



**INDEPENDENT AUDITORS' REPORT**

The Members of **NIPPON CRYO PRIVATE LIMITED**

**Report on the Ind AS financial statements**

**Opinion**

We have audited the accompanying financial statements of **Nippon Cryo Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income) and cash flow statement and the statement of the changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date "Ind AS financial statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2023, its loss for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the 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 standalone 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.

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### **Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- 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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, and the cash flow statement 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, read with rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of internal financial controls with reference to the financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal control with reference to the financial statements.

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

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- a. The Company does not have any pending litigations having material impact on the financial position of the company which have not been disclosed in the financial statement as required in terms of the accounting standards and provisions of the companies Act, 2013
- b. The Company did not have any material foreseeable losses against long-term contracts, including derivative contracts and thereby requirement for making provision in this respect is not applicable to the company
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d. i) The Management has represented that, to the best of its knowledge and belief as disclosed in Note No.40 to the financial statements, 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 Holding Company and its Subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("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 Holding Company and its Subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii) The Management has represented, that, to the best of its knowledge and belief as disclosed in Note No.40 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company and its Subsidiaries from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiaries 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; and
- iii) 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 (i) and (ii) above, contain any material misstatement. The comments made under this para relates to the year under audit and therefore in respect of the earlier years' transactions dealing with investments, loans, etc, it is neither required nor possible to ascertain and/or comment under this para; and
- e) The company has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the company.

**Place: Kolkata**  
**Date: 15th May, 2023**  
**UDIN: 23311657BGWMGL1254**

**For Nahata & Co**  
Chartered Accountants  
Firm Registration No. 329958E  
*Ankit Nahata*  
**Ankit Nahata**  
Partner  
Membership No. 311657

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**Annexure "A" to the Independent Auditor's Report**

The Statement referred to in paragraph (I) with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of Nippon Cryo Private Limited on the Financial Statements of the Company for the year ended March 31, 2023, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipments and Intangible Assets;
- b. There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material;
- c. Based on verification of title deeds/ lease deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/ lease deeds of immovable properties as stated in note No.5.1 of the Financial Statements 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 Intangible Assets during the year. Accordingly, clause 3 (i)(d) of the Order is not applicable to the Company;
- e. As per the information and explanation given to us and as represented by the management no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3 (i)(e) of the Order is not applicable to the Company.
- ii) a. As explained to us, inventories in respect of the locations covered except scrap have been physically verified during the year at reasonable intervals by the management and in our opinion coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its inventory. Inventories of scrap has been taken based on visual estimations and have been valued at estimated realisable value. The discrepancies noticed on physical verification of inventories were not more than 10% or more in aggregate for each class of inventory and have been properly dealt with in the books of account;
- b. During the year, The Company has not been sanctioned working capital limit in excess of Rupees Five Crores in aggregate, from banks on the basis of security of current assets. As such this point is not applicable for this.
- iii) The Company has granted advances in the nature of loan to the employees during the year. Other than these and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, granted any secured and unsecured loan, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.
- a. The Company has not provided any loans or provided advances in the nature of loans, or stood guarantee or provided security to any other entity during the year. Accordingly,

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- reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company;
- b. Advances in the nature of loan to the employees being given in terms of employment and terms and conditions thereof as such are prima facie not prejudicial to the Company's interest;  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of the advances in the nature of loans granted to employees, the terms and conditions for repayment of principal have been stipulated and repayment of principal thereof have been made regularly as per the stipulations;
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, having regards to the terms and conditions of the loans there is no overdue amount for more than ninety days in respect of loans given;
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party;
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees/securities to parties covered under Section 185 and 186 of the Act. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable to the Company.
- v) According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has not accepted any deposits or any amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly reporting under paragraph 3(v) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, the maintenance of cost records under Section 148(1) of the Act has not been specified and accordingly, the provisions of Clause 3 (vi) of the Order is not applicable to the Company.
- vii) According to the information and explanations given to us and based on our examination of the books of accounts:
- a. During the year, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it. According to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2023 for a period of more than six months from the date they become payable;

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- b. According to the information and explanations given to us, and the records of the companies examined by us, there are no disputed dues of GST, income tax, custom duty, service tax, wealth tax, Value added tax, excise duty and cess which have not been deposited.
- viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable.
- ix) In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company:
- a. During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lenders;
- b. The Company has not been declared wilful defaulter by any bank or financial institutions or any other lenders;
- c. During the year, no term loan has been availed by the Company and accordingly, reporting under paragraph 3(ix)(c) of the Order is not applicable;
- 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. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, reporting under paragraph 3 (ix) ( e) of the order is not applicable;
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under Companies Act, 2013. Accordingly, reporting under paragraph 3 (ix) ( f) of the order is not applicable.
- x) According to the information and explanations given to us and based on our examination of books of account of the Company:
- a. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3 (x)(a) of the Order is not applicable;
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (partly, fully, or optionally) during the year and accordingly, reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

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- xi) a. During the course of our examination of books and records of the company carried out during the year in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management;
- b. According to the information and explanation given to us no report under sub-section (12) of section 143 of the Companies Act 2013, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report;
- c. According to the information and explanation given to us and based on the examination of the books of accounts of the company, no whistle blower complaints have been received during the year by the company. Accordingly, reporting under paragraph 3(xi)(c) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii) (a, b & c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial statements as required by the applicable accounting standards.
- xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence the reporting under paragraph 3(xiv) (a) and (b) of the Order is not applicable.
- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence reporting under paragraph 3(xv) of the Order is not applicable.
- xvi) a. In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable;
- b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable;
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable;
- d. In our opinion and based on the representation received by us from the management, 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;
- xvii) Based on the examination of the books of accounts we report that the Company has not incurred cash losses in current financial year covered by our audit but has incurred cash losses in the immediately preceding financial year amounting Rs.115.15.
- xviii) There has been no resignation of the statutory auditors of the Company during the year and hence reporting under paragraph 3(xviii) of the Order is not applicable.

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- xix) According to the information and explanations given to us and based on the financial ratios (refer note no. 38 to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying 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 given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) In our opinion and based on our examination of the books of account, the company is not required to spend any amount under Corporate Social Responsibility as per provisions of the Companies Act 2013 during the year and hence the reporting under paragraph 3(xx) (a) and b) of the Order is not applicable.
- xxi) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of financial statements.

*Ankit Nahata*

**For Nahata & Co**  
Chartered Accountants  
Firm Registration No. 329958E

**Place: Kolkata**  
**Date: 15<sup>th</sup> May, 2023**  
**UDIN: 23311657BGWMGL1254**

**Ankit Nahata**  
**Partner**  
**Membership No. 311657**





**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to the Financial Statements of Nippon Cryo Private Limited ("the Company") as at March 31, 2023 in conjunction with our audit of the 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 financial controls with reference to financial statements 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 (the "Guidance Note") 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 control with reference to Financial Statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls with reference to financial statements, 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 auditors' judgement, 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 with reference to financial statements.

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**Meaning of Internal Financial Controls with reference to financial statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place: Kolkata  
Date: 15<sup>th</sup> May, 2023  
UDIN: 23311657BGWMGL1254

**For Nahata & Co**  
Chartered Accountants  
Firm Registration No. 329958E

*Ankit Nahata*  
**Ankit Nahata**  
Partner  
Membership No. 311657



(₹ in Lakhs)			
Particulars	Note no.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	342.68	407.64
(b) Capital work-in-progress	5A	-	-
(c) Financial assets			
Other financial assets	6	15.01	15.01
(d) Deferred tax assets (net)	7	-	44.51
<b>Total non-current assets</b>		<b>357.69</b>	<b>467.16</b>
<b>Current assets</b>			
(a) Inventories	8	98.67	98.51
(b) Financial assets			
(i) Trade receivables	9	331.55	304.20
(ii) Cash and cash equivalents	10	20.55	22.58
(iii) Loans	11	0.02	15.02
(iv) Other financial assets	12	0.30	0.30
(c) Other current assets	13	480.57	260.46
(d) Current tax assets (net)	14	101.14	97.02
<b>Total current assets</b>		<b>1,032.80</b>	<b>798.09</b>
<b>TOTAL ASSETS</b>		<b>1,390.49</b>	<b>1,265.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	88.50	88.50
(b) Other equity	16	299.76	(57.62)
<b>TOTAL EQUITY</b>		<b>388.26</b>	<b>30.88</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	28.50	97.13
(ii) Lease liabilities	18	28.69	25.73
(b) Deferred tax liabilities	14	13.06	-
(c) Provisions	19	33.08	32.97
<b>Total non-current liabilities</b>		<b>103.33</b>	<b>155.83</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	69.60	494.60
(ii) Lease liabilities	18A	1.62	1.62
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		777.32	533.15
(iv) Other financial liabilities	22	23.75	30.38
(b) Other current liabilities	23	26.07	18.29
(c) Provisions	24	0.54	0.50
<b>Total current liabilities</b>		<b>898.90</b>	<b>1,078.54</b>
<b>TOTAL LIABILITIES</b>		<b>1,002.23</b>	<b>1,234.37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,390.49</b>	<b>1,265.25</b>

The accompanying notes 1 - 41 form an integral part of the financial statements

As per our report of even date attached

For Nahata & Co

Chartered Accountants

Firm's Registration No.: 329958E

For and on behalf of the Board of Directors of

Nippon Cryo Private Limited

*Ankit Nahata*

Ankit Nahata

Partner

Membership No.: 311657

Place: Kolkata

Date: 15th May, 2023

*Abhishek Agarwal*

Abhishek Agarwal

Director

DIN: 06517531

*Partha Ghosh*

Partha Ghosh

Director

DIN: 01575617



Nippon Cryo Private Limited  
CIN: U27100JH2004PTC010686  
Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs)

Sl. no.	Particulars	Note no.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I	Revenue from operations			
II	Other income	25	1,968.14	1,725.86
		26	0.53	0.59
III	<b>Total income (I + II)</b>		<b>1,968.67</b>	<b>1,726.45</b>
	<b>Expenses</b>			
(a)	Employee benefits expense	27	130.96	157.01
(b)	Finance costs	28	17.82	24.03
(c)	Depreciation and amortisation expense	29	64.96	64.39
(d)	Other expenses	30	1,344.10	1,482.79
IV	<b>Total expenses (IV)</b>		<b>1,557.84</b>	<b>1,728.22</b>
V	<b>Profit/ (Loss) before tax (III - IV)</b>		<b>410.83</b>	<b>(1.77)</b>
VI	<b>Tax expense</b>			
	Current tax		-	-
	Deferred tax- charge/ (credit)	31	56.50	(12.29)
VII	<b>Profit for the year</b>		<b>354.33</b>	<b>10.52</b>
VIII	<b>Other comprehensive income</b>			
	(i) Items that will not reclassified to profit or loss		4.12	(1.22)
	(ii) Income tax relating to above	32	(1.07)	0.32
	<b>Other comprehensive income for the year, net of taxes (i + ii)</b>		<b>3.05</b>	<b>(0.90)</b>
IX	<b>Total comprehensive Income for the year (comprising of profit and other comprehensive income for the year) (VII + VIII)</b>		<b>357.38</b>	<b>9.62</b>
X	<b>Earnings per equity share (Face value of ₹ 100 each)</b>			
	Basic and Diluted (₹)	33	400.37	11.89

The accompanying notes 1 - 41 form an integral part of the financial statements

As per our report of even date attached  
For Nahata & Co  
Chartered Accountants  
Firm's Registration No.: 329958E

For and on behalf of the Board of Directors of  
Nippon Cryo Private Limited

*Ankit Nahata*

Ankit Nahata  
Partner  
Membership No.: 311657  
Place: Kolkata  
Date: 15th May, 2023

*Abhishek Agarwal*  
Abhishek Agarwal  
Director  
DIN: 06517531

*Partha Ghosh*  
Partha Ghosh  
Director  
DIN: 01575617



Statement of Changes in Equity for the year ended 31st March, 2023

A Equity share capital

Particulars	(₹ in Lakhs)
As at 31st March, 2021	88.50
Movement during the year	-
As at 31st March, 2022	88.50
Movement during the year	-
As at 31st March, 2023	88.50

B Other equity

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
As at 31st March, 2021	211.50	(278.74)	(67.24)
Profit for the year	-	10.52	10.52
Other comprehensive income for the year	-	(0.90)	(0.90)
Total comprehensive income for the year	-	9.62	9.62
As at 31st March, 2022	211.50	(269.12)	(57.62)
Profit for the year	-	354.33	354.33
Other comprehensive income for the year	-	3.05	3.05
Total comprehensive income for the year	-	357.38	357.38
As at 31st March, 2023	211.50	88.26	299.76

Refer note no. 16 for nature and purpose of reserves

The accompanying notes 1 - 41 form an integral part of the financial statements

As per our report of even date attached

For Nahata & Co

Chartered Accountants

Firm's Registration No.: 329958E

For and on behalf of the Board of Directors of  
Nippon Cryo Private Limited

*Ankit Nahata*

Ankit Nahata

Partner

Membership No.: 311657

Place: Kolkata

Date: 15th May, 2023

*Abhishek Agarwal*

Abhishek Agarwal

Director

DIN: 06517531

*Partha Ghosh*

Partha Ghosh

Director

DIN: 01575617



Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/ (loss) before tax		
Adjustments for:	410.83	(1.77)
Depreciation and amortisation	64.96	64.39
Finance costs	17.82	24.03
Interest income on financial instruments measured at amortised cost	(0.53)	(0.59)
Bad debts	-	-
<b>Operating profit before working capital changes</b>	82.25	1.40
<b>Movement in working capital:</b>	493.08	87.46
(Increase)/ decrease in inventories	(0.16)	121.68
(Increase) in trade receivables	(27.35)	(81.58)
(Increase)/ decrease in loans, advances and other receivables	(205.11)	278.30
Increase/ (decrease) in trade, other payables and provisions	249.59	(211.13)
<b>Cash generated from operations</b>	16.97	107.27
Direct taxes paid (net)	510.05	194.73
<b>Net cash generated from operating activities (A)</b>	(4.12)	(31.38)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>	505.93	163.35
Interest received		
<b>Net cash generated from investing activities (B)</b>	0.53	0.59
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>	0.53	0.59
(Repayment) of borrowings		
Interest paid	(494.60)	(144.60)
<b>Net cash (utilised in) financing activities (C)</b>	(13.89)	(18.60)
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	(508.49)	(163.20)
Cash and cash equivalents as at the beginning of the year	(2.03)	0.74
<b>Cash and cash equivalents as at the end of the year</b>	22.58	21.84
	20.55	22.58

Notes to the statement of cash flows:

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Cash and cash equivalents do not include any amount which is not available to the Company for its use.
- Cash and cash equivalents as at the balance sheet date consists of:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks in current accounts	18.34	20.34
Cash on hand	2.21	2.24
<b>Total</b>	20.55	22.58

- Reconciliation of Company's liabilities arising from financing activities:

Particulars	(₹ in Lakhs)			
	As at 31st March, 2022	Cash flows	Non-cash flows	As at 31st March, 2023
<b>Borrowings- non-current (including current maturities) (Refer note no. 17 &amp; 20)</b>				
Term Loan from non banking financial company	166.73	(69.60)	0.97	98.10
<b>Borrowings- current (Refer note no. 20)</b>				
Unsecured loan from bodies corporate	425.00	(425.00)	-	-
<b>Total</b>	591.73	(494.60)	0.97	98.10

Particulars	(₹ in Lakhs)			
	As at 31st March, 2021	Cash flows	Non-cash flows	As at 31st March, 2022
<b>Borrowings- non-current (including current maturities) (Refer note no. 17 &amp; 20)</b>				
Term Loan from non banking financial company	234.93	(69.60)	1.40	166.73
<b>Borrowings- current (Refer note no. 20)</b>				
Unsecured loan from bodies corporate	500.00	(75.00)	-	425.00
<b>Total</b>	734.93	(144.60)	1.40	591.73

The accompanying notes 1 - 41 form an integral part of the financial statements

As per our report of even date attached  
For Nahata & Co  
Chartered Accountants  
Firm's Registration No.: 329958E

For and on behalf of the Board of Directors of  
Nippon Cryo Private Limited

*Ankit Nahata*  
Ankit Nahata  
Partner  
Membership No.: 311657

*Abhishek Agarwal*  
Abhishek Agarwal  
Director  
DIN: 06517531

*Partha Ghosh*  
Partha Ghosh  
Director  
DIN: 01575617

Place: Kolkata  
Date: 15th May, 2023



**Nippon Cryo Private Limited**  
**CIN: U27100JH2004PTC010686**

**Notes to the financial statements as at and for the year ended 31st March, 2023**

### **Note 1 – Corporate information**

Nippon Cryo Private Limited ("the Company") is a private limited company domiciled and incorporated in India under the provisions of Companies Act. The shares of the company are not listed on any recognised stock exchange in India. The registered office of the company is at Plot No.2 Large Sector, Adityapur Industrial Area, TATA Kandra Main Road, Adityapur, Jamshedpur, Jharkhand - 832108. The company is primarily engaged in processing of steel and all other activities are incidental to the same.

The financial statements of the Company have been approved by the Board of Directors of the Company in their meeting held on 15th May, 2023 for issue to the shareholders for their adoption.

### **Note 2 – Statement of compliance and Recent pronouncements**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred as "Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Ind ASs issued, notified and made effective till the financial statements are approved for issue by the Board of Directors have been considered in preparing these financial statements.

#### **2.2 Application of new and revised standards**

Effective 1st April, 2022, the Company has adopted the amendments vide Companies (Indian Accounting Standards) Amendment Rules, 2022 notifying amendment to existing Indian Accounting Standards. These amendments to the extent relevant to the Company's operations were relating to Ind AS 16 "Property, Plant and Equipment" which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, plant and equipment and Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" which specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

There were other amendments in various Indian Accounting Standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture" which have not been listed herein above since these are either not material or relevant to the Company.

Revision in these standards did not have any material impact on the profit/ loss and earnings per share for the year.

#### **2.3 Standards issued but not yet effective**

On 31st March, 2023, Ministry of Corporate Affairs (MCA) has made certain amendments to existing Indian Accounting Standards vide Companies (Indian Accounting Standards) Amendment Rules, 2023. These amendments to the extent relevant to the Company's operations include amendment to Ind AS 1 "Presentation of Financial Statements" which requires the entities to disclose their material accounting policies rather than their significant accounting policies, Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which has introduced a definition of 'accounting estimates' and include amendments to





**Nippon Cryo Private Limited**  
**CIN: U27100JH2004PTC010686**

**Notes to the financial statements as at and for the year ended 31st March, 2023**

help entities distinguish changes in accounting policies from changes in accounting estimates. Further, consequential amendments with respect to the concept of material accounting policies have also been made in Ind AS 107 "Financial Instruments: Disclosures" and Ind AS 34 "Interim Financial Reporting".

There are other amendments in various standards including Ind AS 101 "First-time Adoption of Indian Accounting Standards", Ind AS 103 "Business Combinations", Ind AS 109 "Financial Instruments", Ind AS 115 "Revenue from Contracts with Customers", Ind AS 12 "Income Taxes" which has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and Ind AS 102 "Share-based Payment" which have not been listed herein above since these are either not material or relevant to the Company.

Even though the Company will evaluate the impact of above, these amendments as such are not vital in nature and are not likely to have material impact on the financial statements of the Company.

**Note 3 – Significant accounting policies**

**3.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair value/amortised costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities (other than deferred tax assets/ liabilities) have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets/ liabilities have been classified as non-current.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs except otherwise stated.

**3.2 Measurement of fair values**

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 for such measurement:

**Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

**Level 3:** Inputs for the assets or liabilities which are not based on observable market data (unobservable inputs).



**Nippon Cryo Private Limited**

**CIN: U27100JH2004PTC010686**

**Notes to the financial statements as at and for the year ended 31st March, 2023**

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant observable and unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

**3.3 Property, plant and equipment and Capital work-in-progress**

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of PPE or its construction cost and includes, where applicable, inward freight, duties and taxes, and other expenses related to acquisition or installation and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of the PPE.

Property, plant and equipment includes spare, stand by equipment and servicing equipment which are expected to be used for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss in which they are incurred.

The company's lease assets comprising of Land has been separately shown under PPE as Right of Use (ROU) Assets.

Capital work in progress includes purchase price, import duty and any directly attributable cost of bringing the assets to their working condition. Such items are classified to the appropriate categories of Property, plant and equipment when completed and ready for intended use. Amount paid (if any) towards acquisition of Property, plant and equipment outstanding as at each reporting date are recognized as capital advance under "Other non-current assets".

**Depreciation**

Depreciation on Property, plant and equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

Depreciation on ROU assets is provided over the lease term or expected useful life of the asset, whichever is lower and depreciation on Property, Plant and Equipment (other than leasehold land) commences when the assets are ready for their intended use.

Based on above, the estimated useful lives of various assets have been arrived as follows:

Category of PPE	Useful life (in years)
Building	3 - 30



Plant and equipment	3 - 20
Furniture and fixture	10

The residual value of an item of Property, plant and equipment has been kept at  $\leq 5\%$  of the cost of the respective assets.

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at the end of each reporting date.

### **3.4 Derecognition of tangible and ROU assets**

An item of tangible and ROU asset is de-recognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### **3.5 Leases**

The Company's lease asset classes primarily consist of land taken on lease for official purposes. Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU Assets") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligation is presented separately under the Balance Sheet whereas Right of Use Assets has been disclosed separately as a part of Property, Plant and Equipment.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

### **3.6 Impairment of tangible and ROU assets**



**Notes to the financial statements as at and for the year ended 31st March, 2023**

Tangible and ROU Assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

**3.7 Financial instruments – financial assets and financial liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within twelve months or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at amortised cost, at fair value through profit or loss (referred to as "FVTPL") or at fair value through other comprehensive income (referred to as "FVTOCI") depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash and cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial assets and financial liabilities measured at amortised cost**

Financial assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets and financial liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (referred to as "EIR") method whenever time value



**Notes to the financial statements as at and for the year ended 31st March, 2023**

of money is significant less impairment in case of financial assets, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial asset at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

**(iv)** For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

**(v) Financial assets or liabilities at fair value through profit or loss (FVTPL)**

Financial assets or liabilities which does not meet the criteria of amortised cost or fair value through other comprehensive income, as applicable in each case, are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**(vi) Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset. The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to twelve month expected credit losses.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

**(vii) Derecognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the assets carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.



**Nippon Cryo Private Limited**

**CIN: U27100JH2004PTC010686**

**Notes to the financial statements as at and for the year ended 31st March, 2023**

On derecognition of assets measured at FVTOCI (except for equity instruments designated as FVTOCI), the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

### **3.10 Inventories**

Inventories are valued at lower of cost or net realisable value.

Cost of raw materials includes the purchase price as well as incidental expenses such as conversion cost, other cost including manufacturing overhead incurred in bringing them to their present location and situation. The cost in respect of raw materials is determined on First in First out basis (FIFO).

Scrap generated is valued at net realisable value.

Cost in respect of stores and spares are determined on weighted average basis.

Work in progress is valued at weighted average cost, or on net realisable value, whichever is lower.

### **3.11 Equity share capital**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### **3.12 Provisions, Contingent liabilities and Contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. 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.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.



### **3.13 Employee benefits**

**Short term employee benefits:** Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

**Defined contribution plan:** Contribution to defined contribution plans such as Provident Fund, etc, is being made in accordance with statute and is recognised as and when incurred.

**Defined benefit plan:** Contribution to defined benefit plans consisting of contribution to gratuity fund are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the Balance Sheet with a corresponding debit or credit to Retained Earnings through Other Comprehensive Income in the period in which they occur.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

### **3.14 Operating and other income**

#### **Revenue from operations**

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- (i) parties to the contract have approved the contract and are committed to performing their respective obligations;
- (ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- (iii) consideration in exchange for the goods or services to be transferred is collectible and determinable.

The revenue is recognized on satisfaction of performance obligation when control over the goods or services have been transferred and/ or goods/ services are delivered/ provided to the customers. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the Company has sufficient evidence that all the criteria for acceptance have been satisfied.

Revenue is measured at the amount of transaction price (consideration specified in the contract with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts offered by the Company and excludes amounts collected on behalf of third parties.

#### **Other income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



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### **3.15 Borrowing cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment which is capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use.

### **3.16 Taxes on income**

Income tax expense representing the sum of current tax expense and the net charge of the deferred taxes is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

#### **Current tax**

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision for the current year.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

#### **Deferred tax**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax assets & liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities & where deferred tax assets & liabilities relate to income tax levied by the same taxation authority.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the profit or loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the corresponding deferred tax is also recognized directly in other comprehensive income or equity.

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

### **3.17 Earnings per share**

Basic earnings per share is calculated by dividing the net profit/ loss for the year by the weighted average number of equity shares outstanding during the period.





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Diluted earnings per share is computed using the net profit/loss for the year and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**3.18 Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit/ loss before tax 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 item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**3.19 Segment reporting**

The identification of operating segment is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available.

The Company has one operating business segment viz, processing of steel and all other activities are incidental to the same.

**Note 4 - Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with the recognition and measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively. Actual results may differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

**4.1 Depreciation of and impairment loss on property, plant and equipment**

Property, plant and equipment and ROU Assets are depreciated on Straight-Line Basis over the estimated useful lives (or lease term if shorter) in accordance with Internal assessment and independent evaluation



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carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and residual value, wherever applicable.

The Company reviews the carrying value of its tangible and ROU assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

#### **4.2 Arrangements containing leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### **4.3 Impairment loss on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

#### **4.4 Current tax and Deferred tax**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Significant management judgement is required to determine the amount of deferred tax assets/liability that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Assets and based on the likely timing and level of profitability in future and expected utilisation of deferred tax there against.

#### **4.5 Defined benefit obligations (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### **4.6 Provisions and contingencies**



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Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.



5 Property, plant and equipment

As at 31st March, 2023

Particulars					(₹ in Lakhs)
	Land- right of use	Buildings	Plant and equipment	Furniture and fixtures	Total
<b>Gross block</b>					
As at 31st March, 2022					
Additions during the year	37.68	207.78	416.93	0.60	662.99
Disposal/ adjustments during the year	-	-	-	-	-
As at 31st March, 2023	37.68	207.78	416.93	0.60	662.99
<b>Accumulated depreciation</b>					
As at 31st March, 2022					
Charge during the year	6.66	50.84	197.49	0.36	255.35
Disposal/ adjustments during the year	2.22	12.71	49.94	0.09	64.96
As at 31st March, 2023	8.88	63.55	247.43	-	-
<b>Net block as at 31st March, 2023</b>	<b>28.80</b>	<b>144.23</b>	<b>169.50</b>	<b>0.15</b>	<b>342.68</b>
As at 31st March, 2022					

Particulars					(₹ in Lakhs)
	Land- right of use	Buildings	Plant and equipment	Furniture and fixtures	Total
<b>Gross block</b>					
As at 31st March, 2021					
Additions during the year	37.68	207.78	408.01	0.60	654.07
Disposal/ adjustments during the year	-	-	8.92	-	8.92
As at 31st March, 2022	37.68	207.78	416.93	0.60	662.99
<b>Accumulated depreciation</b>					
As at 31st March, 2021					
Charge during the year	4.44	38.13	148.12	0.27	190.96
Disposal/ adjustments during the year	2.22	12.71	49.37	0.09	64.39
As at 31st March, 2022	6.66	50.84	197.49	-	-
<b>Net block as at 31st March, 2022</b>	<b>31.02</b>	<b>156.94</b>	<b>219.44</b>	<b>0.24</b>	<b>407.64</b>

5.1 The Company has availed loans from banks against security of property, plant and equipment as referred in note no. 17.1.

5.2 The title/ lease deeds of immovable properties are held in the name of Company.

5A Capital work-in-progress

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balance as at the beginning of the year		
Add: Additions during the year	-	8.92
Less: Capitalised during the year	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>(8.92)</b>

5A.1 Ageing of capital work-in-progress as at 31st March, 2023

Particulars	Amount in capital work-in-progress for a period of				(₹ in Lakhs)
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Ageing of capital work-in-progress as at 31st March, 2022

Particulars	Amount in capital work-in-progress for a period of				(₹ in Lakhs)
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



6 Other financial assets- non-current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Security deposits		
<b>Total</b>	<b>15.01</b>	<b>15.01</b>

7 Deferred tax assets/ (liabilities) (net)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets (Refer note no. 7.1)		
Deferred tax liabilities (Refer note no. 7.1)	8.26	73.64
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>21.32</b>	<b>29.13</b>
	<b>(13.06)</b>	<b>44.51</b>

7.1 Components of deferred tax assets/ (liabilities) are given below:

As at 31st March, 2023

Particulars	As at 31st March, 2022	Charge/ (credit) recognised in profit or loss	Charge/ (credit) recognised in OCI	(₹ in Lakhs)
				As at 31st March, 2023
<b>Tax effect of items constituting deferred tax assets</b>				
Provision for gratuity				
Unabsorbed business losses	9.34	0.42	1.07	7.85
Impact of implementation of Ind AS 116	65.26	65.26	-	-
<b>Total deferred tax assets</b>	<b>(0.96)</b>	<b>(1.37)</b>	<b>-</b>	<b>0.41</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Timing difference with respect to property, plant and equipment				
<b>Total deferred tax liabilities</b>	<b>29.13</b>	<b>(7.81)</b>	<b>-</b>	<b>21.32</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>29.13</b>	<b>(7.81)</b>	<b>-</b>	<b>21.32</b>
	<b>44.51</b>	<b>56.50</b>	<b>1.07</b>	<b>(13.06)</b>

As at 31st March, 2022

Particulars	As at 31st March, 2021	Charge/ (credit) recognised in profit or loss	Charge/ (credit) recognised in OCI	(₹ in Lakhs)
				As at 31st March, 2022
<b>Tax effect of items constituting deferred tax assets</b>				
Provision for gratuity				
Unabsorbed business losses	7.35	(1.67)	(0.32)	9.34
Impact of implementation of Ind AS 116	65.26	-	-	65.26
<b>Total deferred tax assets</b>	<b>-</b>	<b>0.96</b>	<b>-</b>	<b>(0.96)</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Timing difference with respect to property, plant and equipment				
<b>Total deferred tax liabilities</b>	<b>40.71</b>	<b>(11.58)</b>	<b>-</b>	<b>29.13</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>40.71</b>	<b>(11.58)</b>	<b>-</b>	<b>29.13</b>
	<b>31.90</b>	<b>(12.29)</b>	<b>(0.32)</b>	<b>44.51</b>

8 Inventories

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Raw materials		
Stores and spares	9.00	9.90
<b>Total</b>	<b>98.67</b>	<b>88.61</b>

9 Trade receivables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2022
At amortised cost		
Unsecured, considered good		
<b>Total</b>	<b>331.55</b>	<b>304.20</b>
	<b>331.55</b>	<b>304.20</b>

9.1 Trade receivables are non-interest bearing and are generally realised on credit terms of 45 days.

9.2 Ageing of trade receivables as on 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
		(₹ in Lakhs)					
Undisputed, considered good	281.39	50.16	-	-	-	-	331.55
<b>Total</b>	<b>281.39</b>	<b>50.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>331.55</b>

Ageing of trade receivables as on 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
		(₹ in Lakhs)					
Undisputed, considered good	165.26	138.94	-	-	-	-	304.20
<b>Total</b>	<b>165.26</b>	<b>138.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304.20</b>

9.3 No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person nor due from firms or private companies respectively in which any director is a partner, a director or a member.



10 Cash and cash equivalents

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
In current accounts		
Cash on hand	18.34	20.34
<b>Total</b>	<b>20.55</b>	<b>22.58</b>

11 Loans- current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Loans and advances to employees	0.02	15.02
<b>Total</b>	<b>0.02</b>	<b>15.02</b>

12 Other financial assets- current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Security deposits	0.30	0.30
<b>Total</b>	<b>0.30</b>	<b>0.30</b>

13 Other current assets

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Advances against goods and services	277.33	55.23
Balances with government authorities	203.24	205.23
<b>Total</b>	<b>480.57</b>	<b>260.46</b>

14 Current tax assets (net)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Advance income tax, including tax deducted at source [net of provision for tax of ₹ 35.25 Lakhs (31st March, 2022- ₹ 35.25 Lakhs)]	101.14	97.02
<b>Total</b>	<b>101.14</b>	<b>97.02</b>

15 Equity share capital

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Authorised		
1,00,000 (31st March, 2022- 1,00,000) equity shares of ₹ 100 each		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
Issued, subscribed and fully paid up		
88,500 (31st March, 2022- 88,500) equity shares of ₹ 100 each	88.50	88.50
<b>Total</b>	<b>88.50</b>	<b>88.50</b>

- 15.1 The Company has only one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.
- 15.2 There is no movement in the number of shares as at the beginning and at the end of the reporting period.
- 15.3 BMW Industries Limited is the Ultimate Holding Company of the Company.
- 15.4 Details of shareholders holding more than 5% of the aggregate equity shares in the Company:

Name of equity shareholders	Number of equity shares held	
	As at 31st March, 2023	As at 31st March, 2022
<b>Fairplan Vintrade Private Limited (Holding Company)</b>		
Number of equity shares	45,500	45,500
Percentage shareholding	51.41%	51.41%
<b>Sri Hari Vincom Private Limited</b>		
Number of equity shares	20,000	20,000
Percentage shareholding	22.60%	22.60%
<b>Perfect Investment Consultancy Private Limited</b>		
Number of equity shares	16,800	16,800
Percentage shareholding	18.98%	18.98%
<b>Siddhivinayak Commosales Private Limited</b>		
Number of equity shares	6,200	6,200
Percentage shareholding	7.01%	7.01%



Notes to the financial statements as at and for the year ended 31st March, 2023

15.5 Name of the promoter	As at 31st, March 2023		% change during the year	As at 31st, March 2022		% change during the year
	No. of shares	% of total shares		No. of shares	% of total shares	
Fairplan Vintrade Private Limited (Holding Company)	45,500	51.41%	-	45,500	51.41%	-
Siddhivinayak Commosales Private Limited	6,200	7.01%	-	6,200	7.01%	-
Sri Hari Vincom Private Limited	20,000	22.60%	-	20,000	22.60%	-
Perfect Investment Consultancy Private Limited	16,800	18.98%	-	16,800	18.98%	-
<b>Total</b>	<b>88,500</b>	<b>100.00%</b>	-	<b>88,500</b>	<b>100.00%</b>	-

16 Other equity

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Securities premium (Refer note no. 16.2)	211.50	211.50
Retained earnings (Refer note no. 16.3)	88.26	(269.12)
<b>Total</b>	<b>299.76</b>	<b>(57.62)</b>

16.1 Refer Statement of Changes in Equity for movement in balances of reserves.

**Nature and purpose of reserves:**

16.2 **Securities premium**

Securities premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

16.3 **Retained earnings**

Retained earnings generally represent the undistributed profit/ amount of accumulated earnings of the Company. Any actuarial gains/ (losses) arising on defined benefit plan have been recognised in Retained earnings.

17 **Borrowings- non-current**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>At amortised cost</b>		
Secured		
Term loan		
From non-banking financial company		
<b>Total</b>	<b>28.50</b>	<b>97.13</b>

17.1 Secured by hypothecation of plant and machinery of the Company.

17.2 The undiscounted repayment schedule of term loan taken from non banking financial company is as follows:

Financial year	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
FY 2022-2023	-	69.60
FY 2023-2024	69.60	69.60
FY 2024-2025	29.00	29.00
<b>Total</b>	<b>98.60</b>	<b>168.20</b>

17.3 Rate of interest on term loan is 11.50% (31st March, 2022- 11.50%).

18 **Lease liabilities- non-current**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>At amortised cost</b>		
Lease liabilities (Refer note no. 36.2, 36.3 and 36.4)	28.69	25.73
<b>Total</b>	<b>28.69</b>	<b>25.73</b>

18A **Lease liabilities- current**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>At amortised cost</b>		
Lease liabilities (Refer note no. 36.2, 36.3 and 36.4)	1.62	1.62
<b>Total</b>	<b>1.62</b>	<b>1.62</b>

19 **Provisions- non-current**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Provision for employee benefits</b>		
Gratuity (Refer note no. 27.1)	33.08	32.97
<b>Total</b>	<b>33.08</b>	<b>32.97</b>



20 Borrowings- current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Unsecured		
From bodies corporate		
Current maturities of long-term debt	-	425.00
Secured		
Term loan from non-banking financial company (Refer note no. 17.1, 17.2 & 17.3)		
<b>Total</b>	<b>69.60</b>	<b>69.60</b>
	<b>69.60</b>	<b>494.60</b>

21 Trade payables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Total outstanding dues of micro enterprises and small enterprises (Refer note no. 21.1)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note no. 21.2 & 21.3)	777.32	533.15
<b>Total</b>	<b>777.32</b>	<b>533.15</b>

21.1 Based on the information and explanations available with the Company, there are no outstanding dues payable to micro enterprises and small enterprises as at 31st March, 2023 and 31st March, 2022 respectively.

21.2 Trade payables are non-interest bearing and are normally settled on 30 days terms.

21.3 Ageing of trade payables as at 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	488.63	216.10	72.59	-	-	777.32
<b>Total</b>	<b>488.63</b>	<b>216.10</b>	<b>72.59</b>	<b>-</b>	<b>-</b>	<b>777.32</b>

Ageing of trade payables as at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	156.96	376.19	-	-	-	533.15
<b>Total</b>	<b>156.96</b>	<b>376.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533.15</b>

22 Other financial liabilities- current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
At amortised cost		
Interest accrued but not due on term loan		
Payable to employees	1.30	1.30
<b>Total</b>	<b>22.45</b>	<b>29.08</b>
	<b>23.75</b>	<b>30.38</b>

23 Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Advance received from customers		
Statutory dues (includes TDS, PF, ESI, etc.)	10.00	10.00
<b>Total</b>	<b>16.07</b>	<b>8.29</b>
	<b>26.07</b>	<b>18.29</b>

24 Provisions- current

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Gratuity (Refer note no. 27.1)		
<b>Total</b>	<b>0.54</b>	<b>0.50</b>
	<b>0.54</b>	<b>0.50</b>





25 Revenue from operations

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of services		
Conversion income	1,968.14	1,722.93
Sale of products		
Trading sales	-	2.93
<b>Total</b>	<b>1,968.14</b>	<b>1,725.86</b>

26 Other income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income on financial assets measured at amortised cost	0.53	0.59
<b>Total</b>	<b>0.53</b>	<b>0.59</b>

27 Employee benefits expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	115.54	141.53
Contribution to provident and other funds (Refer note no. 27.1)	15.00	15.39
Staff welfare expense	0.42	0.09
<b>Total</b>	<b>130.96</b>	<b>157.01</b>

27.1 The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. This is an unfunded plan.

The Company also has certain Defined contribution plans. Contributions are made to provident fund in India at the rate of 12% of salary of the employees covered as per the regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

As per Indian Accounting Standard 19 "Employee Benefits" the disclosure of Employee Benefits as defined in the Standard are given below:

(A) Defined contribution scheme

Contribution to defined contribution schemes, recognised for the year are as under:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Employer's contribution to provident fund	7.86	8.03
<b>Total</b>	<b>7.86</b>	<b>8.03</b>



Notes to the financial statements as at and for the year ended 31st March, 2023

(B) Defined benefit scheme

The Company has defined benefit plan comprising of gratuity. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) Change in the fair value of the defined benefit obligation:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Gratuity (unfunded)</b>		
Liability at the beginning of the year		28.28
Interest cost	33.47	1.91
Current service cost	2.41	2.91
<b>Components of actuarial (gain)/ loss on obligation</b>		
Due to change in financial assumptions	2.91	(1.97)
Due to experience adjustments	(0.96)	3.19
Benefits paid	(3.16)	(0.85)
<b>Liability at the end of the year</b>	<b>33.62</b>	<b>33.47</b>

(ii) Amount recognised in the balance sheet

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Gratuity (Unfunded)</b>		
Liability at the end of the year	33.62	33.47
Fair value of plan assets at the end of the year	-	-
<b>Liability recognised in the balance sheet</b>	<b>33.62</b>	<b>33.47</b>

(iii) Components of defined benefit cost

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Gratuity (unfunded)</b>		
Current service cost	2.91	1.91
Interest cost	2.41	4.82
<b>Total defined benefit cost recognised in profit or loss</b>	<b>5.32</b>	<b>4.82</b>

(iv) Components of other comprehensive income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Components of actuarial (gain)/ loss on obligations</b>		
Due to change in financial assumptions	(0.96)	(1.97)
Due to experience adjustments	(3.16)	3.19
<b>Amount recognised in other comprehensive income</b>	<b>(4.12)</b>	<b>1.22</b>



Notes to the financial statements as at and for the year ended 31st March, 2023

(v) Balance sheet reconciliation

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Gratuity (unfunded)</b>		
Opening net liability		28.28
Expenses as above	33.47	6.04
Benefits paid	1.20	(0.85)
<b>Amount recognized in balance sheet</b>	<b>(1.05)</b>	<b>33.47</b>
	<b>33.62</b>	

(vi) Principal actuarial assumptions as at the balance sheet date

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Discount rate		
Salary increase	7.50 % p.a.	7.25 % p.a.
Withdrawal rates	6.00 % p.a.	6.00 % p.a.
Rate of return on plan assets	1.00% p.a. at all ages	1.00% p.a. at all ages
	N.A.	N.A.

(vii) Current and non-current bifurcation as at the balance sheet date

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Gratuity (unfunded)</b>		
Current	0.54	0.50
Non-current	33.08	32.97
<b>Total</b>	<b>33.62</b>	<b>33.47</b>

(viii) Sensitivity analysis

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Gratuity (unfunded)</b>		
<b>Discount rate</b>		
+0.50%	31.81	31.46
-0.50%	35.58	35.67
<b>Salary growth rate</b>		
+0.50%	35.60	35.69
-0.50%	31.78	31.43
<b>Withdrawal rate</b>		
+10%	33.68	33.53
-10%	33.56	33.41

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between the underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of change if any.



Notes to the financial statements as at and for the year ended 31st March, 2023

(ix) Estimate of expected benefit payments (undiscounted)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Gratuity (unfunded)</b>		
Within 1 year	0.54	0.50
1-2 years	2.16	0.55
2-3 years	0.60	0.59
3-4 years	3.54	2.13
4-5 years	0.62	3.38
5-10 years	21.34	20.80

(x) Weighted average duration of defined benefit obligation

Particulars	As at 31st March,	
	2023	2022
<b>Gratuity (unfunded)</b>		
Duration (in years)	12.03	13.47

(xi) Number of people employed

Particulars	As at 31st March,	
	2023	2022
Number of people employed	37	43

28 Finance costs

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest expense on financial liabilities measured at amortised cost	14.86	21.30
Interest expense on lease liabilities	2.96	2.73
<b>Total</b>	<b>17.82</b>	<b>24.03</b>

29 Depreciation and amortization expense

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on property, plant and equipment (including right-of-use assets (Refer note no. 5))	64.96	64.39
<b>Total</b>	<b>64.96</b>	<b>64.39</b>



30 Other expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Stores and consumables		
Electricity charges	594.83	506.80
Insurance charges	38.69	35.74
Auditor's remuneration (Refer note no. 30.1)	0.40	0.81
Carriage inward	0.40	0.40
Legal and professional charges	1.43	1.25
Conversion charges	239.21	556.76
Repairs and maintenance expense	394.40	326.61
Bad debts	12.43	14.73
Miscellaneous expense	-	1.40
<b>Total</b>	<b>62.31</b>	<b>38.29</b>
	<b>1,344.10</b>	<b>1,482.79</b>

30.1 Auditors' remuneration includes:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Statutory audit fees		
Tax audit fees	0.30	0.30
<b>Total</b>	<b>0.10</b>	<b>0.10</b>
	<b>0.40</b>	<b>0.40</b>



31 Tax expense:

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax	-	-
Deferred tax	56.50	(12.29)
<b>Total tax expense recognised in profit or loss</b>	<b>56.50</b>	<b>(12.29)</b>
<b>Reconciliation of Income tax expense:</b>		
In the absence of taxable profits during year ended 31st March, 2023 and 31st March, 2022, reconciliation of tax expense has not been provided.		

- 31.1 In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of accumulated MAT credit. The Company has not exercised this option and continues to recognise the taxes on income for the year ended 31st March, 2023 as per the existing provisions.

32 Components of other comprehensive income

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plan	4.12	(1.22)
<b>Total</b>	<b>4.12</b>	<b>(1.22)</b>
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plan	(1.07)	0.32
<b>Total</b>	<b>(1.07)</b>	<b>0.32</b>
<b>Total other comprehensive income (net of taxes)</b>	<b>3.05</b>	<b>(0.90)</b>

33 Earnings per share

Particulars	(₹ in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Net profit for basic and diluted earnings per share as per statement of profit and loss	354.33	10.52
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 10 per share)	88,500	88,500
<b>(c) Earnings per equity share (a/b)</b>		
Basic and Diluted (in ₹)	400.37	11.89



Notes to the financial statements as at and for the year ended 31st March, 2023

34 Details of related party transactions in accordance with Indian Accounting Standard 24 "Related Party Disclosures"

(A) Name of related parties and their relationship with the Company:

Name of the related parties	Relationship with the Company
BMW Industries Limited	Ultimate Holding Company
Fairplan Vintrade Private Limited	Holding Company

(B) Details of transactions with related parties during the year and the balances outstanding thereof as at the balance sheet date are as follows:

Sl. no.	Nature of transactions	(₹ in Lakhs)	
		For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i)	Conversion charges BMW Industries Limited	238.62	606.59

(C) Balances of related parties is as follows:

Sl. no.	Particulars	(₹ in Lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
(i)	Trade payables	616.39	965.88

Notes:

- (a) The above related party information is as identified by the management and relied upon by the auditor.  
(b) The amounts outstanding are unsecured and will be settled in cash. No provision for bad or doubtful debts has been recognised in current year and previous year in respect of the amounts owed by related parties.



Notes to the financial statements as at and for the year ended 31st March, 2023

35 Segment reporting

(i) As required under Ind AS 108 "Operating Segments", the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments.

The Company has one operating business segment viz, processing of steel and all other activities are incidental to the same.

(ii) The Company's operations are situated entirely within India.

(iii) **Information about major customers:**

Revenue from conversion income of steel and steel products include sale of service to one public company pertaining to the steel sector which account for more than 10% and amounting to ₹ 1,968.14 Lakhs (31st March, 2022- ₹ 1,722.93 Lakhs) in aggregate of the total revenue of the Company.

36 Disclosure as per Ind AS 116 "Leases"

**Company as a Lessee**

The Company's significant leasing arrangements are in respect of land obtained on lease for manufacturing and/or administrative purposes.

36.1 Following are the changes in the carrying value of right of use assets:

Particulars	(₹ in Lakhs)	
	Land	
As at 31st March, 2021		33.24
Depreciation charged during the year (Refer note no. 5 & 29)		2.22
As at 31st March, 2022		31.02
Depreciation charged during the year (Refer note no. 5 & 29)		2.22
As at 31st March, 2023		28.80

36.2 The following is the break-up of current and non-current lease liabilities:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities (Refer note no. 18A)	1.62	1.62
Non-current lease liabilities (Refer note no. 18)		
	28.69	25.73
<b>Total</b>	<b>30.31</b>	<b>27.35</b>

36.3 The following is the movement in lease liabilities:

Particulars	(₹ in Lakhs)	
	Amount	
As at 31st March, 2021		24.62
Finance costs accrued during the year (Refer note no. 28)		2.73
As at 31st March, 2022		27.35
Finance costs accrued during the year (Refer note no. 28)		2.96
As at 31st March, 2023		30.31

36.4 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	5.68	4.05
Later than one year and not more than five years	10.54	8.11
Later than five years	58.38	61.63





37 Financial instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	Note no.	As at 31st March, 2023		As at 31st March, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets (non-current and current)</b>					
<b>Financial assets measured at amortised cost</b>					
Other financial assets	6 & 12	15.31	15.31	15.31	15.31
Trade receivables	9	331.55	331.55	304.20	304.20
Cash and cash equivalents	10	20.55	20.55	22.58	22.58
Loans	11	0.02	0.02	15.02	15.02
<b>Financial liabilities (non-current and current)</b>					
<b>Financial liabilities measured at amortised cost</b>					
Borrowings	17 & 20	98.10	98.10	591.73	591.73
Lease liabilities	18 & 18A	30.31	30.31	27.35	27.35
Trade payables	21	777.32	777.32	533.15	533.15
Other financial liabilities	22	23.75	23.75	30.38	30.38

**Fair valuation techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The fair value of cash and cash equivalents, trade receivables and payables, short term borrowings, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/ amortised cost in the financial statements approximate their fair values.

The non-current financial assets represent security deposits given to government authorities and for the purpose of day-to-day utilities of the Company and therefore the need of fair valuation does not arise in such a case.

**Financial risk factors**

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, trade receivables and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks.

**Market risk**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of market risk are currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have exposure to the risk of changes in foreign exchange rates and hence is not subjected to such risk.

**Interest rate risk**

The Company's debt exposure includes term loan from non-banking financial company and unsecured loan from bodies corporate. Term loan is contracted at fixed rate of interest and unsecured loan from bodies corporate is short-term in nature and does not carry any interest component. The Company does not

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/ evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent

The carrying amount of respective financial assets recognised in the financial statements represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being well established, large and unrelated.

The credit risk on cash and cash equivalents are insignificant as counterparties are banks with high credit ratings.

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained term loan from non-banking financial company and unsecured loan from bodies corporate. The Company relies on borrowings and internal accruals to meet its fund requirement.



Notes to the financial statements as at and for the year ended 31st March, 2023

Maturity analysis of unamortised financial liabilities

As at 31st March, 2023						
Particulars	Carrying amount	Unamortised amount				(₹ in Lakhs)
			Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings (Refer note no. 17 & 20)	98.10	98.60	29.00	40.60	29.00	98.60
Lease liabilities (Refer note no. 18 & 18A)	30.31	74.60	-	5.68	68.92	74.60
Trade payables (Refer note no. 21)	777.32	777.32	777.32	-	-	777.32
Other financial liabilities (Refer note no. 22)	23.75	23.75	23.75	-	-	23.75
<b>As at 31st March, 2022</b>						
Particulars	Carrying amount	Unamortised amount				(₹ in Lakhs)
			Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings (Refer note no. 17 & 20)	591.73	593.20	29.00	465.60	98.60	593.20
Lease liabilities (Refer note no. 18 & 18A)	27.35	73.79	-	4.05	69.74	73.79
Trade payables (Refer note no. 21)	533.15	533.15	533.15	-	-	533.15
Other financial liabilities (Refer note no. 22)	30.38	30.38	30.38	-	-	30.38

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet its need for funds and ensures that it does not breach any financial covenants.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence.

The gearing ratio is as follows:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Borrowings (Refer note no. 17, 18, 18A & 20)	128.41	619.08
Less: Cash and cash equivalents (Refer note no. 10)	20.55	22.58
<b>Net debt</b>	<b>107.86</b>	<b>596.50</b>
Total equity attributable to the equity shareholders of the Company (Refer note no. 15 & 16)	388.26	30.88
<b>Total equity and net debt</b>	<b>496.13</b>	<b>627.39</b>
<b>Gearing ratio</b>	<b>0.22</b>	<b>0.95</b>



38 Ratio analysis and its elements

Sl. no.	Ratio	Numerator	Denominator	2022 - 2023	2021 - 2022	% change with respect to previous year	Reason for variance (where change is more than 25%)
1	Current ratio	Current assets	Current liabilities	0.74	0.74	0.00%	
2	Debt-equity ratio	Borrowings (including lease liabilities)	Shareholders' equity	0.33	20.05	43.90%	Repayment of borrowings
3	Debt service coverage ratio	Profit after tax + Depreciation and amortisation + Finance costs	Finance costs + Borrowings + Long term lease payments	4.91	0.19	850.00%	Increase in profit during the year
4	Return on equity ratio	Profit after tax	Average total equity	182.52%			
5	Inventory turnover ratio	Revenue from operations	Average inventory	39.89	10.83	129.59%	Increase in profit during the year
6	Trade receivables turnover ratio	Revenue from operations	Closing trade receivables	5.94	5.67	12.34%	
7	Trade payables turnover ratio	Total purchases	Closing trade payables	1.73	2.55	(39.36%)	Decrease in trade receivables
8	Net capital turnover ratio	Revenue from operations	Working capital	(5.50)	(6.15)	(11.26%)	
9	Net profit ratio	Profit after tax	Revenue from operations	0.18	0.01	17.58%	
10	Return on capital employed	Profit before tax + Interest on long term debt	Tangible net worth + Borrowings (including lease liabilities)	82.96%		125.00%	Increase in profit during the year
11	Return on investment				3.42%	118.05%	Increase in profit during the year

Not applicable

39 The Company, neither had any transactions during the years ended 31st March, 2023 and 31st March, 2022 with companies, which have been struck off by the Registrar of Companies, nor any balance is outstanding from such companies as at the end of the reporting year.

40 No funds 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(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with Ultimate Beneficiaries.

41 Comparative figures of the previous year have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year's figures.

As per our report of even date attached

For Nahata & Co

Chartered Accountants

Firm's Registration No.: 329958E

Ankit Nahata

Partner

Membership No.: 311657

Place: Kolkata

Date: 15th May, 2023

For and on behalf of the Board of Directors of  
Nippon Cryo Private Limited

Abhishek Agarwal  
Director  
DIN: 06517531

Partha Ghosh  
Director  
DIN: 01575617

