659,500
<i>Changes in Working Capital:</i>				
Add: (Increase in Liabilities or Decrease in Assets)				
Long Term Provisions	349,550		789,607	
Short Term Borrowings	29,697,602		(22,304,769)	
Inventories	43,094,968		(52,570,573)	
Other Current Assets	2,410,012		(1,228,693)	
	75,552,132		(75,314,428)	
Less: (Decrease in Liabilities or Increase in Assets)				
Trade Receivables	30,395,551		11,871,274	
Trade Payables	5,712,765		5,704,776	
Other Current Liabilities	36,212,281		(33,015,846)	
Short Term Provisions	(248,783)		(1,586,908)	
Current Investment	10,000,000		-	
Short-Term Loans & Advances	33,635,419		(16,753,627)	
Long term loans and advances	5,355,085		6,423,855	
	121,062,317		(27,356,476)	
Extra-Ordinary Items:		(45,510,186)		(47,957,952)
Purchase of Fixed Assets	(11,591,907)	(11,591,907)	(17,529,301)	(17,529,301)
TOTAL of A)		17,566,902		13,803,005
B) Cash flows from Investing Activities				
Add:				
Interest Income	1,013,680		2,706,856	
Reduction in Non-Current Investments				
Sale of Fixed Assets	-		250,000	
TOTAL of B)		1,013,680		2,956,856
C) Cash flows from Financing Activities				
Add:				
Proceeds from Issue of Equity Shares	-		-	
Proceeds from Loans Obtained	12,000,000		41,417,332	
Less:				
Loan Repaid	(6,503,662)		(10,159,684)	
Loan Transferred in Cash Credit Account	(12,000,000)		(41,417,332)	
TOTAL of C)		(6,503,662)		(10,159,684)
A) + B) + C)		12,076,920		6,600,177
Opening Cash & Cash Equivalents		26,180,220		19,580,043
Closing Cash & Cash Equivalents		38,257,140		26,180,220

In terms of our report attached.

For Jayamal Thakore & Co.

Chartered Accountants

FRN: 104098W

For and on behalf of the Board of Directors

Deem Roll-Tech Limited

Anup Kumar Bhattacharjee
Partner
M.No. 082184
UDIN No:-22082184ASBGNV5644

Jyoti Prasad Bhattacharya
Managing Director & CEO
DIN No.00340485

Ranajit Dey
Director
DIN No.06462998

Place : Ahmedabad

Date : 02/09/2022

Place : Ahmedabad

Date : 02/09/2022

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 2: Standalone Statements Of Changes in Equity

A. Equity Share Capital

Particulars	As on 31st March,22		As on 31st March,21	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares of Rs. 10 each with voting rights	1,500,000	15,000,000	1,500,000	15,000,000
(b) Issued Equity shares of Rs. 10 each with voting rights	1,383,240	13,832,400	1,383,240	13,832,400
(c) Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	1,383,240	13,832,400	1,383,240	13,832,400
Total	1,383,240	13,832,400	1,383,240	13,832,400

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 2: Equity Share Capital (contd.)

Particulars						
Notes:						
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:						
(ii) Details are given for each class of shares separately for Issued, Subscribed and Fully Paid Up and Subscribed But Not Fully Paid Up, as applicable.						
Particulars	Opening Balance	Fresh issue	Bonus/ESOP/Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights						
Year ended 31 March, 2022						
- Number of shares	1,383,240	-	-	-	-	1,383,240
- Amount	13,832,400	-	-	-	-	13,832,400
Year ended 31 March, 2021						
- Number of shares	1,383,240	-	-	-	-	1,383,240
- Amount	13,832,400	-	-	-	-	13,832,400

Continued...

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 2: Equity Share Capital (contd.)

Particulars				
Notes:				
(i) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associate:				
(ii) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As on 31st March ,2022		As at 31 March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Jyoti Prasad Bhattacharya	1,259,740	91.07%	1,259,740	91.07%
(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date: NIL				

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 3: Standalone Statements Of Changes in Equity

B. OTHER EQUITY

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Securities premium account		
Opening balance	92,683,600	92,683,600
Add : Premium on shares issued during the year		
Less : Utilised during the year for:		
Closing balance	92,683,600	92,683,600
(b) Revaluation reserve		
Opening balance	104,957,364	104,957,364
Add: Addition on revaluations during the year		
Less: Utilised for set off against depreciation		
Written back / other utilisations during the year		
Closing balance	104,957,364	104,957,364
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	164,396,206	97,700,076
Add: MAT credit not recognized earlier in books adjusted in opening Reserves and Surplus		
Less: Adjustment due to Transitional effect on life of Fixed Assets		
Add: Profit / (Loss) for the year	59,450,853	66,696,130
Closing balance	223,847,059	164,396,206
Total	421,488,023	362,037,170

Nature and purpose of

a) Securities Premium

Securities premium reserve represents premium received on equity share issued, which can be utilised only in accordance with the provisions of the companies act 2013(the Act) for specified

b) Revelution Reserve

The Company recognies incerase the Value of Land in Revelution Reserve.

c) Surplus / (Deficit) in Statement of Profit and Loss

This reserve represents undisputed accumulated earnings of the Company as on the balance sheet date.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 4: Long-Term Borrowings

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Term loans		
From banks		
Secured	25,823,882	31,336,316
Unsecured	2,180,593	2,986,576
	28,004,475	34,322,892
From other parties		
Secured	311,589	496,834
Unsecured	4,500,000	4,500,000
	4,811,589	4,996,834
Total	32,816,064	39,319,726

Notes:

(i) The Company has evaluated breaches of terms and conditions of the loans to determine if such a breach would require classification of the loan under current liabilities, as it may be possible that the Company may not have the right to defer settlement. However, the Company has found that there are no such breaches of any terms and conditions.

(ii) Borrowings for which the Company has not provided any security but only guarantees or other personal securities (shares or other assets) by directors, promoters, other shareholders or others have been provided for the borrowings, are classified as unsecured.

(iii) Term loan from Axis Bank is secured by lease hold rights over Factory land & Building situated at plot no. 1006/1007, GIDC, Chhatral, Dist- Mehsana ; P-4,9th Floor, Block-Shyam, Parthsarathi Avenue, Near Chief Justice Bungalow, Ahmedabad; Fixed Deposits in the name of Directors & his relatives for Rs. 20 Lakhs; Fixed Assets of company not financed by the bank and 90% of shares of Deem Roll Tech Ltd. standing in the name of key promoter(Mr. Jyoti Prasad Bhattacharya)

(iv) Term loan from ICICI Bank is secured by lease hold rights over Factory land & Building situated at plot no. 1006/1007, GIDC, Chhatral, Dist- Mehsana ;Survey No.110/1, P-110/2, Ganeshpura, Ta. Kadi, and JL No. 66, Sanihati, PS Dadhpur, Hoogly (W.B.); P-4,9th Floor, Block-Shyam, Parthsarathi Avenue, Near Chief Justice Bungalow, Ahmedabad; Fixed Deposits of Rs. 20 Lakhs and 90% of shares of Deem Roll Tech Ltd. standing in the name of key promoter(Mr. Jyoti Prasad Bhattacharya)

(iv) Term loan from SBI Bank is secured by lease hold rights over Factory land & Building situated at plot no. 1006/1007, GIDC, Chhatral, Dist- Mehsana ;Survey No.110/1, P-110/2, Ganeshpura, Ta. Kadi, and JL No. 66, Sanihati, PS Dadhpur, Hoogly (W.B.); P-4,9th Floor, Block-Shyam, Parthsarathi Avenue, Near Chief Justice Bungalow, Ahmedabad; Fixed Deposits of Rs. 20 Lakhs and 90% of shares of Deem Roll Tech Ltd. standing in the name of key promoter(Mr. Jyoti Prasad Bhattacharya)

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 5: Deferred Tax (Liabilities)/Assets (Net)

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
Deferred tax (liability) / asset :		
Opening Deferred Tax Liability:	28,061,154	29126526
Tax effect of items constituting deferred tax liability:		
On difference between book balance and tax balance of fixed assets		
On expenditure deferred in the books but allowable for tax purposes		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others		
Total	-	-
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	-179,111	223,033
Provision for doubtful debts / advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between book balance and tax balance of fixed assets	1,178,630	842,339
Unabsorbed depreciation carried forward		
Brought forward business losses		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others		
Total	999,519	1,065,372
Net deferred tax Assets	999,519	1,065,372
Net deferred tax Liabilities		
Closing deferred Tax Liability	27,061,635	28,061,154
(i) Deferred tax liabilities are measured for all timing differences, and Deferred tax assets are recognized and carried forward only to the extent it is reasonably certain that there are sufficient future income to recover such deferred tax assets.		
(ii) The net deferred tax liability / asset is classified as non-current and disclosed on the face of the Balance Sheet.		

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 6: Long - term Provision

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
Gratuity Provision	4,548,897	4,199,347
Total	4,548,897	4,199,347

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 7: Short-Term Borrowings

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Loans repayable on demand		
From banks		
Secured	116,228,143	86,530,541
Unsecured		
Total	116,228,143	86,530,541

Note:

(i) In case of borrowings for which the Company has not provided any security but only guarantees by directors or others have been provided for such borrowings, and they have been classified as unsecured.

(ii) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March , 2022	As at 31 March , 2021
		Rs.	Rs.
Loans repayable on demand from banks:			
State Bank Of India	Inventories and Book Debts.	73,211,204	61,225,069
Axis Bank	Inventories and Book Debts.	15,234,243	16,715,347
ICICI Bank	Inventories and Book Debts.	27,782,696	8,590,125
Total - from banks		116,228,143	86,530,541

(iii) Details of short-term borrowings guaranteed by some of the directors or others:

Particulars		As at 31 March , 2022	As at 31 March , 2021
		Rs.	Rs.
Loans repayable on demand from banks	Guaranted by Promoter-Director	116,228,143	86,530,541
		116,228,143	86,530,541

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 8: Trade Payables

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
Trade payables due for Payment:		
-For Goods	69,487,718	88,505,559
-For Expenses	74,428,107	61,123,031
Total	143,915,825	149,628,590

Note:

(i) Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 9: Other Current Liabilities

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Current maturities of long-term debt (Refer Note (i) below)	14,620,412	54,374,485
(b) Interest accrued but not due on borrowings		
(c) Interest accrued and due on borrowings		
(d) Other payables		
(i) Statutory remittances (Withholding Taxes, viz.VAT,CST,TDS,GST etc.)	4,849,322	1,020,813
(ii) Payables on purchase of fixed assets	1,645,183	1,864,710
(vii) Security Deposit against orders booked	38,189,398	34,011,695
(viii) Others (Unpaid Expenses)	4,512,154	8,757,046
Total	63,816,469	100,028,749

Note (i): Current maturities of long-term debt:

A liability is classified as current if, as on the Balance Sheet date, the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Term loans		
From banks		
Secured	13,251,941	52,939,345
Unsecured	1,125,831	1,192,500
	14,377,772	54,131,845
From other parties		
Secured	242,640	242,640
Unsecured		
	242,640	242,640
Total	14,620,412	54,374,485

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 10: Short-Term Provisions

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Provision for employee benefits:		
Provision for other employee benefits		
ESIC Payable (Net)	23,530	18,948
PF Payable (Net)	436,888	429,358
Director's Remuneration Payable	1,132,000	790,500
Salary Payable	2,162,599	1,919,858
Gratuity Payable	653,832	314,494
Wages Payable	2,944,827	2,801,735
(b) Provision for Audit Fees	600,000	600,000
(c) Provision for CSR Payable	-	830,000
Total	7,953,676	7,704,893

Note:

(i) The employee benefits are not Funded.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 11: Fixed assets

Particulars	Gross block					Accumulated depreciation and impairment					Net block		
	Original Cost as at 31 March, 2021	Additions	Disposals	Other adjustments	Balance as at 31 March, 2022	Balance as at 31 March, 2021	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March, 2022	Balance as at 31 March, 2022	Balance as at 31 March, 2021	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(i) PROPERTY, PLANT AND EQUIPMENT													
Land	134,645,053				134,645,053	-	-	-		-	134,645,053	134,645,053	
Boundry Wall	5,961,072				5,961,072	487,467	142,885			630,352	5,330,720	5,473,605	
Bore well	301,125				301,125	286,069	-			286,069	15,056	15,056	
Building	-	455,895			455,895	-	4,825			4,825	451,070	-	
RCC Road	103,000				103,000	21,929	19,570			41,499	61,501	81,071	
Plant and Machineries	198,667,095	3,762,954			202,430,049	90,847,614	9,486,006			100,333,620	102,096,429	107,819,481	
Factory Shed	72,769,236				72,769,236	20,159,793	2,280,692			22,440,485	50,328,751	52,609,443	
Electric Installation	17,719,169	666,000			18,385,169	16,340,303	453,305			16,793,608	1,591,561	1,378,866	
H T Furnace	20,028,056	723,630			20,751,686	8,756,107	993,817			9,749,924	11,001,762	11,271,949	
Office Equipments	6,340,208	338,509		-210,124	6,468,593	4,941,449	385,971		55,440	5,271,980	1,196,613	1,398,759	
Computer & Software	1,536,702	40,990		210,124	1,787,816	307,965	554,000		-55,440	917,405	870,411	1,228,737	
Vehicles	15,297,484	79193.00			15,376,677	6,017,023	1,362,758			7,379,781	7,996,896	9,280,461	
E O T Crane	15,710,120				15,710,120	6,142,371	746,753			6,889,124	8,820,996	9,567,749	
Structure for Plant Equip.Support	14,380,905				14,380,905	7,013,436	703,170			7,716,606	6,664,299	7,367,469	
Furniture and Fixtures	4,831,846	94,860			4,926,706	4,416,884	97,589			4,514,473	412,233	414,962	
Total (A)	508,291,071	6,162,031	-	-	514,453,102	165,738,410	17,231,341	-	-	182,969,751	331,483,351	342,552,661	
(ii) INTANGIBLE ASSETS													
	-	-	-	-	-	-	-	-	-	-	-	-	
Total (B)	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) CAPITAL WORK IN PROGRESS													
Ceritifugal Casting MC WIP	2,000,587	5,429,876	-	-	7,430,463	-	-	-	-	-	7,430,463	2,000,587	
	-	2,000,587	5,429,876	-	7,430,463	-	-	-	-	-	7,430,463	2,000,587	
Total (A+B+C)	510,291,658	11,591,907	-	-	521,883,565	165,738,410	17,231,341	-	-	182,969,751	338,913,814	344,553,248	
Previous Year	493,163,699	18,729,301	401,342	-1,200,000	510,291,658	149,523,395	16,343,302	128,287	-	165,738,410	344,553,248	343,640,304	

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 12: Non-Current Investments

Particulars	<i>As at 31 March, 2022</i>			<i>As at 31 March, 2021</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
Investment in government or trust securities (i) government securities						
Total - Other investments	-	-	-	-	-	-
Total	-	-	-	-	-	-
Less: Provision for diminution in value of investments			0			0
Total			-			-
Aggregate amount of quoted investments						
Aggregate market value of listed and quoted investments						
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments						
Note:						
(i) The value of given long-term investment are carried at cost less provision for other than temporary diminution in the value thereof.						

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 13: Long-term loans and advances

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
MAT credit entitlement	31,361,291	26,006,206
Total	31,361,291	26,006,206

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 14: Inventories

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Raw materials	61,483,239	67,047,125
Goods-in-transit	61,483,239	67,047,125
(b) Work-in-progress	122,444,680	145,114,759
Goods-in-transit	122,444,680	145,114,759
(c) Finished goods (other than those acquired for trading)	17,666,237	32,527,240
Goods-in-transit	17,666,237	32,527,240
(d) Stock-in-trade (acquired for trading)	-	-
Goods-in-transit	-	-
(e) Stores and spares	-	-
Goods-in-transit	-	-
Total	201,594,156	244,689,124

Note:

(i) Closing Stock as on 31.03.2022 has been taken as valued and certified by the management.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 15: Trade Receivables

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	72,932,519	53,213,736
Doubtful		
	72,932,519	53,213,736
Less: Provision for doubtful trade receivables	-	-
	72,932,519	53,213,736
Other Trade receivables		
Secured, considered good		
Unsecured, considered good	84,590,265	73,913,497
Doubtful	-	-
	84,590,265	73,913,497
Less: Provision for doubtful trade receivables	-	-
	84,590,265	73,913,497
Total	157,522,784	127,127,233

Note:

(i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

(ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company has been taken into consideration for computing the due date which may vary depending upon the nature of goods or services sold and the type of customers, etc.

(iii) Trade receivables include debts due from:

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner (give details per firm)	-	-
Private companies in which any director is a director or member (give details per company)	-	-
	-	-

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 16: Cash and Cash Equivalents

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Cash on hand	2,695,281	2,570,290
(b) Balances with banks		
(i) In current accounts	15,424,901	1,471,085
(ii) In deposit accounts (Refer Note (i) below)	20,136,958	22,138,845
Total	38,257,140	26,180,220

Note:

(i) Balances with banks include deposits which have an original maturity of more than 12 months.

(ii) Cash and cash equivalents that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date are classified under Non-current assets, i.e. Nil.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 17: Short-Term Loans and Advances

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Security deposits		
Secured, considered good		
Unsecured, considered good	41,669,625	1,860,715
Doubtful		
	41,669,625	1,860,715
Less: Provision for doubtful deposits	-	-
	41,669,625	1,860,715
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	1,985,070	2,213,237
Doubtful		
	1,985,070	2,213,237
Less: Provision for doubtful loans and advances		
	1,985,070	2,213,237
(c) Prepaid expenses - Unsecured, considered good		
(i) Pre Paid Insurance Premium	2,954,397	3,264,573
	2,954,397	3,264,573
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable	-	-
(iii) Service Tax credit receivable		
(iv) GST Receivable	-	6,587,136
(v) TCS Receivable	971,925	628,307
(vi) TDS Receivable	920,581	312,211
(vii) Income Tax Paid	609,895	609,895
	2,502,401	8,137,549
Total	49,111,493	15,476,074

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 18: Other Current Assets

Particulars	As at 31 March , 2022	As at 31 March , 2021
	Rs.	Rs.
(a) Accruals		
(i) Interest accrued on deposits	253,132	311,521
(b) Others	4,647,323	6,998,945
Total	4,900,455	7,310,466

Note:

(i) Other Current Assets contain Current Assets that do not fit into any other asset category.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 19: Revenue From Operations

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
		Rs.	Rs.
(a)	Sale of products	917,045,477	637,948,571
(b)	Sale of services	-	-
(c)	Other operating revenues	-	-
		917,045,477	637,948,571
	<u>Less:</u>		
(d)	Excise duty	-	-
	Total	917,045,477	637,948,571
Note	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
		Rs.	Rs.
(i)	Sale of products comprises:		
	<u>Manufactured goods</u>		
	Metal Rolls		
	Domestic Sales	761,995,197	532,322,039
	Export Sales	155,050,280	105,626,532
	Fibre Bearing	-	-
	Total - Sale of manufactured goods	917,045,477	637,948,571
	<u>Traded goods</u>	-	-
	Total - Sale of traded goods	-	-
	Total - Sale of products	917,045,477	637,948,571
(ii)	Sale of services comprises:		
	Total - Sale of services	-	-
(iii)	Other operating revenues comprise:		
	Total - Other operating revenues	-	-

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 20(a): Other Incomes

Note	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
		Rs.	Rs.
(ii)	Other non-operating income comprises:		
	Profit on sale of fixed assets [net of expenses]		
	Miscellaneous income [net of expenses]	-	-
	Total - Other non-operating income	-	-

Note:

(i) Other Income items such as interest income have been disclosed separately for Current as well as Long-term investments as required by AS 13 *Accounting for Investments*.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 21(a): Cost Of Materials Consumed

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
Opening stock	67,047,152	70,503,920
Add: Purchases	489,350,647	348,485,919
	556,397,799	418,989,839
Less: Cast Accessories transferred to Consumables		
Less: Closing stock	61,483,239	67,047,125
Cost of material consumed	494,914,560	351,942,714

Note 21(b): Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
<u>Inventories at the end of the year:</u>		
Finished goods	17,666,237	32,527,240
Work-in-progress	122,444,680	145,114,759
Stock-in-trade		
	140,110,917	177,641,999
<u>Inventories at the beginning of the year:</u>		
Finished goods	32,527,240	38,526,025
Work-in-progress	145,114,732	83,088,605
Stock-in-trade		
	177,641,972	121,614,630
Net (increase) / decrease	37,531,055	(56,027,369)

Note:

(i) Closing Stock as on 31.03.2022 has been taken as valued and certified by the management.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 22: Employee Benefits Expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
Salaries, Wages and Bonus	80,822,781	64,925,674
Contributions to provident Fund & ESIC	2,354,904	2,257,241
Provision for Gratuity Expense	818,215	1,141,612
Staff welfare expenses	3,476,142	2,880,197
Total	87,472,042	71,204,724

Note:

(i) Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.
(ii) Employees include directors, in full time or part time employment of the Company.

(iii) The Company has not dealt with any Employee Stock Option Plan.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 23: Finance Costs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
(a) Interest expense on:		
(i) Borrowings	8,081,795	8,332,205
(ii) Trade payables	6,133,578	9,412,759
(iii) Others	2,080,966	6,146,355
(b) Other borrowing costs	5,143,276	4,479,389
Total	21,439,615	28,370,708

Note:

(i) Other borrowing costs include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts / premiums on borrowings, other ancillary costs incurred in connection with borrowings or amortisation of such costs, etc.

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 24: Other Expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
Subcontracting / Job work charges	30,742,279	32,709,388
Water Charges	80,584	32,500
Inspection and Testing Charges	57,128	20,550
Rent including lease rentals	1,164,500	1,229,600
Repairs and maintenance - Buildings	101,370	260,625
Repairs and maintenance - Machinery	1,638,614	398,112
Repairs and maintenance - Others	552,075	753,335
Insurance	700,868	1,272,562
Rates and taxes	518,814	210,422
Communication	650,088	521,586
Travelling and conveyance	7,386,384	4,398,483
Printing and stationery	236,623	196,575
Freight and forwarding	37,181,867	23,654,580
Security Charges	2,630,215	2,566,205
Export Expenses	2,469,250	1,924,475
Sales commission	3,530,198	4,083,947
Business promotion	1,869,058	310,755
Penalty	1,950	7,550
Interest on TDS	862	18,222
Interest on Income Tax	777,430	3,502,468
Interest on GST	42,034	3,358
Donations and contributions	72,000	25,000
CSR Expenditure	1,000,000	1,540,000
Legal and professional fees	3,969,364	5,685,081
Payments to auditors (Refer Note (i) below)	600,000	600,000
Bad trade and other receivables, loans and advances written off.	635,941	665,541
LD charges & rate differences	6,087,752	4,794,015
Earlier Years Income Tax Paid	-	-
Loss on sold of MEIS Licence/fixed assets sold / scrapped / written off	-	141,831
Prior period items (net) (Refer Note (ii) below)	490,603	70,742
Miscellaneous expenses	2,413,199	1,678,227
Total	107,601,052	93,275,735

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 24: Other Expenses (Contd.)

Notes:		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Rs.	Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	600,000	600,000
For taxation matters		
Reimbursement of expenses		
Total	600,000	600,000
(ii) Details of Prior period items (net)		
Prior period expenses (give details)	490,603	70,742
Prior period income (give details)		
Total	490,603	70,742

Deem Roll-Tech Limited
Notes forming part of the financial statements

Note 25: Exceptional Items

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Insurance Claim Received	-	-
Total	-	-

Note:

(i) Exceptional items are items of income and expenses which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company or where a separate disclosure is required.