GLUHEND INDIA PRIVATE LIMITED

4TH ANNUAL REPORT

2020-2021

COMPANY INFORMATION

Board of Directors

1. Mr. Michael Rakiter
2. Mr. Sanjay Kumar Sanghoee
3. Mr. Matthew Constantino
4. Mr. Satish Kumar Rustgi

Key Managerial Personnel

1. Mr. Madhur Aneja, Chief Executive Officer
2. Mr. Sandeep Chotia, Chief Financial Officer
3. Mrs. Isha Gupta, Company Secretary

Bankers

IndusInd Bank Limited

Kotak Mahindra Bank Limited

Union Bank of India

Citibank N.A.

Axis Bank

Registered Office

23, Floor-2, Plot-59/61,

Arsiwala Mansion Nathalal Parikh Marg,

Colaba, Mumbai,

Maharashtra –400 005

Corporate Office

346, F.I.E, Patparganj,

Delhi – 110 092

Plants

Uttar Pradesh

B-7 & B-8, Site IV,

Industrial Area, Sahibabad

Ghaziabad

Haryana

1. Plot No. 123, Sector 24,
   Faridabad– 121 007
2. Plot No. 192 D, Sector-4,
   Phase II, GC Bawal, Rewari,
   Haryana- 123501

Rajasthan

SP-18, Industrial Area, Neemrana,

(Tehsil Behrod), Rajasthan,

Distt- Alwar – 301705

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GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

BOARD'S REPORT

To,
The Members of
Gluhend India Private Limited

Your Board have pleasure in presenting their 4th Annual Report and the Audited Financial Statements for the Financial Year ended March 31, 2021.

1. FINANCIAL SUMMARY AND HIGHLIGHTS (STANDALONE AND CONSOLIDATED)

The Standalone financial performance of your Company:

(INR in Millions)

Particulars	2020-2021	2019-2020
Turnover	3314.30	4468.75
Profit before Finance costs, Tax, Depreciation/Amortization (PBITDA)	220.87	398.64
Less: Finance Costs	570.29	572.20
Profit before Depreciation/Amortization (PBTDA)	(349.42)	(173.56)
Less: Depreciation	126.02	155.24
Net Profit before Taxation (PBT)	(475.44)	(328.80)
Provision for taxation	(133.79)	(14.59)
Profit/(Loss) after Taxation (PAT)	(341.65)	(314.21)
Transfer to General Reserve	0.00	0.00

Based on consolidated financial statements, the performance of the Group is as follows:

(INR in Millions)

Particulars	2020-2021	2019-2020
Turnover	5007.95	5906.49
Profit before Finance costs, Tax, Depreciation/Amortization (PBITDA)	382.27	327.26
Less: Finance Costs	851.22	768.42
Profit before Depreciation/Amortization (PBTDA)	(468.95)	(441.16)
Less: Depreciation	277.60	408.78
Net Profit before Taxation (PBT)	(746.55)	(849.94)
Provision for taxation	(210.59)	(126.96)
Profit/(Loss) after Taxation (PAT)	(535.96)	(722.98)
Transfer to General Reserve	0.00	0.00

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, your company, on a standalone basis, incurred a loss of INR 341.65 million with a turnover of INR 3314.30 million as compared with a loss of INR 314.21 million with a turnover of INR 4468.75 million for FY 2019-2020.

During the year under review, there is no change in the nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

3. DIVIDEND

The Board of Directors of your company keeping in view the loss incurred during the year decided that it would be prudent, not to recommend any Dividend for the year under review.

4. TRANSFER TO RESERVES

Considering a loss being incurred by the company during the year, the Board decided not to transfer any amount to the Reserves.

5. CAPITAL AND DEBT STRUCTURE

❖ Authorised Share Capital
The Authorised Share Capital of the Company as at the beginning of the FY 2020-21 was INR 2856.84 Million and was increased twice during the Financial year under review. On 1st October 2020, it was increased to INR 3128.26 Million, which was further increased to INR 3278.26 Million on 5th March 2021.

❖ Issued/ Subscribed and Paid-up Share Capital
The total issued and paid-up share capital of the Company has been increased from INR 2828.26 Million to INR 3248.19 Million in two tranches of allotment of Compulsorily Convertible Preference Shares.

The company has made further issues of shares on rights basis. These were made for general corporate purposes and for easing the business slowdown conditions imposed by the spread of the COVID-19 pandemic in the country.

- 18,536,496 (Eighteen Million Five Hundred and Thirty-Six Thousand Four Hundred Ninety-Six) Class A Compulsorily Convertible Preference Shares of face value INR 10 (Rupees Ten only) each in October 2020.

- 23,456,268 (Twenty-Three Million Four Hundred and Fifty-Six Thousand Two Hundred Sixty-Eight) Class A Compulsorily Convertible Preference Shares of face value INR 10 (Rupees Ten only) each in March 2021.

❖ Secured Listed Non-Convertible Debentures (Privately Placed)
Your company has issued 6350 Secured Redeemable Non-Convertible Debentures of INR 0.50 Million each amounting to a total of INR 3175.00 Million to foreign investors during FY 2017-18. These debentures have been duly listed on the Bombay Stock Exchange.
During the financial year 2019-2020, the company redeemed the debentures partially, which reduced the face value of the Debentures to INR 0.45 Million each.

The company complies with the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other securities laws as applicable to Non-Convertible Debt Instruments and provides all necessary statements and documents to the Bombay Stock Exchange and other agencies as per the extant regulations.

The Issue and Listing details of the Non-Convertible Debentures along with the details of the Debenture Trustee appointed, is provided below:

Name of Stock Exchange:	Bombay Stock Exchange Limited
ISIN:	INE744Z07019
Security Listed:	Non- Convertible Debentures
Scrip Code:	957731
Coupon rate:	8%
Coupon Payment:	Quarterly
Maturity Date:	June 30, 2021

The company has duly paid the Annual Listing fees of BSE Limited for the FY 2020-2021 as well as for FY 2021-2022.

The contact details of the Debenture Trustee duly appointed for representation of the Debenture-holders is as follows:

Name of Debenture Trustee:	Vistra ITCL (India) Limited
Registered Address:	The IL&FS Financial Centre, Plot C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Website:	www.vistraitcl.com
Email ID:	poojan.baxi@vistra.com

Your company has, on the date of this report, made good all quarterly coupon payments and the scheduled partial redemption of principal amount due on 12th of September 2019, but has defaulted on the final Redemption amounts on the Debentures which was due on 30th June, 2021.

Due to cash-flow issues arising out of the spread of COVID-19 pandemic and subsequent lockdowns imposed around the world, your company defaulted on its redemption amounts. Considering the same, the management has been in constant discussions with the Debenture-holders for potential restructuring solutions for the Non-Convertible Debentures. Also, to state that the Debenture Holders and the Company has entered into Standstill Agreement by virtue of which the Debenture Holders have agreed not to take any enforcement action under the Debenture Trust Deed.

6. CREDIT RATING

The company has been assigned the following ratings for the Debenture Issue as at 31st of March 2021:

Credit Facility	Name of rating agency	Rating
6,350 Non-Convertible Debentures (Privately Placed)	Brickwork Ratings India (P) Limited	BWR B* (Outlook - Credit Watch with Negative Implications)
Bank Loan Facilities (Post-Shipment Credit) (Short Term)	CRISIL Limited	CRISIL A4**

[This rating was based Audited Financial results for the FY 2018-2019. But after the company defaulted on its debt-obligations on 30th June, 2021, the rating agency downgraded the company's ratings. The present rating being BWR D (Default)*
***This rating has also been downgraded to CRISIL D reflecting the default in payment of debt obligations by the company on 30th June, 2021].*

7. DETAILS RELATING TO MATERIAL VARIATIONS IN USE OF ISSUE PROCEEDS

As the funds raised through the non-convertible debenture issue have been fully utilised by the company for the purpose for which they were raised as stated in the objects in the offer document, and the purpose also been achieved, hence this disclosure is not applicable to the company.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

Except as elsewhere provided in this report, there have been no other material changes and commitments affecting the financial position that have occurred since the end of the year under review till the date of the report.

9. DEPOSITS

Your company has not accepted any deposits falling within the purview of Section 73 of the Companies Act, 2013.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Changes in Board Composition
  Your company on 1st day of June 2020 appointed Ms. Prathibha Priya Mysore Raghuveer on the Board, which was duly approved by the members in the Extra-ordinary General meeting dated 1st of October 2020. Though, she resigned from the Board of the company citing personal reasons w.e.f 31st March 2021.

  Also, Mr. Vatsal Manoj Solanki, Managing Director resigned from the Board and the management of the company w.e.f. 31st March 2021 citing personal reasons and his inability to continue further. The Board placed on record its deep sense of appreciation for the valuable contribution made by him to the operations and growth of the Company during his association with the Company.

- Number of Board Meetings
  During the year under review, the Board met 14 times during the FY 2019-2020. The following are the dates of the Board meetings:

  27th May, 2020, 15th June, 2020, 15th July, 2020, 1 August, 2020, 30th September, 2020, 9th October, 2020, 15th October, 2020, 1st December, 2020, 15th February, 2021, 1st March, 2021, 08th March, 2021, 15th March, 2021, 30th March, 2021 and 31st March, 2021.

- Key Managerial Personnel (KMP)
  During the FY 2020-2021, Mr. Shashank Goswami resigned from the position of CFO on 31st July, 2020 and Mr. Sandeep Chotia was appointed as the CFO and a KMP on 1st of August, 2020.

  Also, your company duly appointed Mr. Madhur Aneja as its Chief Executive Officer w.e.f 25th February, 2021.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions relating to CSR under Companies Act, 2013 is not applicable to the company as the company has incurred losses in the FY 2020-2021.
As has been stated earlier, Sage Metals Private Limited (SMPL) has merged with your company on June 20, 2019. The CSR provisions under Section 135, before such merger being effective, were applicable on SMPL. It had an unspent CSR liability of INR 35.47 Million uptill 31st March 2018 and was evaluating and identifying specific programmes for incurring the same.

Your company being a law – abiding entity and considering its responsibility towards the society, has appropriately formed a committee of the Board in the FY 19-20 for devising a CSR policy, recommending, and undertaking activities as specified in Schedule VII of the Companies Act, 2013 for spending such unspent CSR liability of SMPL. Although the company incurred losses during the year, it spent an amount of INR 0.15 million (INR 0.69 million in FY 2019-2020) towards CSR activities.

12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, the Board has carried the evaluation of its own performance, performance of Individual Directors, including the Chairman of the Board based on their attendance, contribution, experience, expertise etc. The evaluation of the working of the Board was conducted considering the effectiveness of Board procedures, performance of specific duties and obligations, etc. The Directors expressed their satisfaction with the evaluation process and outcome of the same and laid guidelines for improving the Board performance and procedures followed.

13. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The company being a private limited entity, the provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee and framing of a policy relating to Appointment and Remuneration of Directors are not applicable.

14. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have also been formulated and clearly spelled out in the said policy.

15. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY

The Company has a wholly owned subsidiary ('WOS') in USA namely Sage International Inc. (SII).
As per the Companies (Accounts) Rules, 2014, your Company has consolidated its Financial Statements with its WOS for the financial year 2020-2021. A statement in AOC-1 containing salient features of the financial statement of its subsidiary is attached herewith as **Annexure-1.**

16. AUDITORS

- **STATUTORY AUDITORS**
  M/s Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No: 117366W/W-100018), were appointed as Statutory Auditors of the company for a second term of 5 years i.e.

from FY 2019-20 up till FY 2023-24 on 31st December 2020 in the 2nd Annual General Meeting of the company.

- **SECRETARIAL AUDITORS**
  As required under provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, the Board appointed M/s Arun Kumar Gupta and Associates, Practicing Company Secretaries, for conducting the Secretarial Audit for the FY 2020-2021. Secretarial Audit Report in Form MR-3 issued by the Secretarial Auditor of the Company for the year ended on March 31, 2021, is attached to the Director's Report as **Annexure- 2.**

- **INTERNAL AUDITORS**
  Pursuant to the provisions of section 138 of the Companies Act, 2013, the Board of Directors appointed Mr. Saurabh Kumar Agarwal, Chartered Accountant as the Internal Auditor of the Company for the Financial year 2020-2021. He is employed with the company on full-time basis, which helps in effective and efficient audit of various internal procedures and processes followed by the company.

- **EXPLANATION OR COMMENTS ON THE QUALIFICATIONS/ ADVERSE REMARKS IN STATUTORY AUDITOR'S REPORT**
  In respect of the Qualified Opinion on the Internal Financial Controls of the Company in the Audit report of the Standalone and Consolidated Financial Statements, your Board hereby provides that it accepts its responsibility for establishing and maintaining internal controls for financial reporting. It also recognises its responsibility for taking steps proposed for the rectification and correction of any deficiencies in its design or operation.

  The Board after considering the weakness in the Internal financial controls relating on the issue of inventory for production and its consequent impact on inventory records, states that the management is introducing a new Enterprise Resource Planning (ERP) system, i.e., SAP, which is under implementation process. This ERP system would not only remove all such weaknesses but also would bring in more transparency, enhancing data security, improved business efficiency and easy scalability. This system will closely track the materials including movement between each process at the respective plants and the management is confident that this step will help in addressing such gaps going forward.

  The Auditors have also drawn out some matters under emphasis requiring consideration of the Board. The Board duly considered and noted that statutory compliances, under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, that have been made with a delay were due to reasons beyond control, including the operational challenges that arose due to spread of COVID-19 pandemic in the world. Though the consequential impact of the above being not ascertainable, the Board hereby assures of taking appropriate corrective measures in the future.

  Also, w.r.t to debit and credit notes received and issued in foreign currency outstanding as at year ended 31st March, 2021, the Board duly noted the management's view wherein it is not being considered as a non-compliance under the Foreign Exchange Management Act. Also, to state that for them to be duly noted and regularised under the above-mentioned Act, approvals need to be procured from the authorities concerned, which the management is assured to receive in near future.

- **EXPLANATION OR COMMENTS ON THE QUALIFICATIONS/ ADVERSE REMARKS IN SECRETARIAL AUDITOR'S REPORT**
  The Secretarial Auditor has in its report considered the delay in the submission of the Financial Statements at some instances with the Bombay Stock Exchange. The Board provides that the members have been accordingly apprised as this being due to reasons beyond control and also due to operational issues that arose due to spread of COVID-19 pandemic around the world.
  Also, to state that the company being a law-abiding entity is suo-moto applying to the Registrar of Companies, Mumbai for reducing the penalties that may be imposed for the said delay in submission of the financials considering the offence being un-intentional.

  On matters raised w.r.t to debit and credit notes, received and issued, in foreign currency, the Board duly noted the management's view wherein it is not being considered as a non-compliance under the Foreign Exchange Management Act. Also, to state that for them to be duly noted and regularised under the above-mentioned Act, approvals need to be procured from the authorities concerned, which the management is assured to receive in near future.

17. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The are no existing loans, guarantees or investments covered under the provision of under Section 186 of the Companies Act, 2013.

18. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
Though, SEBI had levied a penalty of INR 0.10 million for alleged violation of Regulation 52(1) of the SEBI LODR Regulations, 2015 for the FY 2018-19 on 26th February, 2021.

19. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Further, internal audit procedures monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating procedures, accounting procedures and policies at all locations of the Company. Based on the audit reports, the units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board periodically.

20. PARTICULARS OF LOANS AND ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions (RPTs) entered during the financial year were on an arm's length basis and in the ordinary course of business. In compliance with applicable provisions of the Act, for the RPTs which are foreseen and repetitive in nature, omnibus approval of the Board has been obtained. All the RPTs undertaken during the year are disclosed in the notes to Financial Statements. There are no materially significant Related party transactions made by the Company which have a potential conflict with the interest of the Company at large.

Further the Company did not undertake any transaction falling within the purview of Section 188(1) of Companies Act, 2013 and thus disclosure in Form AOC-2 is not required.

21. ANNUAL RETURN

As required, pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the company is placed on the website www.sagemetals.com.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2020-21 and no complaint is pending for redressal as at March 31, 2021.

23. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, and pursuant to clause (c) of Sub- section (3) of Section 134 of the Companies Act, 2013, your Director's hereby confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures:
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year, i.e. March 31, 2021 and of the loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- they have prepared the annual accounts on a going concern basis; and
- they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

24. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

I. Conservation of energy

- *the steps taken or impact on conservation of energy:*
  The Company has always been particular for conservation of energy on continuous basis by closely monitoring the energy consuming equipment.
  Solar Rooftop Plants have been set up in all the units and have started generating solar electricity.
  This would reduce the cost of power to a considerable extent to the company and is also environmental-friendly.

- *the steps taken by the company for utilizing alternate sources of energy:*
  The company has been continuously striving to optimize energy consumption levels by selecting energy efficient and environment friendly technologies for its plants. Solar panels on rooftops and LED lightings have been installed at various places to be energy efficient at low costs.

- *the capital investment on energy conservation equipment's:*
  Energy conservation measures have been taken by process optimization without any major capital investment. Purchase power agreements have been entered with vendors for providing solar energy without major capital investment by the company.

II. Technology absorption

There has been no absorption of new technology whether imported or otherwise during the financial year under review.

III. Foreign exchange earnings and outgo

During the year, the total foreign exchange used was INR 120.01 Million and the total foreign exchange earned was INR 3546.59 Million.

25. PARTICULARS OF MANAGERIAL REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following details forms part of the Board Report:

- Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, a statement containing the names and other particulars of top ten employees in terms of remuneration drawn by them is annexed as **Annexure-3**.
- Disclosure under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 applicable to listed entities annexed as **Annexure-4**.

26. ACKNOWLEDGEMENTS

The directors place on records their sincere appreciation for the assistance and co-operation extended by its Bankers, employees, investors, and all other associates and look forward to continuing fruitful association with all business partners of the company.

For and on behalf of the Board of Directors

Sd/-

Satish Kumar Rustgi
Chairman
(DIN - 08574594)

Date: 31.12.2021
Place: Delhi

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

ANNEXURES TO BOARD'S REPORT

Annexure-1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of the subsidiary

Part "A": Subsidiaries

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Sage International Inc., US
2.	The date since when subsidiary was acquired	13th March 2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	FY 2020-2021
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD Buying rate 73.16 INR/USD Selling rate 73.07 INR/USD
5.	Share capital	INR 1.64 million
6.	Reserves & surplus	(INR 164.61 million)
7.	Total assets	INR 2293.66 million
8.	Total Liabilities	INR 2456.63 million
9.	Investments	Nil
10.	Turnover	INR 3282.15 million
11.	Profit before taxation	Loss of INR 311.93 million
12.	Provision for taxation	(INR 63.76 million)
13.	Profit after taxation	Loss of INR 248.17 million
14.	Proposed Dividend	Nil
15.	% of shareholding	100%

Notes:
1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been liquidated or sold during the year – Nil
3. Part B of the Form - Not Applicable.

For and on behalf of the Board

Sd/-
Satish Kumar Rustgi
Director
DIN: 08574594

Sd/-
Michael Rakiter
Director
DIN: 07995000

Sd/-
Isha Gupta
Company Secretary
Mem. No. 22178

Sd/-
Sandeep Chotia
Chief Financial Officer

Sd/-
Madhur Aneja
Chief Executive Officer

Date: 31.12.2021

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

Annexure-2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GLUHEND INDIA PRIVATE LIMITED
23, FLOOR-2, PLOT-59/61, ARSIWALA
MANSION NATHALAL PARIKH MARG,
COLABA, MUMBAI 400005

I have conducted the secretarial audit of the compliance of all applicable statutory provisions and the adherence to good corporate practices by **GLUHEND INDIA PRIVATE LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **GLUHEND INDIA PRIVATE LIMITED's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2021** complied with the statutory provisions listed hereunder *except as mentioned there* and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. Other material compliances are listed in **Annexure A** attached to this report.

I have examined the books, papers, minute books, registers, forms and returns filed and other records maintained by **GLUHEND INDIA PRIVATE LIMITED** for the financial year ended on 31st March, 2021, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; Not Applicable
e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**
g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; Not Applicable; and
h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not Applicable.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Debt Listing Agreements entered into by the Company with Bombay Stock Exchange Limited as prescribed under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except as mentioned below:

The Company has conducted the Annual General Meeting for the Financial year 2019-20 after the due date specified under the Act and even after the period of extension as granted by the Registrar of Companies. Accordingly, Company has also committed default in filling its financial statements under Section 137 and Section 92 of the said act with the ROC within specified Time.

Also, since the Non-Convertible Debentures of the Company are listed on BSE Limited, the Company has failed to submit the financial results for the year ended March 31, 2020 under regulation 52(1) of SEBI LODR Regulations 2015 within the prescribed timelines pursuant to the regulations.

It has been observed that the Company has also failed to submit the financial results for the half year ended September 30, 2020 under Regulation 52 of SEBI LODR Regulations 2015 within the prescribed timelines.

Further, the Company has received / issued debit and credit notes in foreign currency amounting to Rs. 335.69 million and Rs. 119 milion respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) The Income Tax Act, 1961;
(b) Goods and Service Tax (GST) Laws ;
(c) The Reserve Bank of India Act, 1934 (Chapter IIIB) read with the extant Master Circular and prudential norms issued by the Reserve Bank of India ('RBI').

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

Based on the information received and records maintained by the Company, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. I further report that the Company has been sending agenda notes to Directors as per the provisions contained in its Articles of Association, which is in compliances with the provisions of the Act. Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

3. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **ARUN KUMAR GUPTA & ASSOCIATES**
COMPANY SECRETARIES

Sd/-

(ARUN KUMAR GUPTA)
Proprietor
Membership No: F5551
Certificate of Practice No: 5086
UDIN: F005551C001999721

Place: Delhi
Date: 31.12.2021

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

Annexure 'A'

Annexure to the Secretarial Audit Report

In my opinion and to the best of my information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal, Registered Office and Publication of name of the Company;
3. Forms, Returns, Documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, and such other authorities;
4. Service of documents by the Company on its Members, Directors, Auditors and Registrar of Companies;
5. Disclosures requirements in respect of their eligibility for appointment, compliance with the code of conduct for Directors of Gluhend India Private Limited;
6. Related party transactions which were in the ordinary course of business and at arm's length basis;
7. Appointment and remuneration of Statutory Auditors;
8. Notice of the meetings of the Board thereof;
9. Minutes of the meeting of the Board thereof;
10. Minutes of General Meeting(s);
11. Approval of the Members, Board of Directors and Government Authorities, wherever required;
12. Form of the Balance Sheet as at March 31, 2020 as prescribed under part I of schedule III of the Companies Act, 2013 and requirements as to Profit & Loss Account for the year ended on that date are as per Part II of the said schedule and the financial statements of the Company for the financial year ended 31st March, 2020 is in conformity with the format prescribed under schedule V of the Act;
13. Report of the Board of Directors for the financial year ended March 31, 2020;
14. Borrowings and registration of charges;
15. Investment of Company's funds and inter-corporate loans and investments.

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

Annexure-3

The particulars of the employees who are covered in the provisions contained in Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

A. **Names of Top Ten Employees of the Company in terms of remuneration drawn in F.Y. 2020-2021:**

S.no	Employee Name	Designation/ Nature of Duties	Qualification	Age	Joining Date	Experience (in years)	Yearly Gross Remuneration (INR in Million)	Previous Employment-Designation
1	Mr. Sandeep Kumar Chotia	CFO	B.com(H), CA,SMP IIM Calcutta	44	09-Mar-20	19	5.86	SLMG Beverages Pvt Ltd(Ladhani group) as Director- Finance
2	Mr. Rajesh Goel	VP	B.E., M.Tech, SMP IIM Calcutta	46	24-Feb-20	23	4.88	Sigma Electric Manufacturing Corporation Pvt. Ltd. as GM
3	Mr. Satish Kumar Rustgi	Director/ GM-Finance	B.com(H), CA	61	02-May-88	37	4.09	M/s D.C.Jain& Associates as Audit Manager
4	Mr. Sanjeev Jain	GM	B.Tech, PGEMP	50	14-Feb-20	26.5	3.86	Cummins India Ltd. as Sr. GM Sourcing
5	Mr. V.K. Panchal	DGM	Diploma in Mech. Engg	62	01-Aug-97	41	3.14	M/s Controls and Switchgear as DY. Manager
6	Mr. S. Gopalakrishanan	GM	B.com, AICWA	55	17-Aug-92	30	2.88	Bahe Gupta & Associates as Audit Supervisor
7	Mr. Dhananjay Joshi	GM	Diploma in Metallurgy	47	01-Apr-18	26	2.62	Endurance Technologies Limited as AGM
8	Mr. Romesh Kr. Paruthi	DGM	Diploma (Mech.), AMIE, Dip in Mgmt.	61	07-Feb-94	39	2.55	M/s Remington Rand of India Ltd as Executive Tech. Development & Tool Room
9	Mr. Babu Duraisamy	GM	B.E,MBA,MS	52	10-Feb-20	30	2.42	Tata Cummins India Pvt. Ltd. as Sr. GM Quality FE
10	Mr. Sanjay Saproo	AGM	B.E,MBA	47	01-Nov-19	23	2.08	Endurance Technologies Limited as AGM Operation

A. Details of Employees who were employed throughout the Financial Year 2020-2021 and in receipt of an aggregate salary of not less than INR 10.2 million only p.a.: **(Refer the above table)**
B. Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at the rate of not less than INR 0.85 million per month; **(Refer the above table)**
C. Employees Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, was in excess of that drawn by the managing director and whole-time director and manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **NA**

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

Annexure–4

Pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following disclosures should be made in the Board's *(Applicable to Listed Company)*

The Board hereby noted that the below-mentioned details are applicable to Listed companies. Even though the company is a private entity, is required to provide the following as its debt being listed. Hence the below disclosure for the FY 2020-2021.

(a) No remuneration was paid to Non-Executive Directors on the Board. The ratio of the remuneration of the following Executive Directors to the median remuneration of the employees of the company for the financial year is as follows:

Mr. Satish Kumar Rustgi – 6.8

Mr. Vatsal Solanki – 2.2

(b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year is NIL.

(c) The percentage increase in the median remuneration of employees in the financial year is in the range of 1%.

(d) The number of permanent employees on the rolls of company is 675.

(e) The average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration has been in the range of 1`%. Due to COVID-19 and its effects on the business of the company, the increase in remuneration is much low during the relevant financial year.

(f) The Board hereby affirms that the remuneration as well as the increase is as per the policy of the Company.

For and on behalf of the Board of Directors

Date: 31.12.2021
Place: Delhi

Sd/-
Satish Kumar Rustgi
Chairman
(DIN - 08574594)

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor Building 10
Tower B
DLF Cyber City Complex
DLF City Phase II
Gurugram-122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

To The Members of Gluhend India Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gluhend India Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to :

a) Note 45 to the standalone financial statements, which describes matters relating to non-compliances with certain provisions of the Companies Act, 2013 with respect to presentation and adoption of audited financial statements for the years ended 31 March 2020 and 31 March 2019, before the shareholders in the respective Annual General Meetings within the stipulated time as prescribed under section 96 of the Companies Act, 2013 and submission of audited standalone financial results for the year ended 31 March 2021 and 31 March 2020 and unaudited standalone financial results for the six months ended 30 September 2020 and 30 September 2019 to the stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Accordingly, the Company could be liable to certain penal provisions for the said non-compliances under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the standalone financial statements is presently not ascertainable.

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b) Note 46 to the standalone financial statements, wherein it is indicated that the Company has received / issued debit and credit notes in foreign currency aggregating to Rs. 119.77 million and Rs. 335.69 million respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the standalone financial statements is presently not ascertainable.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section of our report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") in Annexure A to the Independent Auditor's Report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Impairment assessment of goodwill: (Refer Notes 2.3 and 3D of standalone financial statements)** As at 31 March 2021, the Company has goodwill of Rs 2,177.72 millions. The management of the Company assesses the impairment of goodwill annually at the year-end. The impairment assessment performed by the Management involved significant judgements and estimates including future performance and short and long-term growth rates and discount rate. Accordingly, the impairment assessment of goodwill was considered as a key audit matter.	**Principal audit procedures performed:** We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design and tested the operating effectiveness of the management's internal control around the impairment assessment process. • Understood the key assumptions considered in the management's estimates of future cash flows. • We evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations by involving our valuation specialists. • Compared the historical cash flows (including for current year) against projections of the management for the same periods and gained understanding of the rationale for the changes. • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows.

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Sr. No.	Key Audit Matter	Auditor's Response
		• We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the standalone financial statements for the year ended 31 March 2021.
2.	**Accounting and valuation of Compulsory Convertible Preference Shares ('CCPS') (Refer Notes 2.16.C and 16 of standalone financial statements)** As at 31 March 2021, the Company has Compulsory Convertible Preference Shares ('CCPS') of Rs. 2,855.80 millions (including embedded derivative). Considering the terms of the CCPS, the accounting is complex and involved significant management judgement. The fair value of CCPS is determined through application of valuation techniques and the use of assumptions and estimates. Where observable data is not readily available, as in the case of level 3 financial instruments, then estimates need to be developed which can involve significant management judgement. The effect of fair value adjustments has material impact on the loss of the Company. We identified application of appropriate accounting and assessing the fair value of CCPS as a key audit matter because of the degree of complexity involved in accounting, valuing financial liabilities and the degree of judgement exercised by management in determining the inputs used in the valuation models.	**Principal audit procedures performed:** We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design and operating effectiveness of management's internal controls over accounting and valuation process. • Evaluated the management's accounting assessment of CCPS by reading the terms of CCPS in the framework agreement. • Obtained the fair valuation report of management's expert. • Evaluated the objectivity, competence and independence of the management expert. • Evaluated the valuation model, assumptions relating to future cash flows, growth rate and discount rate by involving our valuations specialists. • Performed arithmetic check of the valuation model used. We further assessed the adequacy of the disclosures made in the standalone financial statements for the year ended 31 March 2021.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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- In connection with our audit of the standalone 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.

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

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g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 41(a) of the notes forming part of the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 35 of the notes forming part of the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 36 of the notes forming part of the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEI3122

Place : New Delhi
Date : 31 December 2021

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Gluhend India Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with respect to issue of inventory for production and consequent impact on inventory records. This could potentially result in a material misstatement in the recording of consumption and year-end inventory account balances in the Company's standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified 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, maintained adequate internal financial controls over financial reporting as of 31 March 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31 March 2021.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March 2021, and this material weakness does not affect our opinion on the said standalone financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Deloitte Haskins & Sells LLP Chartered Accountants

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEI3122

Place : New Delhi
Date : 31 December 2021

Deloitte
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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its property, plant and equipment:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b. The Company has a program of verification of property, plant and equipment to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the Management in the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us, immovable properties of land and buildings whose title deeds / conveyance deeds have been pledged as security for current and non-current borrowings are held in the name of Sage Metals Private Limited (erstwhile subsidiary company), based on the confirmations received by the Company from custodian (Debenture Trustee) as at balance sheet date, details of which are as follows:

Particulars of the land and buildings	**Gross Block (as at 31 March 2021) (Rs. in millions)**	**Net Block (as at 31 March 2021) (Rs. in millions)**	**Remarks**
Freehold land and building located at 346, Functional Industrial Estate, Patparganj, Delhi-110092 admeasuring 450 sq. metre.	100.69	99.46	The conveyance deeds/ sale deeds are in the name of Sage Metals Private Limited that was merged with the Company under Section 230 to 232 of the Companies Act, 2013 in terms of the approval of the Mumbai Bench of National Company Law Tribunal.
Freehold land and building located at Plot no. 192-D, Sector-4, Phase II, Growth Centre, Bawal, Haryana admeasuring 19,181.25 sq. metre.	295.21	249.73	
Freehold land and building located at 123, Sector-24 Faridabad, Haryana admeasuring 14,318.091 sq. yard.	253.62	242.44	

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In respect of building constructed on leasehold land (leasehold land is disclosed as Right-of-use assets), based on the examination of the lease agreements, we report that the lease agreements are in the name of Sage Metals Private Limited (erstwhile subsidiary company), details of which is as follows:

Particulars of the land and building	Gross Block (as at 31 March 2021) (Rs. in millions)	Net Block (as at 31 March 2021) (Rs. in millions)	Remarks
Leasehold land and building thereof, located at Plot no. B-7 and B-8, Site-4, Sahibabad admeasuring 7,693.14 sq. meters and 7,781.58 sq. meters respectively.	528.79	459.37	The lease agreements are in the name of Sage Metals Private Limited that was merged with the Company under Section 230 to 232 of the Companies Act, 2013 in terms of the approval of the Mumbai Bench of National Company Law Tribunal.

ii. In our opinion and according to the information and explanations given to us, the inventories were physically verified during the year by the management at reasonable intervals other than goods in transit for which subsequent receipts have been verified. Material discrepancies noticed on physical verification during the year have been properly dealt with in the books of account. In case of inventories lying with the third parties, confirmations have been received by the management for stock held at the year-end and no material discrepancies were noticed in respect of such confirmations. (Also refer 'Basis of Qualified Opinion' section of Annexure A to the Independent Auditor's report).

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year. Also, according to the information and explanations given to us, there are no unclaimed deposits, hence the provisions of Sections 73 to 76 of the Act do not apply to the Company.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Deloitte Haskins & Sells LLP Chartered Accountants

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vii. According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities. Also refer note 41(c) to the standalone financial statements regarding management assessment on certain matters relating to the provident fund.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable other than dues related to Income-tax, the details of which are given below:

Name of Statute	Nature of dues	Amount (Rs. in millions)	Period to which the amount relates	Due date	Date of subsequent payment
Income Tax Act, 1961	Income Tax Dues	1.60	2002-2003	31 March 2003	Payment pending
		1.75	2007-2008	31 March 2008	
		0.73	2010-2011	31 March 2011	
		0.11	2016-2017	31 March 2017	

c. There are no dues of Incomé-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax as on 31 March 2021 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions and government.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

Deloitte Haskins & Sells LLP
Chartered Accountants

Deloitte
Haskins & Sells LLP

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEI3122

Place : New Delhi
Date : 31 December 2021

Gluhend India Private Limited
Standalone Balance Sheet as at 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
Non-current assets			
a. Property, plant and equipment	3A	881.71	903.70
b. Capital work-in-progress	3B	59.28	78.83
c. Right-of-use assets	3C	428.10	431.66
d. Goodwill	3D	2,177.72	2,177.72
e. Other intangible assets	4	2.09	2.60
f. Intangible assets under development		23.86	16.81
g. Investment in subsidiary company	5	659.86	653.12
h. Financial assets			
(i) Loans	6	0.67	1.19
(ii) Other financial assets	7	24.70	24.33
i. Non current tax assets (net)	8	289.69	284.56
j. Other non-current assets	9	7.71	184.18
Total non-current assets		**4,555.39**	**4,758.70**
Current assets			
a. Inventories	10	1,081.08	964.25
b. Financial assets			
(i) Investments	5	-	1.03
(ii) Trade receivables	11	857.47	1,152.61
(iii) Cash and cash equivalents	12	87.96	87.64
(iv) Bank balances other than (iii) above	13	4.00	1.44
(v) Loans	6	1.17	2.53
(vi) Other financial assets	7	0.43	11.10
c. Other current assets	9	1,020.71	391.29
Total current assets		**3,052.82**	**2,611.89**
Total assets		**7,608.21**	**7,370.59**
II. EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	14	356.92	356.92
b. Other equity	15	(1,150.86)	(847.56)
Total equity		**(793.94)**	**(490.64)**
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Compulsorily convertible preference shares	16	2,855.80	2,548.27
(ii) Borrowings	17	-	3,118.75
(iii) Lease liability	42	4.21	-
(iv) Other financial liabilities	21	-	416.84
b. Provisions	18	78.82	78.64
c. Deferred tax liabilities (net)	30	34.83	179.48
d. Other non-current liabilities	19	-	16.67
Total non-current liabilities		**2,973.66**	**6,360.65**
Current liabilities			
a. Financial liabilities			
(i) Borrowings	17	3,135.68	341.54
(ii) Lease liability	42	2.69	-
(iii) Trade payables	20		
-total outstanding dues of micro enterprises and small enterprises		297.89	298.68
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,201.65	655.36
(iv) Other financial liabilities	21	684.12	30.07
b. Provisions	18	13.80	114.75
c. Current tax liabilities	8	4.08	4.19
d. Other current liabilities	19	88.58	55.99
Total current liabilities		**5,428.49**	**1,500.58**
Total liabilities		**8,402.15**	**7,861.23**
Total equity and liabilities		**7,608.21**	**7,370.59**

See accompanying notes to the standalone financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07095000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

Gluhend India Pvt. Ltd. Delhi

Place: New Delhi
Date: 31 December, 2021

Isha Gupta
Company Secretary
Membership No. 22178

Gluhend India Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
1.	**Income**			
	(a) Revenue from operations	22	3,314.30	4,468.75
	(b) Other income	23	364.80	165.49
2.	**Total income**		**3,679.10**	**4,634.24**
3.	**Expenses**			
	(a) Cost of materials consumed	24	1,887.64	2,017.81
	(b) Changes in inventories of finished goods and work-in-progress	25	(134.54)	238.40
	(c) Employee benefits expense	26	639.01	682.17
	(d) Finance costs	27	570.29	572.20
	(e) Depreciation and amortisation expense	28	126.02	155.24
	(f) Other expenses	29	1,066.12	1,297.22
4.	**Total expenses**		**4,154.54**	**4,963.04**
5.	**Loss before tax (2-4)**		**(475.44)**	**(328.80)**
6.	**Tax expense:**			
	(a) Current tax	30A(a)	12.99	51.01
	(b) Deferred tax	30A(b)	(146.78)	(65.60)
	Total tax expense		**(133.79)**	**(14.59)**
7.	**Loss for the year (5-6)**		**(341.65)**	**(314.21)**
8.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	34		
	(a) Remeasurement of post employment benefit obligations		7.31	1.23
	(b) Income tax relating to above item		(2.13)	(0.36)
	Total other comprehensive income		**5.18**	**0.87**
9.	**Total comprehensive loss (7+8)**		**(336.47)**	**(313.34)**
10.	**Earnings per equity share**	44		
	(a) Basic (in Rs.)		(1.29)	(1.32)
	(b) Diluted (in Rs.)		(1.29)	(1.32)

See accompanying notes to the standalone financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.:117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

Isha Gupta
Company Secretary
Membership No. 22178

GLUHEND INDIA PVT. LTD. DELHI

Place: New Delhi
Date: 31 December, 2021

Gluhend India Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	**321.23**
Changes in equity share capital during the year	
Issue of equity shares (Refer note 16D)	35.69
Balance as at 31 March 2020	**356.92**
Changes in equity share capital during the year	
Issue of equity shares	-
Balance as at 31 March 2021	**356.92**

b. Other equity

Particulars	Reserves and Surplus		Total
	Retained earnings	Deemed capital contribution	
Balance as at 1 April 2019	**(602.00)**	**34.76**	**(567.24)**
Loss for the year	(314.21)	-	(314.21)
Other comprehensive loss, net of income tax	0.87	-	0.87
Expense recognised during the year	-	33.02	33.02
Balance as at 31 March 2020	**(915.34)**	**67.78**	**(847.56)**
Loss for the year	(341.65)	-	(341.65)
Other comprehensive income, net of income tax	5.18	-	5.18
Expense recognised during the year	-	33.17	33.17
Balance as at 31 March 2021	**(1,251.81)**	**100.95**	**(1,150.86)**

See accompanying notes to the standalone financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.:117366W/W-100018)

Deloitte Haskins & Sells LLP Chartered Accountants

Satpal Singh Arora
Partner
(Membership No.: 098564)

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

GLUHEND INDIA PVT. LTD. DELHI

Isha Gupta
Company Secretary
Membership No. 22178

Place: New Delhi
Date: 31 December, 2021

Gluhend India Private Limited
Standalone Statement of Cash Flow for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**Cash flow from operating activities**		
	Loss before tax	**(475.44)**	**(328.80)**
	Adjustments for:		
	Interest income	(1.27)	(0.77)
	Gurantee Premium income	(6.75)	(5.47)
	Finance costs	570.29	572.20
	Depreciation and amortisation expense	126.02	155.24
	Provision for doubtful balances with government authorities	-	2.68
	(Profit)/Loss on fair value of derivative component of CCPS	(340.00)	130.00
	(Profit)/Loss on sale/disposal of property, plant and equipment	(1.18)	5.69
	Provision for doubtful trade receivables and advances (net)	1.03	3.85
	Provision for onerous contract	-	79.31
	Operating profit before working capital changes	**(127.30)**	**613.93**
	Adjustments for:		
	(Increase)/decrease in inventories	(116.83)	309.75
	(Increase)/decrease in trade receivables	294.15	(421.82)
	(Increase)/decrease in other financials assets - current	10.73	(5.72)
	(Increase)/decrease in other financials assets - non - current	(1.82)	(7.07)
	(Increase)/decrease in other current assets	(629.42)	66.94
	(Increase)/decrease in other non - current assets	157.58	(158.37)
	Increase/(decrease) in provisions - current	(93.64)	1.47
	Increase/(decrease) in provisions - non - current	0.18	6.75
	Increase/(decrease) in other financial liabilities - current	152.01	(1.33)
	Increase/(decrease) in other current liabilities	32.59	34.45
	Increase/(decrease) in other non - current liabilities	(18.67)	9.71
	Increase/(decrease) in trade payables	545.50	274.80
	Cash flow from operating activities	**332.36**	**109.56**
	Income taxes paid	(18.23)	(32.09)
	Net cash flow from operating activities	**186.83**	**691.40**
B	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment and intangible assets including capital advances	(75.19)	(143.52)
	Proceeds from sale of property, plant and equipment	1.84	4.28
	Sale of current investments	1.05	3.74
	Loan given to employees	1.88	(0.17)
	Interest received	1.52	0.74
	Investments in fixed deposits	(1.45)	8.21
	Net cash used in investing activities	**(70.35)**	**(126.72)**
C	**Cash flows from financing activities**		
	Proceeds from short term borrowings	-	341.54
	Repayment of short term borrowings	(341.54)	(608.11)
	Proceeds from long term borrowings	-	0.80
	Repayment of long term borrowings	(1.02)	(0.94)
	Proceeds from issue of compulsorily convertible preference shares	647.53	-
	Finance charges paid	(421.13)	(328.07)
	Net cash flow (used in) financing activities	**(116.16)**	**(594.78)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	0.32	(30.10)
	Cash and cash equivalents at the beginning of the year	87.64	117.74
	Cash and cash equivalents at the end of the year	**87.96**	**87.64**

Deloitte Haskins & Sells LLP Chartered Accountants

GLUHEND INDIA PVT. LTD. DELHI

Gluhend India Private Limited
Standalone Statement of Cash Flow for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Components of cash and cash equivalents (Refer note 12)		
Cash in hand	0.40	0.15
Balances with scheduled banks:		
- in current accounts	87.56	87.49
	87.96	**87.64**

Notes:

1 The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

2 **Reconciliation of liabilities arising from financing activities**

Particulars	As at 31 March 2020	Cash Flows	Non-cash Changes	As at 31 March 2021
Non-current borrowings	3,118.75	(1.02)	(3,117.73)	-
Current borrowings	341.54	(341.54)	3,135.68	3,135.68
Closing balance of secured loans	**3,460.29**	**(342.56)**	**17.95**	**3,135.68**

Particulars	As at 31 March 2019	Cash Flows	Non-cash Changes	As at 31 March 2020
Non-current borrowings	2,838.61	(0.14)	280.28	3,118.75
Current borrowings	290.61	50.93	-	341.54
Current maturities of long term borrowings	303.16	(317.50)	14.34	-
Closing balance of secured loans	**3,432.38**	**(266.71)**	**294.62**	**3,460.29**

See accompanying notes to the standalone financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.:117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

Isha Gupta
Company Secretary
Membership No. 22178

GLUHEND INDIA PVT. LTD. DELHI

Place: New Delhi
Date: 31 December, 2021

1 General information

Gluhend India Private Limited ('the Company') is a Company domiciled in India and was incorporated on 22 December, 2017 under the provisions of the Companies Act, 2013 ('the Act') applicable in India vide CIN: U74994MH2017FTC303216. Its debt securities are listed on Bombay Stock Exchange (BSE) in India. The Company is having its registered office at Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005.

The Company is primarily engaged in the business of manufacturing of electrical wiring accessories and fittings. The Company mainly caters to international markets. During the period ended 31 March 2018, Sage Metals Private Limited ('SMPL' - erstwhile Subsidiary Company) got merged with the Company with effect from appointed date i.e. 13 March 2018.

2 Significant accounting policies

2.1 Statement of compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share based payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.3 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

2.4 Investment in subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are carried at cost less impairment. Cost comprises price paid to acquire the investment and directly attributable cost.

Deloitte Haskins & Sells LLP Chartered Accountants

GLUHEND INDIA PVT. LTD. DELHI

2.5 Revenue recognition

Revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

Sale of products

The Company derives revenue from Sale of Goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

Sale of services

Revenue from rendering of services is recognised on accrual basis in accordance with the terms of the relevant contracts.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

Export benefits

Export entitlements are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.6 Leases

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A Contract is, or contains, a lease if the Contract involves:

(a) The use of an identified asset,
(b) The right to obtain substantially all the economic benefits from use of the identified asset, and
(c) The right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability includes the net present value of the following lease payments:

• Fixed payments (including in-substance fixed payments), less any lease incentives and receivable and
• Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease less any lease incentives received, any initial direct costs and restoration costs.

The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company applies Ind AS 36 'Impairment of assets' to determine whether a right-of use asset is impaired and accounts for any identified impairment loss as specified in note 2.14 of the significant accounting policies.

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2.7 Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). The standalone financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, if otherwise stated.

Transactions and Balances

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Employee benefits

Short-term employee benefits

Employee benefit such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised as an expense unless another Ind As requires or permit the inclusion of the benefits in the cost of assets in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due or in the year in which actual services are incurred by employees.

Defined benefit plans

Defined benefit plans of the Company comprise gratuity.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in "other equity" in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

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Compensated absences

Short-term obligations

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

Long-term obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.10 Taxation

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

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2.11 Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset head	Useful life in years
Factory buildings	15-30
Other buildings (other than temporary structure)	60
Plant and machinery	15
Furniture and fixtures	10
Computers	3
Vehicles	8

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the part C of Schedule II of the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset. The residual values are not more than 5% of the original cost of the asset.

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

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2.12 Intangible assets

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

Amortisation

The Company's intangible assets are amortised under straight line basis over the following useful lives

Asset head	Useful life in years
Computer Software	6
Favourable lease assets (representing fair value of lease rights in leasehold land)	During the balance lease term (43 years)

Amortisation method and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.13 Impairment - non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are accompanied together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Inventories

Raw Materials and Stores and Spares (including packing material) are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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

2.15 Provisions, contingent liabilities and contingent assets

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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2.16 Financial instruments

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

A. Financial assets

Recognition and initial measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

Classification

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

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

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

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

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets carried at amortised cost

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the Statement of Profit and Loss.

Financial assets carried at FVTPL

Financial assets carried at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of financial assets (other than at fair value)

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the Statement of Profit and Loss.

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B. Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

C. Hybrid contracts

A hybrid contract is a financial instrument that contains both a non-derivative host contract and an embedded derivative. The non-derivative host contract is classified as financial liability and initially measured at fair value. Subsequent measurement of the financial liability is done in accordance with Ind AS 109.

The derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

D. Deemed Capital Contribution

Deemed Capital Contribution has been recognised based on the cost of the premium of the financial guarantee given by the Holding Company to the lenders of the Company.

2.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

2.18 Current - non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

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Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

2.19 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 Cash flow statement

Cash flows are reported using indirect method, whereby Profit/(loss) after tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.21 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

2.22 Segment reporting

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the standalone financial statements are consistently applied to record revenue and expenditure in individual segments.

2.23 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the standalone financial statements for issue, not to demand payment as a consequence of the breach.

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2.24 Use of estimates and critical accounting judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are included in the following notes:

Useful lives of Property, plant and equipment ('PPE')

The Company reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.

Defined benefit plans

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

Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 16 and 32 for further disclosures.

Impairment of Goodwill

Goodwill with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

2.25 Recent Accounting Developments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet:

(a) Lease liabilities should be separately disclosed under the head "Financial liabilities", duly distinguished as current or non-current.

(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(c) Specified format for disclosure of shareholding of promoters.

(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(f) Specific disclosure under "additional regulatory requirement" such as compliance with approved schemes of arrangements, compliance wil number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, Key Managerial Personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of financial statements.

(b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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Notes forming part of the standalone financial statements for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

3A Property, plant and equipment

Carrying value of :	As at 31 March 2021	As at 31 March 2020
a) Freehold land	416.51	416.51
b) Buildings	213.46	239.80
c) Plant and machinery	241.43	234.47
d) Computers	0.58	0.94
e) Furniture and fixtures	4.89	4.53
f) Vehicles	4.84	7.45
	881.71	**903.70**

	Freehold land	Buildings	Plant and machinery	Computers	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Balance as at 31 March 2019	416.51	301.07	348.96	3.65	3.60	13.99	1,087.78
Additions	-	14.56	105.28	0.17	2.64	1.02	123.67
Disposals	-	-	41.53	1.52	0.70	1.65	45.40
Balance as at 31 March 2020	**416.51**	**315.63**	**412.71**	**2.30**	**5.54**	**13.36**	**1,166.05**
Additions	-	3.85	87.28	0.09	1.78	-	93.00
Disposals	-	-	1.64	0.13	-	2.61	4.38
Balance as at 31 March 2021	**416.51**	**319.48**	**498.35**	**2.26**	**7.32**	**10.75**	**1,254.67**
Accumulated depreciation							
Balance as at 31 March 2019	-	40.85	108.18	1.56	0.69	3.09	154.37
Depreciation expense	-	34.98	102.99	1.18	0.82	3.44	143.41
Elimination on disposals of assets	-	-	32.93	1.38	0.50	0.62	35.43
Balance as at 31 March 2020	**-**	**75.83**	**178.24**	**1.36**	**1.01**	**5.91**	**262.35**
Depreciation expense	-	30.19	79.98	0.44	1.42	2.28	114.31
Elimination on disposals of assets	-	-	1.30	0.12	-	2.28	3.70
Balance as at 31 March 2021	**-**	**106.02**	**256.92**	**1.68**	**2.43**	**5.91**	**372.96**
Carrying amount (net block)							
Balance as at 31 March 2021	**416.51**	**213.46**	**241.43**	**0.58**	**4.89**	**4.84**	**881.71**
Balance as at 31 March 2020	**416.51**	**239.80**	**234.47**	**0.94**	**4.53**	**7.45**	**903.70**

Note : Property, plant and equipment as detailed above have been pledged as security against borrowings. Refer note 17 for borrowings against which these assets are pledged.

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3B Capital work in Progress(CWIP)

	Building	Plant & Machinery	Furniture	Total
Balance as at 1 April 2019	12.12	82.67	-	94.79
Additions	3.35	150.51	1.55	155.41
Transfer to Property, plant and equipment	(15.25)	(154.60)	(1.52)	(171.37)
Balance as at 31 March 2020	0.22	78.58	0.03	78.83
Additions	19.58	67.31	1.25	88.14
Transfer to Property, plant and equipment	(0.43)	(106.24)	(1.02)	(107.69)
Balance as at 31 March 2021	**19.37**	**39.65**	**0.26**	**59.28**

3C Right-of-use assets (ROU assets)

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of :		
Leasehold land	421.03	431.66
Vehicle	7.07	-
Total	**428.10**	**431.66**

	Vehicle	Leasehold land	Total
Gross carrying amount			
Balance as at 1 April 2019	-	-	-
Recognition on implementation of Ind AS 116 (Refer note 42)	-	442.32	442.32
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2020	-	442.32	442.32
Additions	7.07	-	7.07
Disposals		-	-
Balance as at 31 March 2021	**7.07**	**442.32**	**449.39**
Accumulated depreciation			
Balance as at 1 April 2019	-	-	-
Depreciation expense	-	10.66	10.66
Elimination on disposals of assets	-	-	-
Balance as at 31 March 2020	-	10.66	10.66
Depreciation expense	-	10.63	10.63
Elimination on disposals of assets	-	-	-
Balance as at 31 March 2021	-	**21.29**	**21.29**
Carrying amount (net block)			
Balance as at 31 March 2021	**7.07**	**421.03**	**428.10**
Balance as at 31 March 2020	-	**431.66**	**431.66**

3D Goodwill

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of :		
Goodwill	2,177.72	2,177.72
Total	**2,177.72**	**2,177.72**

Particulars	Amount
Goodwill as at 31 March 2019	**2,177.72**
Additions	-
Impairment loss	-
Goodwill as at 31 March 2020	**2,177.72**
Additions	-
Impairment loss	-
Goodwill as at 31 March 2021	**2,177.72**

The Company has only one Cash Generating Unit ("CGU") considering the interdependency between the operating locations, management review system etc. and accordingly the above Goodwill has been allocated to the Company.

Impairment assessment of goodwill :

The Company have performed annual impairment assessment of the goodwill by determining the "value in use" of the CGU as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

Based on the forward looking estimates, the cash flows are discounted using a post tax discount rate of 14.00% as on 31 March 2021 (13.00% used in the impairment assessment carried out as on 31 March 2020). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate of 2% as on 31 March 2021 (4% used in the impairment assessment carried out as on 31 March 2020) which is consistent with the industry forecasts for the generic bearing market. During the year ended 31 March 2021, the testing did not result in any impairment in the carrying amount of goodwill (Impairment for 31 March 2020 : Rs. Nil).

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on impairment testing as above, the management believes that the recoverable amounts of goodwill are higher than their respective carrying amounts and hence no amounts are required to be recorded for impairment in the carrying amounts of goodwill.

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4 Other intangible assets

	As at 31 March 2021	As at 31 March 2020
Carrying value of :		
Computer Software	2.09	2.60
	2.09	**2.60**

Particulars	Computer Software	Favourable lease assets	Total
Gross Block			
Balance at 31 March 2019	**3.85**	**453.50**	**457.35**
Reclassified on account of adoption of Ind AS 116 (Refer note 42)	-	453.50	453.50
Additions	1.07	-	1.07
Disposals	0.02	-	0.02
Balance at 31 March 2020	**4.90**	-	**4.90**
Additions	0.57	-	0.57
Disposals		-	-
Balance at 31 March 2021	**5.47**	-	**5.47**
Accumulated amortisation			
Balance at 31 March 2019	**1.14**	**11.18**	**12.32**
Reclassified on account of adoption of Ind AS 116 (Refer note 42)	-	11.18	11.18
Amortisation expense	1.17	-	1.17
Elimination on disposals of assets	0.01	-	0.01
Balance at 31 March 2020	**2.30**	-	**2.30**
Amortisation expense	1.08	-	1.08
Elimination on disposals of assets		-	-
Balance at 31 March 2021	**3.38**	-	**3.38**
Carrying value (net block)			
Balance at 31 March 2021	**2.09**	-	**2.09**
Balance at 31 March 2020	**2.60**	-	**2.60**

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	Particulars	As at 31 March 2021	As at 31 March 2020
5	**Investments**		
	Non-current		
	Unquoted investments in equity shares (fully paid) of wholly owned Subsidiary Company		
	24,594 (As at 31 March 2020: 24,594) equity shares of $ 1 each fully paid up in Sage International Inc.	659.86	653.12
	Total	**659.86**	**653.12**
	Current		
	Investment in mutual funds (quoted)		
	(Carried at FVTPL)		
	Union Capital Protection Oriented Fund - Growth - Face value Rs. 10 per unit Nil units (As at 31 March 2020 : 100,000 units)	-	1.03
	Total	**-**	**1.03**
	Aggregate value of unquoted investment	**659.86**	**653.12**
	Aggregate value of quoted investment	**-**	**1.03**
	Market value of quoted investment	**-**	**1.03**
6	**Loans (Unsecured, considered good)**		
	Non-current		
	Loan to employees	0.67	1.19
	Total	**0.67**	**1.19**
	Current		
	Loan to employees	1.17	2.53
	Total	**1.17**	**2.53**
7	**Other financial assets (Unsecured, considered good)**		
	Non-current		
	(a) Security deposits	24.70	22.88
	(b) Deposits with bank with more than 12 months remaining maturity*	-	1.11
	(c) Interest accrued on bank deposits	-	0.34
	Total	**24.70**	**24.33**
	* Includes deposits under lien as margin money against bank guarantees	-	0.40
	Current		
	(a) Security deposits	0.35	1.04
	(b) Interest accrued on bank deposits	0.08	0.02
	(c) Unbilled revenue	-	0.08
	(d) Other receivables	-	9.96
	Total	**0.43**	**11.10**
8	**Income tax**		
	Non current tax assets		
	Advance tax including tax deducted at source (net of provision for tax)	289.69	284.56
	Total	**289.69**	**284.56**
	Current tax liabilities		
	Provision for tax	4.08	4.19
	Total	**4.08**	**4.19**

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Particulars	As at 31 March 2021	As at 31 March 2020
9 Other assets (Unsecured, considered good, unless otherwise stated)		
Non-current		
(a) Capital advances	6.92	25.81
(b) Balances with government authorities (Refer note (i) below)	-	158.37
(c) Prepaid expenses	0.79	-
Total	**7.71**	**184.18**
Current		
(a) Prepaid expenses	47.37	28.48
(b) Balances with government authorities (Refer note (i) below)	856.61	255.09
Less: Provision for doubtful balances	(5.38)	(5.38)
	851.23	249.71
(c) Advances to suppliers	15.44	18.64
(d) Export benefit receivable	91.57	70.25
(e) Other advances	5.13	5.87
(f) Right to return good assets (Refer note (ii) below)	9.97	18.34
Total	**1,020.71**	**391.29**

Note :

(i) Balances with government authorities represents, Goods and Services Tax (GST) input credit receivable and GST refund receivable aggregating to Rs. 851.23 (previous year: Rs. 408.08), net of provision for doubtful balances. In previous year GST refund receivable amounting to Rs. 158.37 was expected to be received after one year and was accordingly classified as non current and balance of Rs.255.09 being GST input credit receivable which was expected to be adjusted within one year against future output tax liability of the Company was classified as current. For current year, the company expect to receive credit/utilise the entire GST balance within one year and accordingly is classifed as current.

(ii) The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return.

Particulars	As at 31 March 2021	As at 31 March 2020
10 Inventories (Lower of cost or net realisable value)		
(a) Raw materials (Refer note I(i) below)	243.12	267.98
(b) Work-in-progress	193.85	266.60
(c) Finished goods (Refer note I(ii) below)	572.64	365.35
(d) Stores and spares	71.47	64.32
Total	**1,081.08**	**964.25**
Notes:		
I. Includes goods in transit:		
(i) Raw materials	11.13	10.38
(ii) Finished goods	484.49	310.54
II. Cost of inventories recognised as expense during the year	1,947.99	2,464.47
11 Trade receivables (unsecured)		
(a) Considered good		
- Receivables from subsidiary company (Refer note 38)	540.87	624.59
- Others	316.60	528.02
	857.47	**1,152.61**
(b) Considered doubtful	9.21	8.18
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(9.21)	(8.18)
	-	-
Total	**857.47**	**1,152.61**

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Notes:

a) The average credit period on sale of goods is 0-90 days. No interest is charged on any overdue trade receivables.

b) In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

For trade receivable balances from related parties, there are no indicators at the period end for default in payments. Accordingly, the Company does not anticipate risk of recovery and expected credit loss in respect thereof.

The ageing analysis of the receivables (gross of provision) after considering the credit period extended to customers is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Age of receivables		
Within credit period	713.30	871.55
1 - 90 days past due	87.84	212.67
90 - 180 days past due	4.45	37.06
More than 180 days past due	61.09	39.51
	866.68	**1,160.79**
c) Movement in the expected credit loss allowance		
Balance at the beginning of the year	8.18	4.33
Movement in expected credit loss allowance (net)	1.03	3.85
Balance at the end of the year	**9.21**	**8.18**
d) Of the trade receivables balance as at the year end, the Company's largest customers who represents more than 10% of the total balance of trade receivables are as follows (Refer note 31(b)(vi) and note 33).		
Trade receivables		
Customer A	540.87	624.59
Customer B	86.72	212.41
Customer C	83.24	99.72
Customer D	49.37	93.17
	760.20	**1,029.89**
e) Contract balances		
Trade receivables (net balances)	857.47	1,152.61
Contract assets (Unbilled revenue)(Refer note 7)	-	0.08
Contract liabilities (Advance from customers)(Refer note 19)	13.57	6.85
12 Cash and cash equivalents		
(a) Cash on hand	0.40	0.15
(b) Balances with banks		
- in current accounts	87.56	87.49
Total	**87.96**	**87.64**
13 Bank balances other than cash and cash equivalents		
(a) In deposit accounts - original maturity more than 3 months	4.00	1.14
(b) In earmarked accounts		
- Balances held as margin money against guarantees	-	0.30
Total	**4.00**	**1.44**

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Particulars	As at 31 March 2021	As at 31 March 2020
14 Equity share capital		
Authorised shares capital (Refer Note 16C):		
35,692,264 (As at 31 March 2019: 34,373,038) equity shares of Rs. 10 each with voting rights	356.92	343.73
Add: Increase in authorised share capital(31 March 2020: 1,319,226 equity shares of Rs. 10 each)	-	13.19
35,692,264 (As at 31 March 2020: 35,692,264) equity shares of Rs. 10 each with voting rights	**356.92**	**356.92**
Issued and subscribed capital comprises:		
35,692,264 (As at 31 March 2020: 35,692,264) equity shares of Rs. 10 each [Refere note 16(c)]	356.92	356.92
	356.92	**356.92**

	Number of shares	Share capital
A Reconciliation of number of equity shares outstanding at the beginning and end of the reporting period :		
Balance as at 1st April 2019	**3,21,23,038**	**321.23**
Add: Issue of shares (Refer note 16D)	35,69,226	35.69
Balance as at 31 March 2020	**3,56,92,264**	**356.92**
Add: Issue of shares	-	-
Balance as at 31 March 2021	**3,56,92,264**	**356.92**

B Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Fully paid equity shares				
Delos Sage Holdco Coöperatief U.A., the Holding Company (including 1 share held by nominee)	3,21,23,038	90%	3,21,23,038	90%
Ramakrishnan Krishnan	35,69,226	10%	35,69,226	10%

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Particulars	As at 31 March 2021	As at 31 March 2020
15 Other equity		
Reserves and surplus		
(i) Retained earnings	(1,251.81)	(915.34)
(ii) Deemed capital contribution	100.95	67.78
Total	**(1,150.86)**	**(847.56)**
(i) Retained earnings		
Balance at the beginning of the year	(915.34)	(602.00)
Add: Loss for the year	(341.65)	(314.21)
Add: Other comprehensive income / (loss) for the year	5.18	0.87
Balance at the end of the year	**(1,251.81)**	**(915.34)**
(ii) Deemed capital contribution (Refer note below)		
Balance at the beginning of the year	67.78	34.76
Add: Expense recognised during the year	33.17	33.02
Balance at the end of the year	**100.95**	**67.78**

Notes:

(a) Retained earnings

Retained earnings represent the undistributed profits of the Company.

(b) Deemed capital contribution

Delos Sage Holdco Cooperatief U.A (Holding Company) has given a financial guarantee for the Non-convertible Debentures issued by the Company. Deemed capital contribution of Rs. 100.95 (As at 31 March 2020 : Rs. 67.78) represents year till date cost of the premium of the financial guarantee received by the Company.

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Particulars	As at 31 March 2021	As at 31 March 2020
16 Compulsorily convertible preference shares (CCPS)		
Authorised share capital		
237,196,934 (As at 31 March 2020: 192,196,934) 0.0001% Class A CCPS of Rs. 10 each	2,371.97	1,921.97
845,547 (As at 31 March 2020: 845,547) 0.0001% Class B CCPS of Rs. 10 each fully paid up	8.46	8.46
4,146,147 (As at 31 March 2020: 4,146,147) 0.00011% Class C CCPS of Rs. 10 each fully paid up	41.46	41.46
21,909,848 (As at 31 March 2020: 21,909,848) 0.000011% Class D CCPS of Rs. 10 each	219.10	219.10
	2,640.99	2,190.98
Issued and subscribed capital		
234,189,698 (As at 31 March 2020: 192,196,934) 0.0001% Class A CCPS of Rs. 10 each fully paid up	2,341.90	1,921.97
845,547 (As at 31 March 2020: 845,547) 0.0001% Class B CCPS of Rs. 10 each fully paid up	8.46	8.46
4,146,147 (As at 31 March 2020: 4,146,147) 0.00011% Class C CCPS of Rs. 10 each fully paid up	41.46	41.46
21,909,848 (As at 31 March 2020: 21,909,848) 0.000011% Class D CCPS of Rs. 10 each Fully paid up	219.10	219.10
	2,610.92	2,190.99
Add:		
Securities premium on issue of CCPS (Refer note D below)	259.88	32.28
(Gain)/Loss on fair valuation of derivative component of CCPS recognised in statement of profit and loss (Refer note F(ii) below)	(15.00)	325.00
	2,855.80	2,548.27

A Reconciliation of number of CCPS outstanding at the beginning and end of the reporting year :

	Number of shares	Amount
0.0001% Class A CCPS		
Balance as at 1 April 2019	192,196,934	1,921.97
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	192,196,934	1,921.97
Add: Issue of CCPS	41,992,764	419.93
Balance as at 31 March 2021	234,189,698	2,341.90
0.0001% Class B CCPS		
Balance as at 1 April 2019	845,547	8.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	845,547	8.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	845,547	8.46
0.00011% Class C CCPS		
Balance as at 1 April 2019	4,146,147	41.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	4,146,147	41.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	4,146,147	41.46
0.000011% Class D CCPS		
Balance as at 1 April 2019	-	-
Add: Issue of CCPS (Refer note D below)	21,909,848	219.10
Balance as at 31 March 2020	21,909,848	219.10
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	21,909,848	219.10

B Details of shareholders holding more than 5% of CCPS in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
0.0001% Class A CCPS				
- Delos Sage Holdco Cooperatief U A, the Holding Company	234,189,698	100%	192,196,934	100%
0.0001% Class B CCPS				
- AR2LLC	845,547	100%	845,547	100%
0.00011% Class C CCPS				
- Fortress Metals LLC	4,146,147	100%	4,146,147	100%
0.000011% Class D CCPS				
- Ramakrishnan Krishnan	21,909,848	100%	21,909,848	100%

C Change in authorised share capital

i) For the year ended 31 March 2021

The Board of Directors of the Company in its meeting held on 30 September 2020 approved the increase and reclassification of the authorised share capital of the Company to Rs. 3128.26. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 1 October 2020. Pursuant to the above, the Company offered a rights issue of compulsorily convertible preference share capital to its Equity shareholders

The Board of Directors of the Company in its meeting held on 1 March, 2021 approved the increase and reclassification of the authorised share capital of the Company to Rs. 3278.26. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 5 March, 2021. Pursuant to the above, the Company offered a rights issue of compulsorily convertible preference share capital to its Equity shareholders.

The revised authorised equity and preference share capital of the Company as at 31 March 2021 is as under:

(a) 35,692,264 equity shares of Rs. 10 each (Refer note 14)

(b) 237,196,934 Class A compulsorily convertible preference shares of Rs. 10 each

(c) 845,547 Class B compulsorily convertible preference shares of Rs. 10 each

(d) 4,146,147 Class C compulsorily convertible preference shares of Rs 10 each

(e) 21,909,848 Class D compulsorily convertible preference shares of Rs. 10 each

(f) 28,035,419 Redeemable Optionally Convertible Preference shares of Rs. 10 each (Refer note 17)

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ii) Year ended 31 March 2020

The Board of Directors of the Company in its meeting held on 1 October 2019 approved the Increase and reclassification of the authorised equity and preference share capital of the Company to Rs. 2,856.84. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 19 October 2019. Pursuant to the change, Equity Share capital has been increased and there is an increase/decrease and reclassification among the various classes of preference share capital. The revised authorised equity and preference share capital of the Company as at 31 March 2020 is as under:

(a) 35,692,264 equity shares of Rs. 10 each (Refer note 14)

(b) 192,196,934 Class A compulsorily convertible preference shares of Rs. 10 each

(c) 845,547 Class B compulsorily convertible preference shares of Rs. 10 each

(d) 4,146,147 Class C compulsorily convertible preference shares of Rs. 10 each

(e) 21,909,848 Class D compulsorily convertible preference shares of Rs. 10 each

(f) 30,893,134 Redeemable Optionally Convertible Preference shares of Rs. 10 each (Refer note 17)

D During the current year, the Company has issued 41,992,764 shares of Class A CCPS at a premium of Rs. 5.42 per CCPS. In previous yer, the Company had issued the following securities to settle the consideration payable to erstwhile SMPL's shareholding arising out of merger/business combination.

Particulars	Number of shares	Face Value	Amount
Equity shares	3,569,226	10	35.69
Class D CCPS	21,909,848	10	219.10
Redeemable Optional Convertible Preference Shares (ROCPS)	28,035,419	10	280.36
Total			535.15

E **E1 - Terms of Conversion**

The Company entered into an 'Framework Agreement' with Delos Sage Holdco Cooperatief U A, AR2 LLC, Fortress Metals LLC and Ramakrishnan Krishnan on 11 March 2018 which was amended on 31 January 2020 to incorporate the terms of Class D CCPS and Redeemable Optionally Convertible Preference Shares (ROCPS). The 'Amended and Restated Framework Agreement' supersedes the earlier 'Framework Agreement' dated 11 March 2018 entered among the parties and governs the rights and obligations, matters incidental to and connected with the issuance of Compulsorily Convertible Preference Shares which are as follows:

Terms	Class A	Class B	Class C	Class D
(i) Term (Same for all classes of CCPS)	Unless converted in accordance with the Conversion clause (iii) below, the term shall not exceed 15 years from the date of issuance thereof.			
(ii) Dividend	Non-cumulative 0.0001% p. a.	Non-cumulative 0.0001% p. a.	Non-cumulative 0.00011% p. a.	Non-cumulative 0.000011% p. a.
(iii) Conversion	The Class A CCPS shall be converted into equity shares at the time of Liquidity Event. Additionally, the Class A CCPS may be convertible into equity shares, at the option of the Board of the Company or at the option of the holder thereof, at any time prior to a Liquidity Event.	The Class B CCPS shall be converted into equity shares at the time of Liquidity Event.	The Class C CCPS shall be converted into equity shares at the time of Liquidity Event.	The Class D CCPS shall be converted into equity shares at the time of Liquidity Event.
(iv) No. of equity shares issuable upon conversion (Same for all classes of CCPS)	CCPS shall be convertible into the number of equity shares obtained by dividing (x) the Subscription Price of CCPS plus all unpaid dividend as of the conversion date, by (y) the then prevailing Conversion Price of CCPS.			
(v) Coversion price	"Conversion Price" with respect to Class A CCPS, Class B CCPS, Class C CCPS or Class D CCPS, as applicable, means the price at which such Shares are converted into Equity Shares as determined by the Board based on the then fair market value of such Shares.			
(vi) Automatic conversion (Same for all classes of CCPS)	Any CCPS that has not been converted into Equity Shares in accordance with above shall, if required under Applicable Law, compulsorily convert into Equity Shares on the 15th (fifteenth) anniversary of the date of issuance thereof			

The key definitions and interpretations of the 'Framework Agreement' are as under:

a. **'GIPL Equity Securities'** means equity shares, Class A CCPS, Class B CCPS, Class C CCPS and Class D CCPS.
b. **'Liquidity Event'** means (a) an IPO, (b) Third Party Sale, (c) a Liquidation Event, or (d) any Other Liquidity Event.
c. **'Distributable Amounts'** means the cash that is distributable to the Shareholders pursuant to any Liquidity Event

E2 - Distribution of Distributable Amounts post conversion to the holders of GIPL Equity Securities shall be as under

In case of a Liquidity Event that is not an IPO or a Liquidation Event, Distributable Amounts shall be distributed in the following manner:

Step 1: To the holders of Redeemable Optionally Convertible Preference Shares (ROCPS), payment of any Agreed Return to the extent not already paid prior to such Liquidity Event.

Step 2: To the holders of ROCPS, payment of the redemption or repurchase amount represented by the aggregate face value of the outstanding ROCPS, to the extent not already paid prior to such Liquidity Event.

Step 3: To the holders of all the GIPL Equity Securities, the Remaining Distributable Amounts to the holders of all the GIPL Equity Securities on a Pro Rata Basis up to the following amounts:

- If the Liquidity Event occurs prior to the fifth Anniversary of the Closing Date, then an amount at least equal to the respective Investment Amount, or

- If the Liquidity Event occurs on or after the fifth Anniversary of the Closing Date, then the respective Investment Amount along with a minimum IRR of 15%.

(For the purposes of step 3 above, 'Remaining Distributable Amounts' means an amount equal to (a) the Distributable Amounts minus (b) the amounts, if any, paid to the holders of ROCPS).

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Step 4: To holders of Class A CCPS, any taxes payable by holders of Class A CCPS pursuant to the Transfer of Class A CCPS on the difference between (a) the DSHC Investment Amount, and (y) the DSHC Investment Amount, as reduced to the extent of the Intermediate Payment Amount.

Step 5: If the Distributable Profits is sufficient to provide the respective Relevant Preferred Return to the holders of GIPL Equity Securities pursuant to the following distribution, then such Distributable Profits shall be distributed to the holders of GIPL Equity Securities in the following manner:

Liquidity Event ->		**Before 5th Anniversary of Closing Date**	**After 5th Anniversary of Closing Date**
Class B CCPS	**Remaing GIPL Equity Securities holders**	**Relevant preferred return**	**Relevant preferred return**
10%	**90%**	2 times of invested amount	Invested amount plus IRR of 20%
15%	**85%**	2.5 times of invested amount	Invested amount plus IRR of 20%
20%	**80%**	3 times of invested amount	Invested amount plus IRR of 25%
25%	**75%**	4 times of invested amount or more	Invested amount plus IRR of 32%

For the purposes of Step 5 above, 'Distributable Profits' means an amount equal to (a) the Remaining Distributable Amounts minus (b) the amounts paid to the holders of GIPL Equity Securities.

After conversion of CCPS into equity shares, as agreed between the share-holders, the resulting equity shares allocated to the CCPS holders will have differential rights and will be entitled to "Distributable Amounts" as specified in D2 above. This will be notwithstanding the number of ordinary shares allocated to them.

F **Carrying amount of financial liability and fair value of derivative component are set out below:**

i The Compulsory conversion of preference shares into equity shares of the Company as at conversion date has been treated as a financial liability and carried at amortised cost, as ther conversion will be in variable number of equity shares.

ii As per the 'Distribution of Distributable Amounts post conversion to the holders of GIPL Equity Securities' (Refer note E2 above), the distributable amounts at the time of liquidity event (post conversion to equity shares) to the CCPS holders will be different from the normal equity distribution. Accordingly, the value allocated to CCPS over and above their normal equity distribution is considered as the embedded derivative component in the hybrid financial instrument. The embedded derivative has been fair valued using Monte-Carlo simulation model based on a Geometric Brownian Motion function. The gain/loss arising on fair valuation of derivative component has been charged to statement of profit and loss account. As enumerated below, fair value of derivative component using Monte-Carlo simulation model as at 31 March 2021 is Rs. (15.00) (As at 31 March 2020: Rs. 325.00).

CCPS Categories	**Class A**	**Class B**	**Class C**	**Class D**	**Total**
Total fair value of CCPS	2,462.08	147.58	39.04	207.10	**2,855.80**
Less : Liability value (at amortised cost)	2,601.08	8.58	42.04	219.10	**2,870.80**
Fair value (Derivative component) as at 31 March 2021	**(139.00)**	**139.00**	**(3.00)**	**(12.00)**	**(15.00)**

CCPS Categories	**Class A**	**Class B**	**Class C**	**Class D**	**Total**
Total fair value of CCPS	2,083.55	185.58	45.04	234.10	**2,548.27**
Less : Liability value (at amortised cost)	1,953.55	8.58	42.04	219.10	**2,223.27**
Fair value (Derivative component) as at 31 March 2020	**130.00**	**177.00**	**3.00**	**15.00**	**325.00**

G **Subsequent events.**
The Company on November 9, 2021 (effective date) entered into a "Confidential Settlement Agreement and Release Agreement" with holder of class B Compulsory Convertible Preference Shares (CCPS). As per the agreement the Company would buy back the CCPS for a sum of US$30,000 (the "Buy back payment").

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Particulars	As at 31 March 2021	As at 31 March 2020
17 Borrowings (at amortised cost)		
Non-current		
(a) 6,350, 12.90% Secured, Non-convertible Debentures of Rs. 450,000 each [As at 31 March 2020 : 6,350 Non-convertible Debentures of Rs. 450,000 each] (Refer note A below)	-	2,834.13
(b) Other loans - Vehicle loan (Secured by hypothecation of vehicles and payable in 60 equal monthly installments. Rate of interest is 8.51% to 9.50% per annum)	-	4.26
(c) 28,035,419, 15%, Redeemable Optionally Convertible Preference Shares of Rs. 10 each [As at 31 March 2020 : 28,035,419] [Refer note B below and note 16D]	-	280.36
Total	**-**	**3,118.75**
Current		
(a) 6,350, 12.90% Secured, Non-convertible Debentures of Rs. 450,000 each [As at 31 March 2020 : 6,350 Non-convertible Debentures of Rs. 450,000 each] (Refer note A below)	2,852.08	-
(b) Loans repayable on demand (Secured) (Refer note C below) - From banks	-	341.54
(c) Other loans - Vehicle loan (Secured by hypothecation of vehicles and payable in 60 equal monthly installments. Rate of interest is 8.51% to 9.50% per annum)	3.24	-
(d) 28,035,419, 15%, Redeemable Optionally Convertible Preference Shares of Rs. 10 each [As at 31 March 2020 : 28,035,419] [Refer note B below,and note 16D]	280.36	-
Total	**3,135.68**	**341.54**

Notes:

A **Non-convertible Debentures**		
6,350, 12.90% Non-convertible Debentures of Rs. 450,000 each	2,857.50	2,857.50
Transaction cost - Opening balance	(23.37)	(37.64)
Add: Transaction cost amortised	17.95	14.27
Closing liability	**2,852.08**	**2,834.13**

Terms of Debentures

(i) Debentures are secured by first ranking exclusive fixed charge on:

(a) all its present and future rights, title, interest and benefit in all and singular movable assets, including movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles, other fixed assets, movable fixed assets and all other movable assets of the Company whether installed or not and whether affixed to the earth or not and whether lying loose in cases or which are lying or are stored in or to be stored in or to be brought upon any warehouses, stockyards and godowns of the Company or any of the Company's agents, Affiliates, associates or representatives or at various work sites or at any place or places, wherever else situated or wherever else the same may be, whether now belonging to or that may at any time during the continuance of this Deed, belonging to the Company and/or that may at present or hereafter be held by any party anywhere to the order and disposition of the Company, or in the course of transit or delivery, and all replacements thereof and additions thereof, whether by way of substitution, replacement, conversion, realisation or otherwise, howsoever, together with all benefits, rights and incidentals attached thereto which are now or shall at any time hereafter be owned by the Company and all estate, right, title, interest, property, claims and demands, whatsoever, of the 'Company unto and upon the same;

(b) all intangible, tangible and current assets of the Company, both present and future, together with all rights, titles, interests, benefits, claims, demands and incidentals in them and attached thereto of the Company;

(c) all present and future rights, title, interest, benefits, claims and demands whatsoever of the Company in, to and under, the Share Purchase Agreement to the fullest extent permitted under Applicable Law and the terms of the Share Purchase Agreement;

(d) all its present and future rights, titles, interests, benefits, claims, demands in the Account Assets; and

(e) all rights, title, interest, benefits, claims and demands whatsoever of the Company, whether presently in existence or acquired hereafter, in, to, under and/or in respect of the Company Receivables, the profits of the Company, whether or not deposited in any Company Account (as maybe relevant), the book debts of the Company, the operating cash flows of the Company and all other commissions and revenues and cash of the Company, both present and future,

excluding, in each case, the Escrow Account and any amount standing to the credit of the Escrow Account.

(ii) Debentures are also guaranteed by the Holding Company (Delos Sage Holdco Cooperatief U.A.).

(iii) Debentures carry an interest rate of 12.90%. Further, all payments to be made by the Company to the secured parties under the debenture document shall be made free and clear of and without any tax deduction. Out of 12.90%, 8.00% shall be payable on a quarterly basis to the holders and the balance interest will be deferred and added back to principal amount on quarterly basis.

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(iv) Debentures representing 10% of face value amounting to 317.50, were redeemed on 12 September 2019 along with proportionate deferred interest amount. The balance principal amount along with deferred interest shall be redeemed on 30 June 2021 and accordingly are classified as current borrowing as at 31 March 2021.

(v) Debenture Redemption Reserve has not been created by the Company as the Company does not have any profits during the current/previous year.

(vi) Compliance with Debt Covenants

As per the Debenture Trust Deed, the Company and Delos Sage Holdco Cooperatief U.A. (the "Parent") are required to ensure the following financial covenants:

(a) the Ratio of Consolidated Net Debt to EBITDA of the Company as on 31 March 2021, shall not be greater than the ratio 4.00:1. (As on 31 March 2020 the said ratio shall not be greater than the ratio 4.00:1).

(b) The aggregate capital expenditure of the Company along with its subsidiary in respect of financial year ended 31 March 2021 shall not exceed Rs. 60.00 million. (for the financial year ended 31 March 2020 Rs. 60.00 million)

The actual ratio of Consolidated Net Debt to EBITDA of the Company as at 31 March, 2021 and 31 March 2020 exceeded the ratio as mentioned under clause (a) above. Further, the actual consolidated capital expenditure for the years ended 31 March 2021 and 31 March 2020 exceeded the amount as mentioned under clause (b) above. The same has resulted in breach of 'financial covenants' as enumerated in the Debenture Trust Deed.

The lenders, in current year, have agreed not to take enforcement action due to breach of financial covenants. In previous year, the lenders had waived off the breach of 'financial covenants' with respect to the excess of Consolidated Net Debt to EBITDA and capital expenditure. Consequently 'Event of Default' as mentioned in Debenture Trust Deed does not get triggered and the debenture facility will not be recalled.

(vii) Subsequent events.
As per the Debenture agreement, NCD's [6350, 12.9% secured, Non-convertible debentures of Rs. 450,000 each] amounting to Rs. 2,852.08 millions and accrued interest of Rs. 525.42 millions as at 31 March 2021 respectively were due for re-payment on 30 June, 2021. The Company in September, 2021 has entered into a "Restructuring Term Sheet" with lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of NCD's has been extended to 30 June 2023, with no extension option. As the Restructuring Term Sheet has been executed after the reporting period and before the financial statements are approved for issue the same has been classified as current financial borrowings.

B. Terms of Redeemable Optionally Convertible Preference Shares (ROCPS)

1 The term of ROCPS shall not exceed 42 (forty-two) months from the Appointed Date 12 March 2018.

2 The ROCPS shall carry an annual dividend or similar permissible returns in such manner such that each ROCPS is entitled to get a return equal to a 15% interest on the face value thereof. As at 31 March 2021, accrued interest amounting to Rs. 150.81 and due on Oct. 2021 is classified as other current financials Liabilities.

3 Redemption Terms - ROCPS shall be redeemed or repurchased annually within a period of 42 (forty-two) months from the Appointed Date ie. by October 2021, in such manner as may be determined by the Company. From the first anniversary of issuance of the Final ROCPS, Final ROCPS shall be redeemed or repurchased, in accordance with Applicable Law, out of the profits of the Company annually in such manner that the principal amount paid or payable pursuant to such redemption or repurchase along with the Agreed Annual Return results in payment of a minimum of Rs. 50 million(on an annual basis) to Ramkrishnan Krishnan.

4 Conversion Terms - All outstanding ROCPS may be convertible into equity shares of the Company if determined by the Board of the Company at the time of a Liquidity Event that occurs prior to the expiry of the term of the ROCPS; provided however, that such conversions shall not adversely affect any rights of the holders of ROCPS; provided, further, that such conversion shall take place at the then fair market value of the equity shares of the Company as may be determined by the Board of the Company at such time.

5 **Subsequent events.**
The Company subsequent to year end has started the process of renegotiating / restructuring the terms of the ROCPS (including interest thereon) and the ROCPS holder has confirmed that the amount of ROCPS will not be called for the next twelve months.

C Loans repayable on demand

Loan is secured by First charge on the current assets of the Company present and future and second charge on fixed assets of the Company present and future.The loan is repayable on demand and carries interest rate of 6.10%

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Particulars	As at 31 March 2021	As at 31 March 2020
18 Provisions		
Non-current		
Proivision for employee benefits		
- Compensated absences	14.10	12.84
- Gratuity (Refer note 34)	64.72	65.80
Total	**78.82**	**78.64**
Current		
(a) Proivision for employee benefits		
- Compensated absences	4.76	4.48
- Gratuity (Refer note 34)	9.04	30.96
(b) Provision for Onerous contracts (Refer note below)	-	79.31
Total	**13.80**	**114.75**
Note:		
Provision for onerous contracts		
Opening balance	79.31	-
Provision made during the year	-	79.31
Provision settled during the year	(79.31)	
Closing Balance	-	**79.31**

Provision for onerous contracts represents excess of cost as estimated by the management expected to be incurred to fulfill the obligation under the sales orders over and above the contracted price, has been finalised and settled during FY 2021.Provision for onerous contract created in previous year was settled during the year.

Particulars	As at 31 March 2021	As at 31 March 2020
19 Other liabilities		
Non-current		
Statutory dues payable	-	18.67
Total	-	**18.67**
Current		
(a) Advances from customers	13.57	6.85
(b) Statutory dues payables	50.09	27.41
(c) Refund liability for expected sales return (Refer note below)	24.92	21.73
Total	**88.58**	**55.99**

Other current liabilities include refund liability relating to customers right to returnproducts. At point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned.

Particulars	As at 31 March 2021	As at 31 March 2020
20 Trade payables		
(a) Outstanding dues to Micro enterprises and small enterprises (Refer note 37)	297.89	298.68
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	1,201.65	655.36
Total	**1,499.54**	**954.04**
21 Other financial liabilities		
Non-current		
(a) Interest accrued but not due on Debentures (Refer note 17A and note 43)	-	323.20
(b) Interest accrued but not due on ROCPS (Refer note 17B and note 43)	-	93.64
Total	-	**416.84**
Current		
(a) Interest accrued but not due on Debentures (Refer note 17A and note 43)	525.42	11.87
(b) Interest accrued on trade payables (Refer Note 37)	5.81	2.70
(c) Payable for purchase of property, plant and equipment	0.88	13.72
(d) Security deposits	1.20	1.78
(e) Interest accrued but not due on ROCPS (Refer note 17B and note 43)	150.81	-
Total	**684.12**	**30.07**

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Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
22 Revenue from operations		
(a) Sale of products		
Sale of goods	3,154.10	4,192.89
(b) Sale of services		
Development charges	14.59	11.41
(c) Other operating revenue		
Scrap sales	61.04	72.75
Export incentives	84.57	191.70
Total	**3,314.30**	**4,468.75**

(i) Disaggregate revenue information

The Company disaggregated the revenue based on geographical locations and it is disclosed under note 33 "Segment Reporting". Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

(ii) Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue are recognised at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

(iii) Reconciliation of revenue recognised with contract price for sale of goods :

Contract price	3,187.22	4,209.16
Adjustments for:		
Discounts	(33.12)	(16.27)
Revenue from sale of goods	**3,154.10**	**4,192.89**

23 Other income

(a) Interest income from financial assets measured at amortised cost		
- on bank deposits	0.54	0.24
- on security Deposit	0.68	0.46
- on loan to employees	0.05	0.07
(b) Profit on sale of Investment	0.01	-
(c) Net gain on foreign currency transactions and translation	15.38	159.25
(d) Profit on sale/disposal of property, plant and equipment	1.18	-
(e) Guarantee Premium income	6.75	5.47
(f) Gain on fair valuation of derivative component of CCPS (Refer note 16)	340.00	-
(g) Miscellaneous income	0.21	-
Total	**364.80**	**165.49**

24 Cost of materials consumed

(a) Inventory at the beginning of the year	257.60	322.61
(b) Add : Purchases during the year*	1,862.03	1,952.80
	2,119.63	**2,275.41**
(c) Less : Inventory at the end of the year	231.99	257.60
Total	**1,887.64**	**2,017.81**

* including job work charges	140.08	186.78

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	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
25	**Changes in inventory of finished goods and work-in-progress**		
	<u>**Inventory at beginning of the year**</u>		
	(a) Finished Goods	365.35	541.29
	(b) Work-in-progress	266.60	329.06
		631.95	**870.35**
	<u>**Inventories at the end of the year**</u>		
	(a) Finished goods	572.64	365.35
	(b) Work-in-progress	193.85	266.60
		766.49	**631.95**
	Net (increase) / decrease	**(134.54)**	**238.40**
26	**Employee benefits expense**		
	(a) Salaries, wages and bonus	587.86	624.69
	(b) Contribution to provident fund	18.51	19.82
	(c) Gratuity expense (Refer note 34)	13.44	13.10
	(d) Staff welfare expenses	19.20	24.56
	Total	**639.01**	**682.17**
27	**Finance Costs**		
	(a) Interest expense on:		
	- Borrowings	521.09	499.81
	- Consideration payable to SMPL's shareholder arising out of business combination (Refer note 16D)	-	26.05
	- Others	13.67	5.91
	(b) Corporate guarantee premium expense	33.17	33.02
	(c) Bank charges	2.36	7.41
	Total	**570.29**	**572.20**
28	**Depreciation and amortisation expense**		
	(a) Depreciation on property, plant and equipment (Refer note 3A)	114.31	143.41
	(b) Depreciation on Right-of-use assets (Refer note 3C)	10.63	10.66
	(c) Amortisation of other intangible assets (Refer note 4)	1.08	1.17
	Total	**126.02**	**155.24**

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Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
29	**Other expenses**		
	(a) Consumption of stores and spares	112.87	117.42
	(b) Consumption of packing materials	82.02	90.84
	(c) Power and fuel	163.27	176.47
	(d) Rent (Refer note 42)	15.56	14.42
	(e) Repairs and maintenance :		
	- Building	11.82	15.67
	- Plant and machinery	45.14	48.33
	- Others	40.79	52.37
	(f) Rates and taxes	7.66	38.67
	(g) Provision for onerous contract (Refer note 18)	-	79.31
	(h) Travelling and conveyance	8.93	19.87
	(i) Legal and professional fees (Refer note (i) below)	230.31	167.80
	(j) Insurance	3.21	3.32
	(k) Freight	329.58	315.18
	(l) Provision for doubtful trade receivables and advances (net)	1.03	3.85
	(m) Provision for doubtful balances with government authorities	-	2.68
	(n) Loss on sale/disposal of property, plant and equipment	-	5.69
	(o) Corporate Social Responsibility(CSR) expenditure (Refer note (ii) below)	0.15	0.69
	(p) Loss on fair valuation of derivative component of CCPS (Refer note 16)	-	130.00
	(q) Miscellaneous expenses	13.78	14.64
	Total	**1,066.12**	**1,297.22**

Notes:

(i) Legal and professional charges includes payment to statutory auditors (excluding indirect taxes):

Fees for statutory audit	20.24	10.00
Fees for limited review	2.00	2.00
For other audit services	6.00	6.00
Reimbursement of expenses	0.35	0.13
Total	**28.59**	**18.13**

Current year audit fee includes Rs. 10.24 towards additional efforts pertaining to earlier years.

(ii) The Company has spent Rs. 0.15 (previous year : Rs. 0.69) on CSR activities and the unspent CSR liability as at 31 March 2021 is Rs. 34.48 (As at : Rs. 34.63). The unspent CSR liability represent those of erstwhile Sage Metals Pvt. Ltd. (SMPL) which got merged with the company vide NCLT order dated 20 June 2019 with the appointed and effective date of 13 March 2018.

Expenditure on CSR

a. Gross amount required to be spent by the Company during the year ended 31 March 2021 is Rs. Nil (Previous year : Rs. Nil)

b. Amount spent:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	0.15	-	0.15
	(0.69)	-	(0.69)
	0.15	**-**	**0.15**
	(0.69)	**-**	**(0.69)**

*Figures in bracket relates to previous year

c. Details of related party transactions:
- Contribution during the year - Rs. Nil (Previous year : Rs. Nil)
- Payable as at 31 March 2021 - Rs. Nil (As at 31 March 2020 Rs. Nil)

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	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
30	**Income taxes**		
A	**Income tax recognised in profit and loss**		
(a)	**Current tax**		
	In respect of current year	0.19	38.59
	In respect of prior years	12.80	12.42
		12.99	**51.01**
(b)	**Deferred tax [Refer note 30C]**		
	In respect of current year	(146.78)	(91.19)
	In respect of prior years	-	25.59
		(146.78)	**(65.60)**
	Total tax expense charged/(credited) in Statement of Profit and Loss	**(133.79)**	**(14.59)**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Loss before tax	(475.44)	(328.80)
	Income tax expense calculated at 29.12% (Previous period : 29.12%)	(138.45)	(95.75)
	Effect of expenses that are not deductible in determining taxable profit	(8.14)	67.56
	Adjustments recognised in the current year in relation to the current tax of prior years	12.80	12.42
	Adjustments recognised in the current year in relation to the deferred tax of prior years	-	25.59
	Effect on deferred tax balances due to the change in income tax rates	-	(24.41)
	Income tax expense charged/(credited)in profit or loss	**(133.79)**	**(14.59)**
B	**Income tax recognised in other comprehensive income**		
(a)	**Deferred tax [Refer note 30C]**		
	Arising on income and expenses recognised in other comprehensive income		
	-Remeasurement of defined benefit obligation	(2.13)	(0.36)
	Total tax expense/(Income) recognised in other comprehensive income	**(2.13)**	**(0.36)**

Tax rate used for the years ended 31 March 2021 and 31 March 2020 reconciliations above is the corporate tax rate of 29.12% being the rate at which tax is payable by corporate entities in India who have not elected the lower tax rate on taxable profits under the Indian tax law.

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(All amounts are in Rs. Millions, unless otherwise stated)

30 Income taxes

C Movement in deferred tax

(i) For the year ended 31 March 2021

Particulars	Opening Balance	Recognised in profit or loss charge/(credit)	Recognised in Other comprehensive income charge/(credit)	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	(186.36)	(3.38)	-	(182.98)
Goodwill	(322.81)	(322.81)	-	-
	(509.17)	**(326.19)**	**-**	**(182.98)**
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	34.08	5.82	2.13	26.13
Business loss and unabsorbed depreciation	-	(114.13)	-	114.13
Other items	295.61	287.72	-	7.89
	329.69	**179.41**	**2.13**	**148.15**
Deferred tax assets / (liabilities) (net)	**(179.48)**	**(146.78)**	**2.13**	**(34.83)**

(ii) For the year ended 31 March 2020

	Opening Balance	Recognised in profit or loss charge/(credit)	Recognised in Other comprehensive income charge/(credit)	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangible assets	(211.33)	(24.97)	-	(186.36)
Goodwill	(261.59)	61.22	-	(322.81)
	(472.92)	**36.25**	**-**	**(509.17)**
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	38.35	3.91	0.36	34.08
Business loss and unabsorbed depreciation	91.99	91.99	-	-
Other items	97.86	(197.75)	-	295.61
	228.20	**(101.85)**	**0.36**	**329.69**
Deferred tax assets / (liabilities) (net)	**(244.72)**	**(65.60)**	**0.36**	**(179.48)**

D. The Company does not have any unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not created.

E. Deferred tax expense for the previous year was determined considering Goodwill acquired from business combination is a depreciable asset under section 32 of the Income Tax Act, 1961. The Finance Bill 2021, ammended whereby no depreciation on goodwill shall be allowable from April 2020 (ie. financial year 2020-21). Accordingly, deferred tax liability created in earlier year has been reversed in current year.

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31 Financial Instruments

(a) Capital Management

The Company's management reviews the capital structure of the Company on periodical basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company monitors the capital structure using gearing ratio which is determined as the proportion of net debt to total equity.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 17 and 21 offset by cash and bank balances in notes 12 and 13) and total capital (including Compulsorily convertible preference shares) of the Company.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans.

The funding requirements are met through a mixture of equity, internal fund generation, non-current and current borrowings. The Company's policy is to use non-current and current borrowings to meet anticipated funding requirements.

Gearing ratio

The gearing ratio at end of the reporting period was as follows

Particulars	As at 31 March 2021	As at 31 March 2020
Debt		
Borrowings- non current (Refer note 17)	-	3,118.75
Borrowings- current (Refer note 17)	3,135.68	341.54
	3,135.68	**3,460.29**
Less:		
Cash and cash equivalents (Refer note 12)	87.96	87.64
Bank balances other than cash and cash equivalants (Refer note 13)	4.00	1.44
	91.96	**89.08**
Net debt	**3,043.72**	**3,371.21**
Total equity	(793.94)	(490.64)
Compulsorily Convertible Preference share capital (Refer note 16)*	2,855.80	2,548.27
Total capital	**2,061.86**	**2,057.63**
Net debt to equity ratio	**147.62%**	**163.84%**

* As CCPS will mandatorily be converted into equity shares, accordingly the same has been considered as part of total capital and not debt for the purposes of computation of net debt to equity ratio.

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31 Financial Instruments (contd.)

(b) Risk management framework

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to :
- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Company's risk exposure
- improve financial returns

(i) Market risk

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price. Market risk comprises of - interest risk, foreign currency, other price risk (such as equity price risk) and credit risk.

The Company's activities expose it primarily to interest rate risk, currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes : Fixed deposits, current investments, borrowings and other current financial liabilities.

(ii) Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment needs.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

	As at 31 March 2021			
	<1 year	1-3 Years	> 3 Years	Total
Non current				
- Lease liability	-	4.21	-	4.21
Current				
- Borrowings	3,135.68	-	-	3,135.68
- Lease liability	2.69	-	-	2.69
- Trade payables	1,499.54	-	-	1,499.54
- Other financial liabilities	684.12	-	-	684.12
Total	**5,322.03**	**4.21**	**-**	**5,326.24**

The Company has access to fund based facilities of Rs. 350.00, out of which Rs. 350.00 were undrawn as at 31 March 2021. Also refer note 17(A)(vii) and 17(B)(v) w.r.t restructuring of debentures and extention of ROCPS.

	As at 31 March 2020			
	<1 year	1-3 Years	> 3 Years	Total
Non current				
- Borrowings	-	3,118.75	-	3,118.75
- Other financial liabilities	-	416.84	-	416.84
Current				
- Borrowings	341.54	-	-	341.54
- Trade payables	954.04	-	-	954.04
- Other financial liabilities	30.07	-	-	30.07
Total	**1,325.65**	**3,535.59**	**-**	**4,861.24**

The Company has access to fund based facilities of Rs. 350.00, out of which Rs. 8.46 were undrawn as at 31 March 2020.

(iii) Foreign currency risk

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables and receivables.

The carrying amounts of the Company foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		As at 31 March 2021		As at 31 March 2020	
Particulars	currency	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Trade receivables	USD	11.49	-	15.24	-
	Equivalent INR	844.83	-	1,152.61	-
Trade payables	USD	-	5.3	-	0.00*
	Equivalent INR	-	386.25	-	0.30

* Amount less than Rs. 0.01 million

Note: the above foreign currency receivable & payable were unhedged as at year end.

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The results of Company's operations may be affected by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 1% against the functional currency of the Company.

For the year ended 31 March 2021 and 31 March 2020, every 100 basis points depreciation/ appreciation in the exchange rate between the Indian rupee and U.S. dollar will decrease/increase the Company's losses before tax by Rs. 4.59 (31 March 2020 : Rs. 11.52).

(iv) Interest rate risk

The Company is exposed to interest rate risk on current and non-current borrowings and fixed deposits outstanding as at the year end. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests in fixed deposits to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

The exposure of the Company's financial liabilities as at 31 March 2021 to interest rate risk is as follows:

	Floating rate	Fixed rate	Total
Current			
- Borrowings	-	3,135.68	3,135.68
	-	**3,135.68**	**3,135.68**
- Fixed deposits	4.00	-	**4.00**

Weighted average interest rate (per annum)	Floating rate	Fixed rate
Loans repayable on demand	6.10%	-
Debentures	-	12.90%
ROCPS		15.00%

The exposure of the Company's financial liabilities as at 31 March 2020 to interest rate risk is as follows:

	Floating rate	Fixed rate	Total
Non current			
- Borrowings	-	3,118.75	3,118.75
Current			
- Borrowings*	341.54	-	341.54
	341.54	**3,118.75**	**3,460.29**
- Fixed deposits	2.25	-	**2.25**

Weighted average interest rate (per annum)	Floating rate	Fixed rate
Loans repayable on demand	6.10%	-
Debentures	-	12.90%
ROCPS		15.00%

* including current maturities of long term borrowings

Interest rate sensitivity analysis on borrowings:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's losses before tax for the year ended 31 March 2021 would increase/decrease by Rs. 31.35 (Period ended 31 March 2020: Rs. 34.60). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Interest rate sensitivity analysis on fixed deposits:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's losses before tax for the year ended 31 March 2021 would decrease/increase by Rs. 0.04 (Period ended 31 March 2020: Rs. 0.02). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(v) Other price risk

The Company was exposed to price risks arising from fair valuation of Company's investment in mutual funds. The investments in mutual fund were held for short term purposes. The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting year.

If prices had been 100 basis points higher/lower, loss before tax for the year ended 31 March 2021 would decrease/increase by Rs. Nil (for the year ended 31 March 2020 : Rs. 0.01) as a result of the changes in fair value of these investments which have been designated as at FVTPL.

(vi) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company's policies on assessing expected credit losses is detailed in notes to accounting policies (Refer note 2.16). For details of exposure, default grading and expected credit loss as on the reporting year (Refer note 11(b)).

Apart from the customers as disclosed in note 11(d), the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk as specified in note 11(d) did not exceed 50% of gross monetary assets at the end of reporting period.

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32 Fair value measurement

(a) The following tables presents the carrying value and fair value of each category of financial assets and liabilities :

As at 31 March 2021

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	87.96	-	-	87.96
Bank balances other than cash and cash equivalents	4.00	-	-	4.00
Trade receivables	857.47	-	-	857.47
Loans - current	1.17	-	-	1.17
Loans - non-current	0.67	-	-	0.67
Other financial assets - non-current	24.70	-	-	24.70
Other financial assets - current	0.43	-	-	0.43
	976.40	**-**	**-**	**976.40**

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Compulsorily convertible preference shares	-	-	2,855.80	2,855.80
Borrowings - current	3,135.68	-	-	3,135.68
Lease liability - non-current	4.21	-	-	4.21
Lease liability - current	2.69	-	-	2.69
Trade payables	1,499.54	-	-	1,499.54
Other financial liabilities - current	684.12	-	-	684.12
	5,326.24	**-**	**2,855.80**	**8,182.04**

As at 31 March 2020

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	87.64	-	-	87.64
Bank balances other than cash and cash equivalents	1.44	-	-	1.44
Trade receivables	1,152.61	-	-	1,152.61
Loans - current	2.53	-	-	2.53
Loans - non-current	1.19	-	-	1.19
Investments in mutual funds	-	-	1.03	1.03
Other financial assets - non-current	24.33	-	-	24.33
Other financial assets - current	11.10	-	-	11.10
	1,280.84	**-**	**1.03**	**1,281.87**

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Compulsorily convertible preference shares	-	-	2,548.27	2,548.27
Borrowings - non-current	3,118.75	-	-	3,118.75
Borrowings - current	341.54	-	-	341.54
Trade payables	954.04	-	-	954.04
Other financial liabilities - non-current	416.84	-	-	416.84
Other financial liabilities - current	30.07	-	-	30.07
	4,861.24	**-**	**2,548.27**	**7,409.51**

Carrying values of financial assets and financial liabilities are approximation of their respective fair values.

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

Particulars	Level	As at 31 March 2021	As at 31 March 2020
Financial assets			
Investments in mutual funds	Level 2	-	1.03
Financial liabilities			
Compulsorily convertible preference shares	Level 3	2,855.80	2,548.27

Notes:

(i) Fair value of unquoted mutual funds is based on Net Assets Value (NAV) at the reporting date.

(ii) Fair value of the CCPS is estimated based on discounted cash flow projections using Monte-Carlo simulation model based on a Geometric Brownian Motion function.

key inputs for the level 3 financial liabilities as of 31 March 2021 and 31 March 2020 are (i) Discount rate (WACC), (ii) Growth rate for long term cash flow projections, (iii) Future cash flow projections and (iv) Volatility.

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33 Segment reporting

The Company is primarily engaged in the business of manufacturing of electrical wiring accessories and fittings. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108 - 'Operating Segments Reporting' notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

a. Geographical Segments

The Company is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is stated below:

	For the year ended 31 March 2021	For the year ended 31 March 2020
India	225.84	243.61
Outside India	3,088.46	4,225.14
Total	**3,314.30**	**4,468.75**

b. Information regarding geographical non-current assets* is as follows:

	As at 31 March 2021	As at 31 March 2020
India	4,240.33	4,448.62
Outside India	-	-
Total	**4,240.33**	**4,448.62**

* Non-current assets exclude non current-financial assets and non-current tax assets (net).

c. Customers contributing to more than 10% of revenue :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Customer A	1,620.37	2,039.35
Customer B	331.70	465.54
Customer C	273.93	447.44

There are no other customer who contributed 10% or more to the Company's revenue individually.

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34 Employee benefit plans

(i) Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the employees provident fund is deposited with the regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The total expense recognised in profit or loss of Rs. 18.51 million (Previous year : Rs. 19.82 million) for provident fund.

(ii) Defined benefit plans

Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of 2.00. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary inflation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31 March 2021 by Willis Towers Watson, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuations	
	As at 31 March 2021	As at 31 March 2020
Discount rate(s)	6.70%	6.70%
Expected rate(s) of salary increase	8.00%	8.00%
Retirement age (years)	58	58
Mortality Table	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
Withdrawal rate	In %	In %
20 years to 24 years	5.00	5.00
25 years to 29 years	3.00	3.00
30 years to 34 years	2.00	2.00
35 years to 49 years	1.00	1.00
50 years to 54 years	2.00	2.00
55 years to 58 years	3.00	3.00

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company's standalone financial statements as at 31 March 2021:

b) Amounts recognised in Statement of Profit and Loss are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Service cost		
- Current service cost	7.94	6.56
Net interest expense	5.50	6.54
Components of defined benefit costs recognised in profit or loss	**13.44**	**13.10**
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	-	5.02
- Actuarial (gains) / losses arising from experience adjustments	(7.31)	(6.25)
Components of defined benefit costs recognised in other comprehensive income	**(7.31)**	**(1.23)**
Total	**6.13**	**11.87**

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c) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at	
	31 March 2021	31 March 2020
Present value of defined benefit obligation	73.76	96.76
Net liability arising from defined benefit obligation	**73.76**	**96.76**

d) Movement of defined benefit obligation:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	96.76	91.76
Current service cost	7.94	6.56
Interest cost	5.50	6.54
Remeasurement (gains)/losses:		
- Actuarial (gains) / losses arising from changes in financial assumptions	-	5.02
- Actuarial (gains) / losses arising from experience adjustments	(7.31)	(6.25)
Benefits paid	(29.14)	-6.87
Closing defined benefit obligation	**73.76**	**96.76**
- Current portion of the above	9.04	30.96
- Non current portion of the above	64.72	65.80

e) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 6.95 (increase by Rs. 8.24) [Previous year : decrease by Rs. 7.00 (increase by Rs. 8.29)]

ii) If the expected salary growth decreases (increases) by 1.00%, the defined benefit obligation would decrease by Rs. 6.94 (increase by Rs. 8.05) [Previous year : decrease by Rs. 6.97 (increase by Rs. 8.10)]

iii) If the withdrawl rate decreases (increases) by 1.00%, the defined benefit obligation would decrease by Rs. 9.32 (increase by Rs. 8.29) [Previous year : decrease by Rs. 9.14 (increase by Rs. 8.14)]

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

f) The average duration of the benefit obligation represents average duration for active members as at 31 March 2021: 10 years (Previous year : 8 years).

g) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

h) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

i) The gratuity plan is unfunded.

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35 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

36 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

37 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

The Ministry of Micro, Small and Medium Enterprises had issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2021 except as follows:-

S No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year.		
	- Principal amount	297.89	298.68
	- Interest thereon	5.81	2.70
2	The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	0.92	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year,	5.81	2.70
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

38 Related party disclosures

I. List of related parties

a. Ultimate Holding Entity
Delos Investment Fund II, LP

b. Holding Company
Delos Sage Holdco Cooperatief U.A

c. Wholly Owned Subsidiary Company
Sage International, Inc., USA

d. Firm exercising significant influence on the Company
AR2 LLC

e. Key Management Personnel (KMP)

Vatsal Manoj Solanki (upto 31 March 2021)	Managing Director
Madhur Aneja (w.e.f 25 February 2021)	CEO
Michael Rakiter	Director
Sanjay Kumar Sanghoee	Director
Matthew Constantino	Director
Satish Kumar Rustgi	Director
Pratibha Priya Mysore Raghuveer (from 1 June 2020 to 31 March 2021)	Director
Isha Gupta	Company Secretary
Sandeep Chotia (w.e.f. 1 August 2020)	Chief Financial Officer

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(Figures in brackets relate to previous period)

Particulars	Holding Company	Wholly Owned Subsidiary Company	Firm exercising significant influence on the Company	Key Management Personnel (KMP)	Grand total
II. Transactions/ outstanding balances with related parties during the year					
A. Transactions during the year					
i. Sale of products*	-	1,620.37	-	-	1,620.37
	-	(2,039.35)	-	-	(2,039.35)
ii. Other operating revenue - Development charges	-	10.59	-	-	10.59
	-	(7.92)	-	-	(7.92)
iii Gurantee Premium income and investments in subsidiary	-	6.75	-	-	6.75
	-	(5.47)	-	-	(5.47)
iv Issue of Compulsory Convertible Preference Shares - Class A	647.53	-	-	-	647.53
	(-)	(-)	(-)	(-)	-
v Corporate guarantee commission expense	33.17	-	-	-	33.17
	(33.02)	(-)	(-)	(-)	(33.02)
vi Loss on fair valuation of derivative instruments (Refer note 16)	-	-	-	-	-
	(129.00)	(-)	(-)	-	(129.00)
vii Gain on fair valuation of derivative instruments (Refer note 16)	269.00	-	38.00	-	307.00
	(-)	(-)	(-17)	(-)	(-17)
viii Legal and professional fees	-	42.32	-	-	42.32
	(-)	(-)	(-)	(-)	(-)
ix Freight	-	0.56	-	-	0.56
	(-)	(33.07)	(-)	(-)	(33.07)
x Remuneration paid**					
Vatsal Manoj Solanki	-	-	-	1.32	1.32
	(-)	(-)	(-)	(1.32)	(1.32)
Satish Kumar Rustgi	-	-	-	4.09	4.09
	(-)	(-)	(-)	(2.05)	(2.05)
Rupal Jain	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Isha Gupta	-	-	-	0.62	0.62
	(-)	(-)	(-)	(0.46)	(0.46)
Shashi Kumar Nayar	-	-	-	-	-
	(-)	(-)	(-)	(4.01)	(4.01)
Suraj Jaiswal	-	-	-	-	-
	(-)	(-)	(-)	(0.34)	(0.34)
Sandeep Kumar Chotia	-	-	-	5.92	5.92
	(-)	(-)	(-)	(-)	(-)
Madhur Aneja	-	-	-	1.76	1.76
	(-)	(-)	(-)	(-)	(-)
Total	-	-	-	**13.71**	**13.71**
	(-)	**(-)**	**(-)**	**(8.21)**	**(8.21)**

* Also refer note number 46 with respect to debit and credit notes received / issued from / to wholly owned subsidiary company.
** Does not include expense towards gratuity and compensated absences as the same is determined on actuarial basis.

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Notes forming part of the standalone financial statements for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

(Figures in brackets relate to previous period)

Particulars	Holding Company	Wholly Owned Subsidiary Company	Firm exercising significant influence on the Company	Key Management Personnel (KMP)	Grand total
II. Transactions/ outstanding balances with related parties during the year					
B. Outstanding balances at year end					
i. Trade receivables	-	540.87	-	-	540.87
	(-)	(624.59)	(-)	(-)	(624.59)
ii. Equity share capital	356.92	-	-	-	356.92
	(356.92)	(-)	(-)	(-)	(356.92)
iii. Compulsory Convertible Preference Shares - Class A	2,462.08	-	-	-	2,462.08
	(2,083.55)	(-)	(-)	(-)	(2,083.55)
iv. Compulsory Convertible Preference Shares - Class B	-	-	147.58	-	147.58
	(-)	(-)	(185.58)	(-)	(185.58)
v. Investment in subsidiary	-	659.86	-	-	659.86
	(-)	(653.12)	(-)	(-)	(653.12)
vi. Trade payables	-	332.20	-	-	332.20
	(-)	(-)	(-)	(-)	-

vii. Debentures issued amounting to Rs. 2,857.50 (Previous year : Rs. 2,857.50) are also guaranteed by the Holding Company (Delos Sage Holdco Cooperatief U.A.) (Refer note 17)

viii. The Company and the Holding Company had granted a corporate guarantee of US $20.00 million for a term loan taken from lenders by wholly owned Subsidiary Company, Sage International Inc., USA. As at 31 March 2021, SII has drawn $16.00 million (Rs. 1,170.56 million) [As at 31 March 2020, drawn $16.00 million (Rs. 1,211.36 million)] out of the original principal amount sanctioned.

ix. Figures in bracket relates to previous year ended 31 March 2020.

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39 The Company had closed all its manufacturing plants and offices with effect from 24 March 2020 following countrywide lockdown due to Covid-19. Subsequently, the Company has gradually resumed its operations across all the plants adhering to the safety norms prescribed by the Government of India.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these standalone financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to monitor any material changes to future economic conditions.

40 Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5.18	17.57

41 Contingent liabilities

a. Claims against the Company disputed and not acknowledged as debts: 0.59 (31 March 2020- 1.08)

b. Guarantees

The Company had granted a corporate guarantee of US $20.00 million for a term loan taken from lenders by wholly owned Subsidiary Company, Sage International Inc., USA. As at 31 March 2021, SII has drawn $16.00 million (Rs. 1,170.56 million) [As at 31 March 2020, drawn $16.00 million (Rs. 1,211.36 million)] out of the original principal amount sanctioned.

The guarantees have been given in the ordinary course of business and the obligations are expected to be discharged accordingly and no liability is anticipated in these respects.

c. Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952

Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, can not be ascertained.

d. Claims towards non-compliances with laws and regulations, the amounts for which is presently unascertainable. (Refer note 45 and 46)

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42 **Leases**

(i) Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method by recognising a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate and recognising a Right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the standalone financial statements for the year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-use assets' of Rs. 442.32 from the reclassification of favourable lease assets under other intangible assets.

The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 April 2019.

(c) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(d) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Residual value guarantees

To optimise lease costs during the contract period, the Company may sometimes provide residual value guarantees in relation to property leases. There was no impact, in respect thereof on the standalone financial statements.

(ii) **Changes in the carrying value of right of use assets for the year ended:**

ROU assests are amortised on straight line basis over the lease term. Lease term is 5 years.The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

(iii) **Movement in lease liabilities:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at 1 April 2020	-	-
Additions	7.07	-
Finance costs accrued during the period	0.05	-
Payment of lease liabilities	(0.22)	-
Balance as at 31 March 2021	**6.90**	**-**

(iv) **Break-up of current and non-current lease liabilities:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current	2.69	-
Non - current	4.21	-
Balance as at 31 March, 2021	**6.90**	**-**

(v) **Contractual maturities of lease liabilities on an undiscounted basis:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Less than one year	2.69	-
One to five years	4.21	-
More than five years	-	-

(vi) Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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43 Operational Outlook

The Company has incurred loss of Rs. 336.47 (previous year Rs. 313.34) during the year ended March 31, 2021 and has accumulated losses of Rs. 1,251.81 (previous year Rs. 915.34) as of that date resulting in complete erosion of the net worth of the Company. Further as at 31 March, 2021, the Company's current liabilities exceeds its current assets by Rs. 2375.67. These conditions cast a significant doubt on the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the improvement of the Company's future operations, continued financial support from Delos Investment Fund II, LP, the Ultimate Holding Entity and deferment of borrowing.

However, the financial statements of the Company have been prepared as going concern as :

(a) Delos Investment Fund II, LP, the Ultimate Holding Entity, has confirmed to provide financial support as and when the need arises;

(b) Current liabilities as at 31 March 2021 includes NCD's amounting to Rs. 2,852.08 millions (as at 31 March 2020 Rs. 2,834.13 millions and included under non current borrowings), Redeemable Optionally Convertible Prefeence Shares (ROCPS) amounting to Rs. 280.36 millions (as at 31 March 2020 Rs. 280.36 millions and included under non current borrowings) and interest on NCD's and ROCPS amounting to Rs. 525.42 millions and 150.81 millions respectively (as at 31 March 2020 Rs. 335.07 millions and Rs. 93.64 millions respectively included in other current and non current liabilities). Subsequent to year end, for the NCD's outstanding (including interest), the Company has entered into a restructuring term sheet with lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of NCD's has been extended to 30 June 2023, with no extension option. Further, the Company has also commenced the process of renegotiating the terms of the ROCPS (including interest) with the ROCPS holder and the ROCPS holder has confirmed that the amount of ROCPS will not be called for the next tweleve months [Refer note 17(A)(vii) and 17(B)(v).

(c) Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 2,855.80 millions (as at 31 March 2020 Rs. 2,548.27 millions) disclosed as non current financial liability in the standalone financial results will be converted into equity share capital in the future; and

(d) Based on future projections, the management of the Company is confident of generating profits in the near future.

Accordingly, the financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

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44 Earnings per equity share (EPS)

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Basic earnings per share (in Rs.) (A/B)	(1.29)	(1.32)
Diluted earnings per share (in Rs.) (A/B)	(1.29)	(1.32)

Calculation of Basic and Diluted earnings per share

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Loss used in the calculation of basic and diluted earnings per share (A)	(341.65)	(314.21)
Weighted average number of equity shares for the purposes of computation of basic and diluted earnings per share (Face value of Rs. 10 each)	35,692,264	33,371,292
Weighted average number of potential equity shares (CCPS)	228,864,833	204,065,085
Weighted average number of equity shares and potential equity shares (CCPS) used in the calculation of basic and diluted earnings per share (B)	**264,557,097**	**237,436,377**

45 Regulatory Compliances

(a) Pursuant to section 96 of the Companies Act, 2013 the Company had obtained extension to hold its Annual General Meeting ("AGM") up to 31 December 2019 for the year ended 31 March 2019. The audited financial statements of the Company for the year ended 31 March 2019 could not be presented at the AGM held on 31 December 2019. Consequently, the financial statements for the year ended 31 March 2019, were presented in the adjourned Annual General Meeting held on 20 July 2020. On 16 December, 2020 the Company had filed a petition under section 441 of the Companies Act, 2013, for compounding of offences before the National Company Law Tribunal which was subsequentyly cancelled due to defects or incompleteness noted in the application.

Further, for the year ended 31 March 2020, the Company was required to hold AGM by 31 December 2020 (as per the provision of Section 96 of the Companies Act 2013 and further as extended by ROC order No. ROC/Delhi/AGM Ext./2020/11538 dated 08 September, 2020). The Company was not able to hold the meeting within the prescribed time. The financial statements for the year ended 31 March 2020, were presented in the Annual General Meeting held on 05 April, 2021.

The Company is in process of filing petitions under section 441 of the Companies Act, 2013, for compounding of above offences for the year ended 31 March 2019 and 31 March 2020 before National Company Law Tribunal.

(b) The Company is in non-compliance with respect to submission of standalone audited financial results for the years ended 31 March 2020 and 31 March 2021 and standalone unaudited financial results for the six months ended 30 September 2019 and 30 September 2020 to stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), as amended. The Company had submitted the standalone audited financial results for the year ended 31 March 2020 and standalone unaudited financial results for the six months ended 30 September 2019 on 31 March 2021.

Accordingly, the Company could be liable to certain penal provisions for the aforesaid non compliances under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non- compliances, including the liability for penal charges, if any, on the standalone financial statements is presently not ascertainable and have accordingly not been recorded in the standalone financial statements.

46 As at 31 March 2021, the Company has received / issued debit and credit notes in foreign currency amounting to Rs. 119.77 millions and Rs. 335.69 millions (including debit and credit notes amounting to Rs. 108.49 millions and Rs. 331.00 millions respectively from wholly owned subsidiary company) respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the standalone financial statements is presently not ascertainable and have accordingly not been recorded in the standalone financial statements.

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47 Full particulars of investment made, guarantees given together with purpose in terms of section 186 (4) of the Companies Act, 2013

a) Particulars of Investments made:

Name of the Investee	As at 31 March 2020	Investment made/ Deemed capital contribution during the year	Investment redeemed / extinguished	As at 31 March 2021	Purpose
Investment in equity shares of Sage International, Inc.	653.12	6.74	-	659.86	Strategic investment as part of business expansion

Name of the Investee	As at 31 March 2019	Investment made/ Deemed capital contribution during the year	Investment redeemed / extinguished	As at 31 March 2020	Purpose
Investment in equity shares of Sage International, Inc.	647.65	5.47	-	653.12	Strategic investment as part of business expansion

b) Particulars of Guarantee given:

Name of the Entity	Guarantee given as at 31 March 2020 (Amount in $ million)	Guarantee given during the year (Amount in $ million)	Guarantee discharged during the year (Amount in $ million)	Guarantee given as at 31 March 2021 (Amount in $ million)	Purpose
Sage International, Inc.	16.00	-	-	16.00	Loan taken for business expansion

Name of the Entity	Guarantee given as at 31 March 2019 (Amount in $ million)	Guarantee given during the year (Amount in $ million)	Guarantee discharged during the year (Amount in $ million)	Guarantee given as at 31 March 2020 (Amount in $ million)	Purpose
Sage International, Inc.	14.00	2.00	-	16.00	Loan taken for business expansion

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48 The figures for the previous year have been regrouped wherever necessary, to make them comparable.

49 The standalone financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 31 December 2021.

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

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GLUHEND INDIA PVT. L. DELHI

Place: New Delhi
Date: 31 December, 2021

Isha Gupta
Company Secretary
Membership No. 22178

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INDEPENDENT AUDITOR'S REPORT

To The Members of Gluhend India Private Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gluhend India Private Limited** ("the Parent" / "the Holding Company") and its subsidiary company, (the Parent and its subsidiary company together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to :

a) Note 45 to the consolidated financial statements, which describes matters relating to non-compliances with certain provisions of the Companies Act, 2013 with respect to presentation and adoption of audited financial statements for the years ended 31 March 2020 and 31 March 2019, before the shareholders in the respective Annual General Meetings within the stipulated time as prescribed under section 96 of the Companies Act, 2013 and submission of audited standalone financial results for the year ended 31 March 2021 and 31 March 2020 and unaudited standalone financial results for the six months ended 30 September 2020 and 30 September 2019 to the stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Accordingly, the Company could be liable to certain penal provisions for the said non-compliances under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the consolidated financial statements is presently not ascertainable.

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(LLP Identification No. AAB-8737)

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b) Note 46 to the consolidated financial statements, wherein it is indicated that the Holding Company has received / issued debit and credit notes in foreign currency aggregating to Rs. 119.77 million and Rs. 335.69 million respectively which are outstanding as at year end, for which the Holding Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the consolidated financial statements is presently not ascertainable.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the 'Basis for Qualified Opinion' section of our report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") in Annexure A to the Independent Auditor's Report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Impairment assessment of goodwill: (Refer Notes 2.4 and 3D of consolidated financial statements)** As at 31 March 2021, the Group has goodwill of Rs. 2,381.27 million. The Group assesses the impairment of goodwill annually at the year-end. The impairment assessment performed by the management involved significant judgements and estimates including future performance and short and long-term growth rates and discount rate. Accordingly, the impairment assessment of goodwill was considered as a key audit matter.	**Principal audit procedures performed:** We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design and tested the operating effectiveness of the management's internal control around the impairment assessment process. • Understood the key assumptions considered in the management's estimates of future cash flows. • We evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations by involving our valuation specialists. • Compared the historical cash flows (including for current year) against projections of the management for the same periods and gained understanding of the rationale for the changes. • Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth and profitability during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows.

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Sr. No.	Key Audit Matter	Auditor's Response
		• We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended 31 March 2021.
2.	**Accounting and valuation of Compulsory Convertible Preference Shares ('CCPS') (Refer Notes 2.16.C and 16 of consolidated financial statements)** As at 31 March 2021, the Parent has Compulsory Convertible Preference Shares ('CCPS') of Rs. 2,855.80 million (including embedded derivative liability). Considering the terms of the CCPS, the accounting is complex and involved significant management judgement. The fair value of CCPS is determined through application of valuation techniques and the use of assumptions and estimates. Where observable data is not readily available, as in the case of level 3 financial instruments, then estimates need to be developed which can involve significant management judgement. The effect of fair value adjustments has material impact on the loss of the Company. We identified application of appropriate accounting and assessing the fair value of CCPS as a key audit matter because of the degree of complexity involved in accounting, valuing financial liabilities and the degree of judgement exercised by management in determining the inputs used in the valuation models.	**Principal audit procedures performed:** We performed testing of design and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design and operating effectiveness of management's internal controls over accounting and valuation process. • Evaluated the management's accounting assessment of CCPS by reading the terms of CCPS in the framework agreement. • Obtained the fair valuation report of management's expert. • Evaluated the objectivity, competence and independence of the management expert. • Evaluated the valuation model, assumptions relating to future cash flows, growth rate and discount rate by involving our valuations specialists. • Performed arithmetic check of the valuation model used. We further assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended 31 March 2021

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial information of the subsidiary company, to the extent it relates to the entity and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary company is traced from the financial information of the subsidiary company being prepared by the management of the Parent.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31 March 2021 taken on record by the Board of Directors of the Company, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

g) In our opinion and to the best of our information and according to the explanations given to us, the Parent being a private company, section 197 of the Act related to the managerial remuneration not applicable.

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 41(a) of the notes forming part of consolidated financial statements.

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 35 of the notes forming part of consolidated financial statements.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent - Refer Note 36 of the notes forming part of consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEL5403

Place : New Delhi
Date : 31 December 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Gluhend India Private Limited (hereinafter referred to as "the Parent") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 qualified audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

With respect to Parent, according to the information and explanations given to us and based on our audit, a material weakness has been identified in the Parent's internal financial controls over financial reporting with respect to issue of inventory for production and consequent impact on inventory records. This could potentially result in a material misstatement in the recording of consumption and year-end inventory account balances in the Parent's consolidated financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31 March 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's internal financial controls over financial reporting were operating effectively as of 31 March 2021.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Parent Company for the year ended 31 March 2021, and these material weakness do not affect our opinion on the said consolidated financial statements of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEL5403

Place : New Delhi
Date : 31 December 2021

Gluhend India Private Limited

Consolidated Balance Sheet as at 31 March 2021

(All amounts are in Rs. Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
Non-current assets			
a. Property, plant and equipment	3A	956.75	1,048.16
b. Capital work-in-progress	3B	59.28	78.83
c. Right-of-use assets	3C	523.22	489.64
d. Goodwill	3D	2,381.27	2,388.38
e. Other intangible assets	4	522.48	594.03
f. Intangible assets under development		23.86	16.81
g. Financial assets			
(i) Loans	6	0.67	1.19
(ii) Other financial assets	7	30.78	27.76
h. Non current tax assets (net)	8	289.69	284.55
i. Deferred tax assets (net)	30	276.56	202.51
j. Other non-current assets	9	7.71	184.18
Total non-current assets		**5,072.27**	**5,316.04**
Current assets			
a. Inventories	10	1,603.04	1,409.97
b. Financial assets			
(i) Investments	5	-	1.03
(ii) Trade receivables	11	811.88	898.49
(iii) Cash and cash equivalents	12	147.48	231.20
(iv) Bank balances other than (iii) above	13	4.00	1.44
(v) Loans	6	1.17	2.53
(vi) Other financial assets	7	2.33	11.42
c. Other current assets	9	1,021.13	391.31
Total current assets		**3,591.03**	**2,947.39**
Total assets		**8,663.30**	**8,263.43**
II. EQUITY AND LIABILITIES			
EQUITY			
a. Equity share capital	14	356.92	356.92
b. Other equity	15	(2,012.74)	(1,530.68)
Total equity		**(1,655.82)**	**(1,173.76)**
LIABILITIES			
Non-current liabilities			
a. Financial liabilities			
(i) Compulsorily convertible preference shares	16	2,855.80	2,548.27
(ii) Borrowings	17	-	4,318.18
(iii) Lease liability	42	67.74	19.87
(iv) Other financial liabilities	21	-	524.38
b. Provisions	18	78.82	78.64
c. Deferred tax liabilities (net)	30	34.83	179.48
d. Other non-current liabilities	19	-	50.93
Total non-current liabilities		**3,037.19**	**7,719.75**
Current liabilities			
a. Financial liabilities			
(i) Borrowings	17	4,595.87	341.54
(ii) Lease liability	42	32.53	28.93
(iii) Trade payables	20		
-total outstanding dues of micro enterprises and small enterprises		297.89	298.68
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,171.33	796.33
(iv) Other financial liabilities	21	1,093.52	72.90
b. Provisions	18	13.80	114.75
c. Current tax liabilities	8	13.33	7.13
d. Other current liabilities	19	63.66	57.18
Total current liabilities		**7,281.93**	**1,717.44**
Total liabilities		**10,319.12**	**9,437.19**
Total equity and liabilities		**8,663.30**	**8,263.43**

See accompanying notes to the consolidated financial statements — 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

Isha Gupta
Company Secretary
Membership No. 22178

Place: New Delhi
Date: 31 December, 2021

Gluhend India Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
1.	**Income**			
	(a) Revenue from operations	22	5,007.95	5,906.49
	(b) Other income	23	356.54	163.58
2.	**Total income**		**5,364.49**	**6,070.07**
3.	**Expenses**			
	(a) Cost of materials consumed	24	2,241.27	2,318.03
	(b) Purchases of stock-in-trade		301.11	343.75
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(206.71)	280.03
	(d) Employee benefits expense	26	1,110.34	1,110.81
	(e) Finance costs	27	851.22	768.42
	(f) Depreciation and amortisation expense	28	277.60	408.78
	(g) Other expenses	29	1,536.21	1,690.19
4.	**Total expenses**		**6,111.04**	**6,920.01**
5.	**Loss before tax (2-4)**		**(746.55)**	**(849.94)**
6.	**Tax expense**			
	(a) Current tax	30A(a)	19.38	56.61
	(b) Deferred tax	30A(b)	(229.97)	(183.57)
	Total tax expense		**(210.59)**	**(126.96)**
7.	**Loss for the year (5-6)**		**(535.96)**	**(722.98)**
8.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss	34		
	(a) Remeasurement of post employment benefit obligations		7.31	1.23
	(b) Income tax relating to above item		(2.13)	(0.36)
	Items that will be reclassified to profit or loss			
	(a) Foreign exchange translation differences		11.49	(10.54)
	(b) Income tax relating to above item		(2.68)	2.46
	Total other comprehensive loss		**13.99**	**(7.21)**
9.	**Total comprehensive loss (7+8)**		**(521.97)**	**(730.19)**
10.	**Earnings per equity share**	44		
	(a) Basic (in Rs.)		(2.03)	(3.04)
	(b) Diluted (in Rs.)		(2.03)	(3.04)

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.:117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP
Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rastgi
Director
DIN: 08574594

Isha Gupta
Company Secretary
Membership No. 22178

Place: New Delhi
Date: 31 December, 2021

Gluhend India Private Limited
Consolidated Statement of Changes In Equity for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance at 1 April 2019	**321.23**
Changes in equity share capital during the year	
Issue of equity shares (Refer note 16D)	35.69
Balance as at 31 March 2020	**356.92**
Changes in equity share capital during the year	
Issue of equity shares	-
Balance at 31 March 2021	**356.92**

b. Other equity

Particulars	Reserves and Surplus		Other comprehensive income	Total
	Retained earnings	Deemed capital contribution	Foreign currency translation reserve	
Balance as at 1 April 2019	**(858.30)**	**36.54**	**(17.19)**	(838.95)
Loss for the year	(722.98)	-	-	(722.98)
Other comprehensive loss, net of income tax	0.87	-	(8.08)	(7.21)
Expense recognised during the year	-	38.46	-	38.46
Balance as at 31 March 2020	**(1,580.41)**	**75.00**	**(25.27)**	**(1,530.68)**
Loss for the year	(535.96)	-	-	(535.96)
Other comprehensive income / (loss), net of income tax	5.18	-	8.81	13.99
Expense recognised during the year	-	39.91	-	39.91
Balance at 31 March 2021	**(2,111.19)**	**114.91**	**(16.46)**	**(2,012.74)**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP
Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

Isha Gupta
Company Secretary
Membership No. 22178

Gluhend India Pvt. Ltd.

Place: New Delhi
Date: 31 December, 2021

Gluhend India Private Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A	**Cash flow from operating activities**		
	Loss before tax	(746.55)	(849.94)
	Adjustments for:		
	Interest income	(1.27)	(0.77)
	Finance costs	851.22	768.42
	Depreciation and amortisation expense	277.60	408.78
	Provision for doubtful balances with government authorities	-	2.68
	(Profit)/Loss on fair value of derivative component of CCPS	(340.00)	130.00
	(Profit)/Loss on sale/disposal of property, plant and equipment	(1.18)	6.08
	Provision for doubtful trade receivables and advances (net)	5.88	8.09
	Bad debts/ advances written off	-	0.77
	Provision for onerous contract	-	79.31
	Change in fair value of contingent consideration	-	15.52
	Unrealised foreign exchange loss/(gain) (net)	(3.72)	(71.84)
	Operating profit before working capital changes	**41.98**	**497.10**
	Adjustments for:		
	(Increase)/decrease in inventories	(211.37)	158.31
	(Increase)/decrease in trade receivables	(262.72)	(166.57)
	(Increase)/decrease in other financials assets - current	10.73	(3.89)
	(Increase)/decrease in other financials assets - non - current	(1.82)	(6.75)
	(Increase)/decrease in other current assets	(634.19)	70.06
	(Increase)/decrease in other non - current assets	157.58	(158.37)
	Increase/(decrease) in provisions - current	(93.64)	0.04
	Increase/(decrease) in provisions - non - current	0.18	6.75
	Increase/(decrease) in other financial liabilities - current	233.76	(4.31)
	Increase/(decrease) in other current liabilities	32.59	30.44
	Increase/(decrease) in other non - current liabilities	(18.67)	41.97
	Increase/(decrease) in trade payables	729.74	257.35
	Cash used in operations	**(57.83)**	**225.03**
	Income taxes paid	(31.01)	(32.29)
	Net cash flow from / (used in) operating activities	**(46.86)**	**689.84**
B	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment and intangible assets including capital advances	(79.71)	(195.33)
	Proceeds from sale of property, plant and equipment	4.00	4.28
	Sale of current investments	1.05	3.74
	Loan given to employees	1.88	(0.17)
	Interest received	1.52	0.74
	Investments in fixed deposits	(1.45)	42.77
	Right of use of Asset	(24.84)	-
	Net cash used in investing activities	**(97.55)**	**(143.97)**
C	**Cash flows from financing activities**		
	Proceeds from short term borrowings	296.95	341.54
	Repayment of short term borrowings	(341.54)	(608.11)
	Proceeds from long term borrowings	-	242.16
	Repayment of long term borrowings	(1.02)	(0.94)
	Payment on account of lease liabilities	-	(18.66)
	Proceeds from issue of compulsorily convertible preference shares	647.53	-
	Finance charges paid	(541.23)	(436.23)
	Net cash flow from / (used in) financing activities	**60.69**	**(480.24)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(83.72)	65.63
	Cash and cash equivalents at the beginning of the year	231.20	165.57
	Cash and cash equivalents at the end of the year	**147.48**	**231.20**

Deloitte Haskins & Sells LLP Chartered Accountants

GLUHEND INDIA PVT. LTD. DELHI

Gluhend India Private Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2021
(All amounts are in Rs. Millions, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Components of cash and cash equivalents (Refer note 12)		
Cash in hand	0.40	0.15
Balances with scheduled banks:		
- in current accounts	147.08	231.05
	147.48	**231.20**

Notes:

1 The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

2 **Reconciliation of liabilities arising from financing activities**

Particulars	As at 31 March 2020	Cash Flows	Non-cash Changes	As at 31 March 2021
Non-current borrowings	4,318.18	(1.02)	(4,317.16)	-
Current borrowings	341.54	(44.59)	4,298.92	4,595.87
Closing balance of secured loans	**4,659.72**	**(45.61)**	**(18.24)**	**4,595.87**

Particulars	As at 31 March 2019	Cash Flows (net)	Non-cash Changes	As at 31 March 2020
Non-current borrowings	3,782.74	241.22	294.22	4,318.18
Current borrowings	290.61	50.93	-	341.54
Current maturities of long term borrowings	313.48	(317.50)	4.02	-
Closing balance of secured loans	**4,386.83**	**(25.35)**	**298.24**	**4,659.72**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.:117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No.: 098564)

Deloitte Haskins & Sells LLP Chartered Accountants

Place: New Delhi
Date: 31 December, 2021

For and on behalf of the Board of Directors of Gluhend India Private Limited

Madhur Aneja
Chief Executive Officer

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Director
DIN: 08574594

GLUHEND INDIA PVT. LTD. DELHI

Isha Gupta
Company Secretary
Membership No. 22178

Place: New Delhi
Date: 31 December, 2021

1 General information

Gluhend India Private Limited ('the Company' or 'the Parent') is a Company domiciled in India and was incorporated on 22 December, 2017 under the provisions of the Companies Act, 2013 ('the Act') applicable in India vide CIN: U74994MH2017FTC303216. Its debt securities are listed on Bombay Stock Exchange (BSE) in India. The Company is having its registered office at Arsiwala Mansion, Nathalal Parikh Marg, Colaba, Mumbai – 400005.

The Company is primarily engaged in the business of manufacturing of electrical wiring accessories and fittings. The Company mainly caters to international markets. During the period ended 31 March 2018, Sage Metals Private Limited ('SMPL' - erstwhile Subsidiary Company) got merged with the Company with effect from appointed date i.e. 13 March 2018.

Sage International, Inc. ('the Subsidiary Company' or 'SII') is a wholly owned subsidiary of the Company. SII was organised in July 1999, under the laws of the state of Illinois, USA vide FEIN No D60600309. The Subsidiary Company has its registered office at 1470 Avenue T #1222, Grand Prairie, TX 75050, USA . SII acts an extended arm of the Company in the USA to help in the Storage, Marketing, Distribution and Collection of products supplied by the Parent in India. SII acquired business of Trident Components LLP ('Trident') and Jayco Manufacturing ('Jayco') during the year ended 31 March 2019. The business acquired from Trident relates to trading activities whereas the business acquired from Jayco is primarily manufactures and assembles custom metal stamping and fabricated metal products for other manufacturers. Jayco's primary sales and customer base is located throughout the southern and western portions of the USA.

2 Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements of the Company and the Subsidiary Company (collectively referred to as the 'Group') have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share based payments, leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.3 Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and Subisidiary Company as at 31 March, 2021. The Company has one wholly owned foreign Subsidiary Company, Sage International, Inc.. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The accounting policies of the subsidiary are, in all material respects, in line with accounting policies of the Company.

The financial statements of the Subsidiary Company for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on 31 March 2021.

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Consolidation procedures:

a. The financial statements of the Company and its Subsidiary Company are consolidated on line-by-line basis adding together the book value of assets, liabilities, equity, income, expenses and cash flows of the parent with its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recongised in the consolidated financial statements as at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recongised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.4 Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

2.5 Revenue recognition

Revenue is recognised once the entity satisfied that the performance obligation and control are transferred to the customers.

Sale of products

The Company and the Subsidiary Company derives revenue from Sale of Goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods. To recognise revenues, the Group apply the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

The Group accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers as reduction of revenue on a systematic and rational basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which we may be entitled.

Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts and allowances.

Sale of services

Revenue from rendering of services is recognised on accrual basis in accordance with the terms of the relevant contracts.

Interest income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

Export benefits

Export entitlements are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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2.6 Leases

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease. A Contract is, or contains, a lease if the Contract involves:

(a) The use of an identified asset,
(b) The right to obtain substantially all the economic benefits from use of the identified asset, and
(c) The right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability includes the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives and receivable and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease less any lease incentives received, any initial direct costs and restoration costs.

The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company applies Ind AS 36 'Impairment of assets' to determine whether a right-of use asset is impaired and accounts for any identified impairment loss as specified in note 2.14 of the significant accounting policies.

2.7 Foreign currency transactions and translations

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (Rs.). The consolidated financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, if otherwise stated.

Transactions and Balances

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the Statement of Profit and Loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

For the purposes of the consolidated financial statements, items in the consolidated statement of profit and loss of the businesses for which the Indian Rupees is not the functional currency, are translated into Indian Rupees at the average rates of exchange during the year/ exchange rates as on the date of transaction. The related consolidated balance sheet items are translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entity the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

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2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Employee benefits

Short-term employee benefits

Employee benefit such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised as an expense unless another Ind As requires or permit the inclusion of the benefits in the cost of assets in respect of employees' services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined contribution plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due or in the year in which actual services are incurred by employees.

Defined benefit plans

Defined benefit plans of the Company comprise gratuity.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in "other equity" in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

Compensated absences

Short-term obligations

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

Long-term obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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2.10 Taxation

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised. Significant management judgement is required to determine the probability of deferred tax asset.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

2.11 Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate component of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognised. The carrying amount of any component accounted as a separate component is derecognised, when replaced or when the property, plant and equipment to which the component relates gets derecognised.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset head	Useful life in years
Factory buildings	15 - 30
Other buildings (other than temporary structure)	60
Plant and machinery	2 - 15
Furniture and fixtures	10
Computers	3 - 4
Leasehold improvements	8 - 12
Vehicles	2 - 8

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The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the part C of Schedule II of the Companies Act, 2013, in order to reflect the technological obsolescence and actual usage of the asset. The residual values are not more than 5% of the original cost of the asset.

Depreciation is calculated on a pro-rata basis for assets purchased/sold during the year.

Capital work-in-progress

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress.

2.12 Intangible assets

Recognition and measurement

Intangible assets that are acquired are recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of assets can be measured reliably. The other intangible assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

Gain or losses arising from derecognition of an other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on other intangible assets is recognised in the Statement of Profit and Loss, as incurred.

Amortisation

The Group's intangible assets are amortised under straight line basis over the following useful lives

Asset head	Useful life in years
Computer Software	3 - 6
Customer Relationships	15
Trademarks	5
Favourable lease assets (representing fair value of lease rights in leasehold land and favourable leasehold interest)	During the balance lease term (2 - 43)

Amortisation method and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.13 Impairment - non-financial assets

At each reporting date, the management of the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are accompanied together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Inventories

Raw Materials and Stores and Spares (including packing material) are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

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

Stock-in-trade are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

2.15 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities and contingent assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

2.16 Financial instruments

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

A. Financial assets

Recognition and initial measurement

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

Classification

For the purpose of subsequent measurement, the Group classifies financial assets in following categories:
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:
- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:
- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets carried at amortised cost

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the Statement of Profit and Loss.

Financial assets carried at FVTPL

Financial assets carried at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Impairment of financial assets (other than at fair value)

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the Statement of Profit and Loss.

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B. Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

C. Hybrid contracts

A hybrid contract is a financial instrument that contains both a non-derivative host contract and an embedded derivative. The non-derivative host contract is classified as financial liability and initially measured at fair value. Subsequent measurement of the financial liability is done in accordance with Ind AS 109.

The derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

D. Deemed Capital Contribution

Deemed Capital Contribution has been recognised based on the cost of the premium of the financial guarantee given by the Holding Company to the lenders of the Company and Subsidiary Company.

2.17 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its equity shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

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2.18 Current - non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

2.19 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 Cash flow statement

Cash flows are reported using indirect method, whereby Profit/(loss) after tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

2.21 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

2.22 Segment reporting

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments.

2.23 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

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2.24 Use of estimates and critical accounting judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

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

Useful lives of Property, plant and equipment ('PPE') and intangible assets

The Group reviews the estimated useful lives and residual value of PPE and intangible assets at the end of each reporting period. The factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation and amortisation charge could be revised and thereby could have an impact on the profit of the future years.

Defined benefit plans

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

Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty.

Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 16 and 32 for further disclosures.

Impairment of Goodwill

Goodwill with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

2.25 Applicability of New and Revised Ind AS:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet:

(a) Lease liabilities should be separately disclosed under the head "financial liabilities", duly distinguished as current or non-current.
(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
(c) Specified format for disclosure of shareholding of promoters.
(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
(f) Specific disclosure under "additional regulatory requirement" such as compliance with approved schemes of arrangements, compliance wil number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, Key Managerial Personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head "additional information" in the notes forming part of financial statements.
(b) The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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3A Property, plant and equipment

Carrying value of :	As at 31 March 2021	As at 31 March 2020
a) Freehold land	416.51	416.51
b) Leasehold improvements	1.68	2.26
c) Buildings	213.46	239.80
d) Plant and machinery	314.28	373.89
e) Computers	0.83	1.61
f) Furniture and fixtures	4.89	4.53
g) Vehicles	5.10	9.56
	956.75	**1,048.16**

	Freehold land	Leasehold improvements	Buildings	Plant and machinery	Computers	Furniture and fixtures	Vehicles	Total
Gross carrying amount								
Balance at 31 March 2019	416.51	2.75	301.07	636.75	4.62	3.60	23.71	1,389.01
Additions	-	-	14.56	112.26	0.85	2.64	1.02	131.33
Disposals	-	-	-	41.53	1.52	0.70	1.65	45.40
Translation difference	-	0.25	-	28.43	0.15	-	-	28.83
Balance at 31 March 2020	**416.51**	**3.00**	**315.63**	**735.91**	**4.10**	**5.54**	**23.08**	**1,503.77**
Additions	-	-	3.85	91.80	0.09	1.78	-	97.52
Disposals	-	-	-	14.79	0.13	-	2.61	17.53
Translation difference	-	(0.10)	-	(11.24)	(0.06)	-	-	(11.40)
Balance at 31 March 2021	**416.51**	**2.90**	**319.48**	**801.68**	**4.00**	**7.32**	**20.47**	**1,572.36**
Accumulated depreciation								
Balance at 31 March 2019	-	0.05	40.85	121.41	1.61	0.69	3.61	168.22
Depreciation expense	-	0.66	34.98	265.06	2.20	0.82	10.53	314.25
Elimination on disposals of assets	-	-	-	32.93	1.38	0.50	0.62	35.43
Translation difference	-	0.03	-	8.48	0.06	-	-	8.57
Balance at 31 March 2020	-	**0.74**	**75.83**	**362.02**	**2.49**	**1.01**	**13.52**	**455.61**
Depreciation expense	-	0.51	30.19	144.88	0.85	1.42	4.13	181.98
Elimination on disposals of assets	-	-	-	12.29	0.12	-	2.28	14.69
Translation difference	-	(0.03)	-	(7.21)	(0.05)	-	-	(7.29)
Balance at 31 March 2021		**1.22**	**106.02**	**487.40**	**3.17**	**2.43**	**15.37**	**615.61**
Carrying amount (net block)								
Balance at 31 March 2021	**416.51**	**1.68**	**213.46**	**314.28**	**0.83**	**4.89**	**5.10**	**956.75**
Balance at 31 March 2020	**416.51**	**2.26**	**239.80**	**373.89**	**1.61**	**4.53**	**9.56**	**1,048.16**

Note : Property, plant & equipment as detailed above have been pledged as security against borrowings. Refer note 17 for borrowings against which these assets are pledged.

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3B Capital work in Progress(CWIP)

	Building	Plant & Machinery	Furniture	Total
Balance as at 1 April 2019	12.12	82.67	-	94.79
Additions	3.35	150.51	1.55	155.41
Transfer to Property, plant and equipment	(15.25)	(154.60)	(1.52)	(171.37)
Balance as at 31 March 2020	0,22	78.58	0.03	78.83
Additions	19.58	67.31	1.24	88.13
Transfer to Property, plant and equipment	(0.43)	(106.24)	(1.02)	(107.69)
Balance as at 31 March 2021	**19.37**	**39.65**	**0.26**	**59.28**

3C Right-of-use assets (ROU Assets)

Particulars	As at 31 March 2021
Carrying amounts of :	
Building	64 38
Plant & Machinery	30.74
Leasehold land	421 03
Vehicle	7.07
Total	**71.45**

	Building	Plant & Machinery	Vehicle	Leasehold land	Total
Gross carrying amount					
Balance as at 1 April 2019	-	-	-	-	-
Recognition on implementation of Ind AS 116 (Refer note 42)	84.89	-	-	442.32	442.32
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Translation difference	7.87	-	-	-	-
Balance as at 31 March 2020	92.76	-	-	442.32	535.08
Additions	36.67	34.39	7.07	-	78 13
Disposals	-	-	-	-	-
Translation difference	(3.13)	-	-	-	(3.13)
Balance as at 31 March 2021	126.30	34.39	7.07	442.32	610.08
Accumulated depreciation					
Balance as at 1 April 2019	-	-	-	-	-
Depreciation expense	33.14	-	-	10.66	43 80
Elimination on disposals of assets	-	-	-	-	-
Translation difference	1.64	-	-	-	-
Balance as at 31 March 2020	34.78	-	-	10.66	45.44
Depreciation expense	29 00	4.00	-	10 63	43.63
Elimination on disposals of assets	-	-	-	-	-
Translation difference	(1.86)	(0.35)	-	-	(2.21)
Balance as at 31 March 2021	61.92	3.65	-	21.29	86.86

	Building	Plant & Machinery	Vehicle	Leasehold land	Total
Carrying amount (net block)					
Balance as at 31 March 2021	64.38	30.74	7.07	421.03	523.22
Balance as at 31 March 2020	57.98	-	-	431.66	489.64

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3D Goodwill

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of :		
Goodwill	2,381.27	2,388.38
Total	**2,381.27**	**2,388.38**

Particulars	Amount
Goodwill as at 31 March 2019	**2,370.24**
Effect of foreign currency exchange differences	18.14
Goodwill as at 31 March 2020	**2,388.38**
Effect of foreign currency exchange differences	(7.11)
Goodwill as at 31 March 2021	**2,381.27**

Impairment assessment of goodwill as at 31 March 2021:

The Group has three Cash Generating Unit ("CGU") namely SMPL, Trident Components and Jayco Manufacturing CGUs.

The Group have performed annual impairment assessment of the goodwill by determining the "value in use" of the CGU as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

Based on the forward looking estimates, the cash flows are discounted using a post tax discount rate of 14.00% (Previous year : 13.00%) for SMPL CGU and 7.50% (Previous year : 6.87%) for Trident Components and 7.50% (Previous year : 6.87%) for Jayco Manufacturing CGUs. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long term growth rate of 2.00% (Previous year : 4.00%) for all three CGUs which is consistent with the industry forecasts for the generic bearing market. During the year ended 31 March 2021, the testing did not result in any impairment in the carrying amount of goodwill.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on impairment testing as above, the management believes that the recoverable amounts of goodwill are higher than their respective carrying amounts and hence no amounts are required to be recorded for impairment in the carrying amounts of goodwill.

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4 Other intangible assets

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying value of :		
a) Computer Software	3.85	5.67
b) Trademarks	30.39	42.95
c) Customer Relationships	488.24	545.41
	522.48	**594.03**

Particulars	Computer Software	Favourable lease assets	Trademarks	Customer Relationships	Total
Gross carrying amount					
Balance at 31 March 2019	7.26	453.50	52.52	550.12	1,063.40
Reclassified on account of adoption of Ind AS 116 (Refer note 42)	-	453.50	-	-	453.50
Additions	1.94	-	-	-	1.94
Disposals	0.02	-	-	-	0.02
Translation difference	0.39	-	4.95	51.81	57.15
Balance at 31 March 2020	**9.57**	**-**	**57.47**	**601.93**	**668.97**
Additions	0.57	-	-	-	0.57
Disposals	-	-	-	-	-
Translation difference	(0.16)	-	(1.94)	(20.29)	(22.39)
Balance at 31 March 2021	**9.98**	**-**	**55.53**	**581.64**	**647.15**
Accumulated amortisation					
Balance at 31 March 2019	1.31	11.18	2.82	15.34	30.65
Reclassified on account of adoption of Ind AS 116 (Refer note 42)	-	11.18	-	-	11.18
Amortisation expense	2.46	-	10.68	37.59	50.73
Elimination on disposals of assets	0.01	-	-	-	0.01
Translation difference	0.14	-	1.02	3.59	4.75
Balance at 31 March 2020	**3.90**	**-**	**14.52**	**56.52**	**74.94**
Amortisation expense	2.31	-	11.30	39.39	53.00
Elimination on disposals of assets	-	-	-	-	-
Translation difference	(0.08)	-	(0.68)	(2.51)	-3.27
Balance at 31 March 2021	**6.13**	**-**	**25.14**	**93.40**	**124.67**
Carrying value (net block)					
Balance as at 31 March 2021	**3.85**	**-**	**30.39**	**488.24**	**522.48**
Balance as at 31 March 2020	**5.67**	**-**	**42.95**	**545.41**	**594.03**

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Particulars	As at 31 March 2021	As at 31 March 2020
5 Investments		
A. Unquoted investments in equity shares (all fully paid) of Subsidiary Company		
Current		
Investment in mutual funds (unquoted) **(Carried at FVTPL)**		
Union Capital Protection Oriented Fund - Growth - Face value Rs. 10 per unit Nil units (As at 31 March 2020 : 100,000 units)	-	1.03
Total	-	**1.03**
Aggregate value of quoted investment	-	**1.03**
Market value of quoted investment	-	**1.03**
6 Loans (Unsecured, considered good)		
Non-current		
Loan to employees	0.67	1.19
Total	**0.67**	**1.19**
Current		
Loan to employees	1.17	2.53
Total	**1.17**	**2.53**
7 Other financial assets (Unsecured, considered good)		
Non-current		
(a) Security deposits	30.78	26.31
(b) Deposits with bank with more than 12 months remaining maturity*	-	1.11
(c) Interest accrued on deposits	-	0.34
Total	**30.78**	**27.76**
* Includes deposits under lien as margin money against bank guarantees		
Current		
(a) Security deposits	0.35	1.04
(b) Interest accrued on deposits	0.08	0.02
(c) Unbilled revenue	-	0.08
(d) Other receivables	1.90	10.28
Total	**2.33**	**11.42**
8 Income tax		
Non current tax assets		
Advance tax including tax deducted at source (net of provision for tax)	289.69	284.55
Total	**289.69**	**284.55**
Current tax liabilities		
Provision for tax	13.33	7.13
Total	**13.33**	**7.13**

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Particulars	As at 31 March 2021	As at 31 March 2020
9 Other assets (Unsecured, considered good, unless otherwise stated)		
Non-current		
(a) Capital advances	6.92	25.81
(b) Balances with government authorities (Refer note (i) below)	-	158.37
(c) Prepaid expenses	0.79	-
Total	**7.71**	**184.18**
Current		
(a) Prepaid expenses	47.37	28.49
(b) Balances with government authorities (Refer note (i) below)	857.03	255.10
Less: Provision for doubtful balances	(5.38)	(5.38)
	851.65	249.72
(c) Advances to suppliers	15.44	16.64
(d) Export benefit receivable	91.57	70.25
(e) Other advances	5.13	5.87
(f) Right to return good assets (Refer note (ii) below)	9.97	18.34
Total	**1,021.13**	**391.31**

(i) Balances with government authorities represents, Goods and Services Tax (GST) input credit receivable and GST refund receivable aggregating to Rs. 851.65 (previous year: Rs. 408.09), net of provision for doubtful balances. in previous year GST refund receivable amounting to Rs. 158.37 was expected to be received after one year and was accordingly classified as non current and balance of Rs.255.10 being GST input credit receivable which was expected to be adjusted within one year against future output tax liability of the Company was classified as current. For current year, the company expect to receive credit/utilise the entire GST balance within one year and accordingly is classifed as current.

(ii) The right to return goods asset represents the Company's right to recover products from customers where customers exercise their right of return.

Particulars	As at 31 March 2021	As at 31 March 2020
10 Inventories		
(a) Raw materials (Refer note I(i) below)	281.58	289.18
(b) Work-in-progress	200.52	280.11
(c) Finished goods (Refer note I(ii) below)	625.07	390.69
(d) Stock-in-trade (Refer note I(iii) below)	413.87	385.67
(e) Stores, spares and tools	82.00	64.32
Total	1,603.04	1,409.97
Notes:		
I. Includes goods in transit:		
(i) Raw materials	11.13	10.38
(ii) Finished goods	484.49	310.54
(iii) Stock-in-trade	16.56	12.80
II. Cost of inventories recognised as expense during the year	2,574.73	3,182.83
11 Trade receivables		
(a) Considered good	811.88	898.49
	811.88	**898.49**
(b) Considered doubtful	14.06	8.18
Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(14.06)	(8.18)
	-	-
Total	**811.88**	898.49

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Notes:

a) The average credit period on sale of goods is 0-90 days. No interest is charged on any overdue trade receivables.

b) In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

The ageing analysis of the receivables (gross of provision) after considering the credit period extended to customers is as under:

Particulars	As at 31 March 2021	As at 31 March 2020
Age of receivables		
Within credit period	573.81	731.66
1 - 90 days past due	159.78	129.76
90 - 180 days past due	21.40	4.93
More than 180 days past due	70.95	40.32
	825.94	**906.67**
c) Movement in the expected credit loss allowance		
Balance at the beginning of the year	8.18	4.33
Movement in expected credit loss allowance	1.03	3.85
Balance at the end of the year	**9.21**	**8.18**
d) Of the trade receivables balance as at the year end, the Group's largest customers who represents more than 10% of the total balance of trade receivables are as follows (Refer note 31(b)(vi) and note 33)		
Trade receivables		
Customer A	86.72	212.41
Customer B	83.24	99.72
Customer C	49.37	93.17
	219.33	**405.30**
e) Contract balances		
Trade receivables (net balances)	811.88	898.49
Contract assets (Unbilled revenue)(Refer note 7)	-	0.08
Contract liabilities (Advance from customers)(Refer note 19)	13.57	7.00

12 Cash and cash equivalents

(a) Cash on hand	0.40	0.15
(b) Balances with banks		
- in current accounts	147.08	231.05
Total	**147.48**	**231.20**

13 Bank balances other than cash and cash equivalents

(a) In deposit accounts		
- original maturity more than 3 months	4.00	1.14
(b) In earmarked accounts		
- Balances held as margin money against guarantees	-	0.30
Total	**4.00**	**1.44**

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Particulars	As at 31 March 2021	As at 31 March 2020
14 Equity share capital		
Authorised shares capital (Refer Note 16C):		
35,692,264 (As at 31 March 2019: 34,373,038) equity shares of Rs. 10 each with voting rights	356.92	343.73
Add: Increase in authorised share capital(31 March 2020: 1,319,226 equity shares of Rs. 10 each)	-	13.19
35,692,264 (As at 31 March 2020: 35,692,264) equity shares of Rs. 10 each with voting rights	**356.92**	**356.92**
Issued and subscribed capital comprises:		
35,692,264 (As at 31 March 2020: 35,692,264) equity shares of Rs. 10 each [Refere note 16(c)]	356.92	356.92
	356.92	**356.92**

	Number of shares	Share capital
A Reconciliation of number of equity shares outstanding at the beginning and end of the reporting period :		
Balance as at 1st April 2019	**32,123,038**	**321.23**
Add: Issue of shares (Refer note 16D)	3,568,962	35.69
Balance as at 31 March 2020	**35,692,000**	**356.92**
Add: Issue of shares	-	-
Balance as at 31 March 2021	**35,692,000**	**356.92**

B Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
Fully paid equity shares with voting rights:				
Delos Sage Holdco Cooperatief U.A., the Holding Company (including 1 share held by nominee)	32,123,038	90%	32,123,038	90%
Ramakrishnan Krishnan	3,569,226	10%	3,569,226	10%

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Particulars	As at 31 March 2021	As at 31 March 2020
15 Other equity		
(i) Retained earnings	(2,111.19)	(1,580.41)
(ii) Deemed contribution from parent company	114.91	75.00
(iii) Foreign currency translation reserve	(16.46)	(25.27)
Total	**(2,012.74)**	**(1,530.68)**
(i) Retained earnings		
Balance at the beginning of the year	(1,580.41)	(858.30)
Add: Loss for the year	(535.96)	(722.98)
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation	5.18	0.87
Balance at the end of the year	**(2,111.19)**	**(1,580.41)**
(iii) Deemed Equity		
Balance at the beginning of the year	75.00	36.54
Add: Expense recognised during the year	39.91	38.46
Balance at the end of the year	**114.91**	**75.00**
(iii) Foreign Currency Translation Reserve		
Balance at the beginning of the year	(25.27)	(17.19)
Add: Other comprehensive loss arising from Foreign exchange translation differences	8.81	(8.08)
Balance at the end of the year	**(16.46)**	**(25.27)**

Notes:

(a) Retained earnings

Retained earnings represent the undistributed profits of the Company.

(b) Deemed capital contribution

Delos Sage Holdco Cooperatief U.A (Holding Company) has given a financial guarantee for the Non-convertible Debentures issued by the Company and financial guarantee for term loans taken by Sage International, Inc. (Subsidiary Company). Deemed capital contribution of Rs. 114.91 (As at 31 March 2020 : Rs. 75.00) represents year till date cost of the premium of the financial guarantee received by the Company and the Subsidiary Company.

(c) Foreign Currency Translation Reserve

Represents exhange gain/(loss) arising on transalation of balances of foreign Subsidiary Company, which is not available for distribution as dividend.

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Particulars	As at 31 March 2021	As at 31 March 2020
16 Compulsorily convertible preference shares (CCPS)		
Authorised share capital		
Compulsorily convertible non-cumulative preference shares:		
237,196,934 (As at 31 March 2020: 192,196,934) 0.0001% Class A CCPS of Rs. 10 each	2,371.97	1,921.97
845,547 (As at 31 March 2020: 845,547) 0.0001% Class B CCPS of Rs. 10 each fully paid up	8.46	8.46
4,146,147 (As at 31 March 2020: 4,146,147) 0.00011% Class C CCPS of Rs. 10 each fully paid up	41.46	41.46
21,909,848 (As at 31 March 2020: 21,909,848) 0.000011% Class D CCPS of Rs. 10 each	219.10	219.10
	2,640.99	2,190.98
Issued and subscribed capital		
234,189,698 (As at 31 March 2020: 192,196,934) 0.0001% Class A CCPS of Rs. 10 each fully paid up	2,341.90	1,921.97
845,547 (As at 31 March 2019: 845,547) 0.0001% Class B CCPS of Rs. 10 each fully paid up	8.46	8.46
4,146,147 (As at 31 March 2019: 4,146,147) 0.00011% Class C CCPS of Rs. 10 each fully paid up	41.46	41.46
21,909,848 (As at 31 March 2019: Nil) 0.000011% Class D CCPS of Rs.10 each Fully paid up	219.10	219.10
	2,610.92	2,190.99
Add:		
Securities premium on issue of CCPS (Refer note D below)	259.88	32.28
(Gain)/Loss on fair valuation of derivative component of CCPS recognised in statement of profit and loss (Refer note F(ii) below)	(15.00)	325.00
	2,855.80	2,548.27

A Reconciliation of number of CCPS outstanding at the beginning and end of the reporting period :

	Number of shares	Amount
0.0001% Class A CCPS		
Balance as at 1 April 2019	192,196,934	1,921.97
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	192,196,934	1,921.97
Add: Issue of CCPS	41,992,764	419.93
Balance as at 31 March 2021	234,189,698	2,341.90
0.0001% Class B CCPS		
Balance as at 1 April 2019	845,547	8.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	845,547	8.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	845,547	8.46
0.00011% Class C CCPS		
Balance as at 1 April 2019	4,146,147	41.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2020	4,146,147	41.46
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	4,146,147	41.46
0.000011% Class D CCPS		
Balance as at 1 April 2019	-	-
Add: Issue of CCPS (Refer note D below)	21,909,848	219.10
Balance as at 31 March 2020	21,909,848	219.10
Add: Issue of CCPS	-	-
Balance as at 31 March 2021	21,909,848	219.10

B Details of shareholders holding more than 5% of CCPS in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding	Number of shares	% holding
0.0001% Class A CCPS				
- Delos Sage Holdco Cooperatief U A, the Holding Company	234,189,696	100%	192,196,934	100%
0.0001% Class B CCPS				
- AR2LLC	845,547	100%	845,547	100%
0.00011% Class C CCPS				
- Fortress Metals LLC	4,146,147	100%	4,146,147	100%
0.000011% Class D CCPS				
- Ramakrishnan Krishnan	21,909,848	100%	21,909,848	100%

C Change in authorised share capital

i) For the year ended 31 March 2021

The Board of Directors of the Company in its meeting held on 30 September 2020 approved the increase and reclassification of the authorised share capital of the Company to Rs. 3128.26. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 1 October 2020. Pursuant to the above, the Company offered a rights issue of compulsorily convertible preference share capital to its Equity shareholders.

The Board of Directors of the Company in its meeting held on 1 March, 2021 approved the increase and reclassification of the authorised share capital of the Company to Rs. 3278.26. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 5 March, 2021. Pursuant to the above, the Company offered a rights issue of compulsorily convertible preference share capital to its Equity shareholders.

The revised authorised equity and preference share capital of the Company as at 31 March 2021 is as under:

(a) 35,692,264 equity shares of Rs. 10 each (Refer note 14)

(b) 237,196,934 Class A compulsorily convertible preference shares of Rs. 10 each

(c) 845,547 Class B compulsorily convertible preference shares of Rs. 10 each

(d) 4,146,147 Class C compulsorily convertible preference shares of Rs. 10 each

(e) 21,909,848 Class D compulsorily convertible preference shares of Rs. 10 each

(f) 28,035,419 Redeemable Optionally Convertible Preference shares of Rs. 10 each (Refer note 17)

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ii) Year ended 31 March 2020

The Board of Directors of the Company in its meeting held on 1 October 2019 approved the increase and reclassification of the authorised equity and preference share capital of the Company to Rs. 2,856.84. The increase and reclassification in authorised share capital was approved by the shareholders in the Extraordinary General Meeting of the Company held on 19 October 2019. Pursuant to the change, Equity Share capital has been increased and there is an increase/decrease and reclassification among the various classes of preference share capital. The revised authorised equity and preference share capital of the Company as at 31 March 2020 is as under:

(a) 35,692,264 equity shares of Rs. 10 each (Refer note 14)

(b) 192,196,934 Class A compulsorily convertible preference shares of Rs. 10 each

(c) 845,547 Class B compulsorily convertible preference shares of Rs. 10 each

(d) 4,146,147 Class C compulsorily convertible preference shares of Rs. 10 each

(e) 21,909,848 Class D compulsorily convertible preference shares of Rs. 10 each

(f) 30,893,134 Redeemable Optionally Convertible Preference shares of Rs. 10 each (Refer note 17)

D During the current year, the Company has issued 41,992,764 shares of Class A CCPS at a premium of Rs. 5.42 per CCPS. In previous yer, the Company had issued the following securities to settle the consideration payable to erstwhile SMPL's shareholding arising out of merger/business combination

Particulars	Number of shares	Face Value	Amount
Equity shares	3,569,226	10	35.69
Class D CCPS	21,909,848	10	219.10
Redeemable Optional Convertible Preference Shares (ROCPS)	28,035,419	10	280.36
Total			535.15

E E1 - Terms of Conversion

The Company entered into an 'Framework Agreement' with Delos Sage Holdco Cooperatief U A, AR2 LLC, Fortress Metals LLC and Ramakrishnan Krishnan on 11 March 2018 which was amended on 31 January 2020 to incorporate the terms of Class D CCPS and Redeemable Optionally Convertible Preference Shares (ROCPS). The 'Amended and Restated Framework Agreement' supersedes the earlier 'Framework Agreement' dated 11 March 2018 entered among the parties and governs the rights and obligations, matters incidental to and connected with the issuance of Compulsorily Convertible Preference Shares which are as follows:

Terms	Class A	Class B	Class C	Class D
(i) Term (Same for all classes of CCPS)	Unless converted in accordance with the Conversion clause (iii) below, the term shall not exceed 15 years from the date of issuance thereof.			
(ii) Dividend	Non-cumulative 0.0001% p. a.	Non-cumulative 0.0001% p. a.	Non-cumulative 0.00011% p. a.	Non-cumulative 0.000011% p. a.
(iii) Conversion	The Class A CCPS shall be converted into equity shares at the time of Liquidity Event. Additionally, the Class A CCPS may be convertible into equity shares, at the option of the Board of the Company or at the option of the holder thereof, at any time prior to a Liquidity Event.	The Class B CCPS shall be converted into equity shares at the time of Liquidity Event.	The Class C CCPS shall be converted into equity shares at the time of Liquidity Event.	The Class D CCPS shall be converted into equity shares at the time of Liquidity Event.
(iv) No. of equity shares issuable upon conversion (Same for all classes of CCPS)	CCPS shall be convertible into the number of equity shares obtained by dividing (x) the Subscription Price of CCPS plus all unpaid dividend as of the conversion date, by (y) the then prevailing Conversion Price of CCPS.			
(v) Coversion price	"Conversion Price" with respect to Class A CCPS, Class B CCPS, Class C CCPS or Class D CCPS, as applicable, means the price at which such Shares are converted into Equity Shares as determined by the Board based on the then fair market value of such Shares.			
(vi) Automatic conversion (Same for all classes of CCPS)	Any CCPS that has not been converted into Equity Shares in accordance with above shall, if required under Applicable Law, compulsorily convert into Equity Shares on the 15th (fifteenth) anniversary of the date of issuance thereof			

The key definitions and interpretations of the 'Framework Agreement' are as under:

a. **'GIPL Equity Securities'** means equity shares, Class A CCPS, Class B CCPS, Class C CCPS and Class D CCPS.
b. **'Liquidity Event'** means (a) an IPO, (b) Third Party Sale, (c) a Liquidation Event, or (d) any Other Liquidity Event.
c. **'Distributable Amounts'** means the cash that is distributable to the Shareholders pursuant to any Liquidity Event.

E2 - Distribution of Distributable Amounts post conversion to the holders of GIPL Equity Securities shall be as under

In case of a Liquidity Event that is not an IPO or a Liquidation Event, Distributable Amounts shall be distributed in the following manner:

Step 1: To the holders of Redeembale Optionally Convertible Preference Shares (ROCPS), payment of any Agreed Return to the extent not already paid prior to such Liquidity Event.

Step 2: To the holders of ROCPS, payment of the redemption or repurchase amount represented by the aggregate face value of the outstanding ROCPS, to the extent not already paid prior to such Liquidity Event

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Step 3: To the holders of all the GIPL Equity Securities, the Remaining Distributable Amounts to the holders of all the GIPL Equity Securities on a Pro Rata Basis up to the following amounts:

- If the Liquidity Event occurs prior to the fifth Anniversary of the Closing Date, then an amount at least equal to the respective Investment Amount, or

- If the Liquidity Event occurs on or after the fifth Anniversary of the Closing Date, then the respective Investment Amount along with a minimum IRR of 15%.

(For the purposed of step 3 above, 'Remaining Distributable Amounts' means an amount equal to (a) the Distributable Amounts minus (b) the amounts, if any, paid to the holders of ROCPS).

Step 4: To holders of Class A CCPS, any taxes payable by holders of Class A CCPS pursuant to the Transfer of Class A CCPS on the difference between (a) the DSHC Investment Amount, and (y) the DSHC Investment Amount, as reduced to the extent of the Intermediate Payment Amount.

Step 5: If the Distributable Profits is sufficient to provide the respective Relevant Preferred Return to the holders of GIPL Equity Securities pursuant to the following distribution, then such Distributable Profits shall be distributed to the holders of GIPL Equity Securities in the following manner:

Liquidity Event ->		Before 5th Anniversary of Closing Date	After 5th Anniversary of Closing Date
Class B CCPS	**Remaing GIPL Equity Securities holders**	**Relevant preferred return**	**Relevant preferred return**
10%	90%	2 times of invested amount	Invested amount plus IRR of 20%
15%	85%	2.5 times of invested amount	Invested amount plus IRR of 20%
20%	80%	3 times of invested amount	Invested amount plus IRR of 25%
25%	75%	4 times of invested amount or more	Invested amount plus IRR of 32%

For the purposes of Step 5 above, 'Distributable Profits' means an amount equal to (a) the Remaining Distributable Amounts minus (b) the amounts paid to the holders of GIPL Equity Securities.

After conversion of CCPS into equity shares, as agreed between the share-holders, the resulting equity shares allocated to the CCPS holders will have differential rights and will be entitled to "Distributable Amounts" as specified in D2 above. This will be notwithstanding the number of ordinary shares allocated to them.

F **Carrying amount of financial liability and fair value of derivative component are set out below:**

i. The Compulsory conversion of preference shares into equity shares of the Company as at conversion date has been treated as a financial liability and carried at amortised cost, as ther conversion will be in variable number of equity shares.

ii. As per the 'Distribution of Distributable Amounts post conversion to the holders of GIPL Equity Securities' (Refer note F2 above), the distributable amounts at the time of liquidity event (post conversion to equity shares) to the CCPS holders will be different from the normal equity distribution. Accordingly, the value allocated to CCPS over and above their normal equity distribution is considered as the embedded derivative component in the hybrid financial instrument. The embedded derivative has been fair valued using Monte-Carlo simulation model based on a Geometric Brownian Motion function. The gain/loss arising on fair valuation of derivative component has been charged to statement of profit and loss account. As enumerated below, fair value of derivative component using Monte-Carlo simulation model as at 31 March 2021 is Rs. (15.00) (As at 31 March 2020: Rs 325.00).

CCPS Categories	Class A	Class B	Class C	Class D	Total
Total fair value of CCPS	2,462.08	147.58	39.04	207.10	2,855.80
Less : Liability value (at amortised cost)	2,601.08	8.58	42.04	219.10	2,870.80
Fair value (Derivative component) as at 31 March 2021	**(139.00)**	**139.00**	**(3.00)**	**(12.00)**	**(15.00)**

CCPS Categories	Class A	Class B	Class C	Class D	Total
Total fair value of CCPS	2,083.55	185.58	45.04	234.10	2,548.27
Less : Liability value (at amortised cost)	1,953.55	8.58	42.04	219.10	2,223.27
Fair value (Derivative component) as at 31 March 2020	**130.00**	**177.00**	**3.00**	**15.00**	**325.00**

G **Subsequent events.**
The Company on November 9, 2021 (effective date) entered into a "Confidential Settlement Agreement and Release Agreement" with holder of class B Compulsory Convertible Preference Shares (CCPS). As per the agreement the Company would buy back the CCPS for a sum of US$30,000 (the "Buy back payment").

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Particulars	As at 31 March 2021	As at 31 March 2020
17 Borrowings (at amortised cost)		
Non-current		
(a) 6,350, 12.90% Secured, Non-convertible Debentures of Rs. 450,000 each [As at 31 March 2020 : 6,350 Non-convertible Debentures of Rs. 450,000 each] (Refer note A below)	-	2,834.13
(b) Term loan from financial institutions (Refer note D below)	-	1,199.43
(c) Other loans - Vehicle loan (Secured by hypothecation of vehicles and payable in 60 equal monthly installments. Applicable rate of interest is 8.51% to 9.50% per annum)	-	4.26
(d) 28,035,419, 15%, Secured, Redeemable Optionally Convertible Preference Shares of Rs. 10 each [As at 31 March 2020 : 28,035,419] [Refer note B below and note 16D]	-	280.36
Total	-	**4,318.18**
Current		
(a) 6,350, 12.90% Secured, Non-convertible Debentures of Rs. 450,000 each [As at 31 March 2020 : 6,350 Non-convertible Debentures of Rs. 450,000 each] (Refer note A below)	2,852.08	-
(b) Loans repayable on demand (Refer note C below)		
- From banks	-	341.54
(c) Other loans - Vehicle loan (Secured by hypothecation of vehicles and payable in 60 equal monthly installments. Applicable rate of interest is 8.51% to 9.50% per annum)	3.24	
(d) 28,035,419, 15%, Secured, Redeemable Optionally Convertible Preference Shares of Rs. 10 each [As at 31 March 2020 : 28,035,419] [Refer note B below and note 16D]	280.36	
(e) Term loan from financial institutions (Refer note D below)	1,460.19	-
Total	**4,595.87**	**341.54**

Notes:

A **Non-convertible Debentures**

6,350, 12.90% Non-convertible Debentures of Rs. 450,000 each	2,857.50	2,857.50
Transaction cost - Opening balance	(23.37)	(37.64)
Add: Transaction cost amortised during the year	17.95	14.27
Closing liability	2,852.08	2,834.13

Terms of Debentures

(i) Debentures are secured by first ranking exclusive fixed charge on:

(a) all its present and future rights, title, interest and benefit in all and singular movable assets, including movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles, other fixed assets, movable fixed assets and all other movable assets of the Company whether installed or not and whether affixed to the earth or not and whether lying loose in cases or which are lying or are stored in or to be stored in or to be brought upon any warehouses, stockyards and godowns of the Company or any of the Company's agents, Affiliates, associates or representatives or at various work sites or at any place or places, wherever else situated or wherever else the same may be, whether now belonging to or that may at any time during the continuance of this Deed, belonging to the Company and/or that may at present or hereafter be held by any party anywhere to the order and disposition of the Company, or in the course of transit or delivery, and all replacements thereof and additions thereof, whether by way of substitution, replacement, conversion, realisation or otherwise, howsoever, together with all benefits, rights and incidentals attached thereto which are now or shall at any time hereafter be owned by the Company and all estate, right, title, interest, property, claims and demands, whatsoever, of the 'Company unto and upon the same;

(b) all intangible, tangible and current assets of the Company, both present and future, together with all rights, titles, interests, benefits, claims, demands and incidentals in them and attached thereto of the Company;

(c) all present and future rights, title, interest, benefits, claims and demands whatsoever of the Company in, to and under, the Share Purchase Agreement to the fullest extent permitted under Applicable Law and the terms of the Share Purchase Agreement,

(d) all its present and future rights, titles, interests, benefits, claims, demands in the Account Assets; and

(e) all rights, title, interest, benefits, claims and demands whatsoever of the Company, whether presently in existence or acquired hereafter, in, to, under and/or in respect of the Company Receivables, the profits of the Company, whether or not deposited in any Company Account (as maybe relevant), the book debts of the Company, the operating cash flows of the Company and all other commissions and revenues and cash of the Company, both present and future,

excluding, in each case, the Escrow Account and any amount standing to the credit of the Escrow Account.

(ii) The Debentures are also guaranteed by the Holding Company (Delos Sage Holdco Cooperatief U.A.).

(iii) The debentures issued carried an interest rate of 12.90%. Further, all payments to be made by the Company to the secured parties under the debenture document shall be made free and clear of and without any tax deduction. Out of 12.90%, 8.00% shall be payable on a quarterly basis to the lenders and the balance interest will be deferred and added back to principal amount on quarterly basis.

(iv) Debentures representing 10% of the face value amounting to Rs. 317.50 were redeemed on 12 September 2019 along with proportionate deferred interest amount. The balance principal amount along with deferred interest shall be redeemed on 30 June 2021 and accordingly are classified as current borrowing as at 31 March 2021.

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(v) Debenture Redemption Reserve has not been created by the Company as the Company does not have any profits during the current/previous period.

(vi) **Compliance with Debt Covenants**

As per the Debenture Trust Deed and loan facility arrangement entered by the Subsidiary Company (Refer note C below), the Company and Delos Sage Holdco Cooperatief U.A. (the "Parent") are required to ensure the following financial covenants:

(a) the Ratio of Consolidated Net Debt to EBITDA of the Company as on 31 March 2021, shall not be greater than the ratio 4.00:1. (As on 31 March 2020 the said ratio shall not be greater than the ratio 4.00:1).

(b) The aggregate capital expenditure of the Company along with its subsidiary in respect of financial year ended 31 March 2021 shall not exceed Rs 60.00 million. (for the financial year ended 31 March 2020 the said expenditure shall not exceed Rs. 60.00 million)

The actual ratio of Consolidated Net Debt to EBITDA of the Company as at 31 March, 2021 and 31 March 2020 exceeded the ratio as mentioned under clause (a) above. Further, the actual consolidated capital expenditure for the years ended 31 March 2021 and 31 March 2020 exceeded the amount as mentioned under clause (b) above. The same has resulted in breach of 'financial covenants' as enumerated in the Debenture Trust Deed.

The lenders, in current year, have agreed not to take enforcement action due to breach of financial covenants. In previous year, the lenders had waived off the breach of 'financial covenants' with respect to the excess of Consolidated Net Debt to EBITDA and capital expenditure. Consequently 'Event of Default' as mentioned in Debenture Trust Deed does not get triggered and the debenture facility will not be recalled.

(vii) **Subsequent events.**
As per the Debenture agreement, NCD's [6350, 12.9% secured, Non-convertible debentures of Rs. 450,000 each] amounting to Rs. 2,852.08 millions and accrued interest of Rs. 525.42 millions as at 31 March 2021 respectively were due for re-payment on 30 June, 2021. The Company in September, 2021 has entered into a "Restructuring Term Sheet" with lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of NCD's has been extended to 30 June 2023, with no extension option. As the Restructuring Term Sheet has been executed after the reporting period and before the financial statements are approved for issue the same has been classified as current financial borrowings.

B **Terms of Redeemable Optionally Convertible Preference Shares (ROCPS)**

1 The term of ROCPS shall not exceed 42 (forty-two) months from the Appointed Date 12 March 2018.

2 The ROCPS shall carry an annual dividend or similar permissible returns in such manner such that each ROCPS is entitled to get a return equal to a 15% interest on the face value thereof. As at 31 March 2021, accrued interest amounting to Rs. 150.81 and due on Oct. 2021 is classified as other current financials Liabilities

3 Redemption Terms - ROCPS shall be redeemed or repurchased annually within a period of 42 (forty-two) months from the Appointed Date, in such manner as may be determined by the Company. From the first anniversary of issuance of the Final ROCPS, Final ROCPS shall be redeemed or repurchased, in accordance with Applicable Law, out of the profits of the Company annually in such manner that the principal amount paid or payable pursuant to such redemption or repurchase along with the Agreed Annual Return results in payment of a minimum of Rs. 50 million (on an annual basis) to Ramkrishnan Krishnan.

4 Conversion Terms - All outstanding ROCPS may be convertible into equity shares of the Company if determined by the Board of the Company at the time of a Liquidity Event that occurs prior to the expiry of the term of the ROCPS; provided however, that such conversions shall not adversely affect any rights of the holders of ROCPS; provided, further, that such conversion shall take place at the then fair market value of the equity shares of the Company as may be determined by the Board of the Company at such time.

5 **Subsequent events.**
The Company subsequent to year end has started the process of renegotiating / restructuring the terms of the ROCPS (including interest thereon) and the ROCPS holder has confirmed that the amount of ROCPS will not be called for the next twelve months.

C **Loans repayable on demand**

Loan is secured by First charge on the current assets of the Company present and future and second charge on fixed assets of the Company present and future The loan is repayable on demand and carries interest rate of 6 10%

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D 12% Loan Facility	**As at 31 March 2021**	**As at 31 March 2020**
Loan facility	1,463.20	1,211.36
Transaction cost	(3.01)	(11.93)
Total	**1,460.19**	**1,199.43**

On 10 September 2018, Sage International, Inc. ('SII' or 'Subsidiary Company') entered into a facility Agreement with SANNE Agensynd S.L.U (acting as Agent and Security Agent for original lenders). The facility agreement provided for a sanctioned loan facility for an aggregate principal amount of $20.00 million, which matures on 30 June 2021. As at 31 March 2021, SII has drawn $16.00 million (Rs. 1,170.56 million) [As at 31 March 2020, drawn $16.00 million (Rs. 1,211.36 million)] out of the original principal amount sanctioned. SII's obligations under the facility agreement are secured by substantially all of its assets and guaranteed by the Company and the Holding Company. The facility agreement requires compliance with certain financial and restrictive covenants and lists out various events of default. Key financial covenants include testing and compliance of prescribed ratio of Consolidated Net Debt to EBITDA of the Company Group (all as defined and set forth in the facility agreement) and caps on aggregate capital expenditure of the Company Group. (Refer note A(vi) above).The additional $4 Million is the loan taken from Delos Investment Fund II, LP and a promissory note dated 4 June, 2020 has been executed by SII in favour of Delos at an interest at a rate equal to 12.00% per annum (the "Interest Rate"), compounding annually

Borrowings outstanding under the facility agreement will bear cash interest rate of 5% and PIK interest (Deferred interest) rate of 7%. PIK Interest shall be automatically capitalised and shall be added to the outstanding principal amount of the Loans on the last day of each Interest Period.

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
18 Provisions		
Non-current		
Provision for employee benefits		
- Compensated absences	14.10	12.84
- Gratuity (Refer note 34)	64.72	65.80
Total	**78.82**	**78.64**
Current		
(a) Provision for employee benefits		
- Compensated absences	4.76	4.48
- Gratuity (Refer note 34)	9.04	30.96
(b) Provision for Onerous contracts (Refer note below)	-	79.31
Total	**13.80**	**114.75**
Note:		
Provision for onerous contracts		
Opening balance	79.31	-
Provision made during the year	-	79.31
Provision settled during the year	(79.31)	-
Closing Balance	-	**79.31**

Provision for onerous contracts represents excess of cost as estimated by the management expected to be incurred to fulfill the obligation under the sales orders over and above the contracted price, has been finalised and settled during FY 2021.Provision for onerous contract created in previous year was settled during the year.

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Particulars	As at 31 March 2021	As at 31 March 2020
19 Other liabilities		
Non-current		
Statutory dues payable	-	50.93
Total	**-**	**50.93**
Current		
(a) Advances from customers	13.57	7.00
(b) Statutory dues payables	50.09	28.45
(c) Refund liability for expected sales return (Refer note below)	-	21.73
Total	**63.66**	**57.18**

Other current liabilities include refund liability relating to customers right to return products. At point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned.

Particulars	As at 31 March 2021	As at 31 March 2020
20 Trade payables		
(a) Outstanding dues to Micro and small enterprises (Refer note 37)	297.89	298.68
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	1,171.33	796.33
Total	1,469.22	1,095.01
21 Other financial liabilities		
Non-current		
(a) Interest accrued but not due on Debentures and term loan (Refer notes 17A and 17D)	-	430.74
(b) Interest accrued but not due on ROCPS (Refer note 17B)	-	93.64
Total	-	524.38
Current		
(a) Interest accrued but not due on debentures and term loan (Refer note 17A and 17D)	755.86	15.34
(b) Interest accrued on trade payables	5.81	2.70
(c) Payable for purchase of property, plant and equipment	0.88	13.72
(d) Withholding Tax payable	59.04	-
(e) Liability for business acquisition (Contingent consideration)	-	39.00
(f) Security deposits	1.20	1.78
(g) Other payables	0.46	0.36
(h) Payable for Bill discounting	119.46	-
(i) Interest accrued but not due on ROCPS (Refer note 17B)	150.81	-
Total	1,093.52	72.90

(All amounts are in Rs. Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
22 Revenue from operations		
(a) Sale of products		
Sale of goods	4,457.61	5,620.92
(b) Sale of services		
Job work services	374.90	
Development charges	17.75	13.00
(c) Other operating revenue		
Scrap sales	73.12	80.87
Export incentives	84.57	191.70
Total	**5,007.95**	**5,906.49**

(i) Disaggregate revenue information

The Group disaggregated the revenue based on geographical locations and it is disclosed under note 33 "Segment Reporting". Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

(ii) Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue are recognised at a point in time when the Group transfers control over the product to the customer.

Trade receivables are presented net of impairment in the Balance Sheet.

(iii) Reconciliation of revenue recognised with contract price for sale of goods :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	4,493.86	5,641.05
Adjustments for:		
Discounts	(36.25)	(20.13)
Revenue from sale of goods	**4,457.61**	**5,620.92**

23 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Interest income from financial assets measured at amortised cost		
- on bank deposits	0.54	0.24
- on security Deposit	0.68	0.46
- on loan to employees	0.05	0.07
(b) Profit on sale of Investment	0.01	
(c) Net gain on foreign currency transactions and translation	11.29	157.99
(d) Profit on sale/disposal of property, plant and equipment	1.18	
(e) Gain on fair valuation of derivative component of CCPS (Refer note 16)	340.00	-
(f) Miscellaneous income	2.79	4.82
Total	**356.54**	**163.58**

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Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
24	**Cost of materials consumed**		
	(a) Inventory at the beginning of the year	278.80	358.97
	(b) Add : Purchases during the year*	2,243.45	2,237.86
		2,522.25	**2,596.83**
	(c) Less : Inventory at the end of the year	280.98	278.80
	Total	**2,241.27**	**2,318.03**
	* including job work charges	140.08	186.78
24A	**Purchase of stock-in-trade**		
	(a) Purchase of Stock	301.11	343.75
	Total	**301.11**	**343.75**
25	**Changes in inventories of finished goods, stock-in-trade and work-in-progress**		
	Inventory at beginning of the year		
	(a) Stock-in-trade	96.70	96.64
	(b) Work-in-progress	280.11	338.51
	(c) Finished Goods	390.69	612.38
		767.50	**1,047.53**
	Inventories at the end of the year		
	(a) Stock-in-trade	148.62	96.70
	(b) Work-in-progress	200.52	280.11
	(c) Finished goods	625.07	390.69
		974.21	**767.50**
	Net (increase) / decrease	**(206.71)**	**280.03**
26	**Employee benefits expense**		
	(a) Salaries, wages and bonus	1,037.63	1,028.51
	(b) Contribution to provident fund	18.51	19.82
	(c) Gratuity expense (Refer note 34)	13.44	13.10
	(d) Staff welfare expense	40.76	49.38
	Total	**1,110.34**	**1,110.81**
27	**Finance Costs**		
	(a) Interest costs		
	- Borrowings	768.82	672.71
	- Lease liability	9.98	2.46
	- Consideration payable to SMPL's shareholder arising out of business combination (Refer note 16D)	-	26.05
	- Others	18.59	11.81
	(b) Corporate guarantee premium expense	39.91	38.46
	(c) Bill discounting charges	9.23	7.89
	(d) Bank charges	4.69	9.04
	Total	**851.22**	**768.42**

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Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
28	**Depreciation and amortisation expense**		
	(a) Depreciation on property, plant and equipment (Refer note 3A)	181.97	314.25
	(b) Depreciation on Right of use assets (Refer note 3C)	42.63	43.80
	(c) Amortisation of other intangible assets (Refer note 4)	53.00	50.73
	Total	**277.60**	**408.78**
29	**Other expenses**		
	(a) Consumption of stores and spares	157.04	150.18
	(b) Consumption of packing materials	82.02	90.84
	(c) Power and fuel	187.53	200.10
	(d) Rent (Refer note 42)	54.42	43.95
	(e) Repairs and maintenance :		
	- Building	23.80	20.07
	- Plant and machinery	66.68	72.57
	- Others	40.79	52.37
	(f) Rates and taxes	35.65	58.81
	(g) Provision for onerous contract (Refer note 18)	-	79.31
	(h) Travelling and conveyance	10.08	26.36
	(i) Legal and professional fees	434.67	343.54
	(j) Insurance	17.45	14.09
	(k) Freight	388.79	338.50
	(l) Provision for balances with government authorities	-	2.68
	(m) Provision for doubtful trade receivables and advances (net)	5.88	8.09
	(n) Bad debts/ advances written off	2.11	0.77
	(o) Loss on sale/ disposal of property, plant and equipment	1.58	6.08
	(p) Corporate Social Responsibility(CSR) expenditure (Refer note below)	0.15	0.69
	(q) Loss on fair valuation of derivative component of CCPS (Refer note 16)	-	130.00
	(r) Change in fair value of contingent consideration	-	15.52
	(s) Miscellaneous expenses	27.57	35.67
	Total	**1,536.21**	**1,690.19**

Note:

The Company has spent Rs. 0.15 (previous year : Rs. 0.69) on CSR activities and the unspent CSR liability as at 31 March 2021 is Rs. 34.48 (As at : Rs. 34.63). The unspent CSR liability represent those of erstwhile Sage Metals Pvt. Ltd. (SMPL) which got merged with the company vide NCLT order dated 20 June 2019 with the appointed and effective date of 13 March 2018.

Expenditure on CSR

a. Gross amount required to be spent by the Company during the year ended 31 March 2021 is Rs. Nil (Previous year : Rs. Nil)

b. Amount spent:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	0.15	-	0.15
	(0.69)	-	(0.69)
	0.15	-	**0.15**
	(0.69)	-	**(0.69)**

*Figures in bracket relates to previous period

c. Details of related party transactions:
- Contribution during the period ended 31 March 2021 is Rs. Nil (Previous year Rs. Nil)
- Payable as at 31 March 2021 is Rs. Nil (As at 31 March 2020 Rs. Nil)

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	Particulars	Year ended 31 March 2021	Period ended 31 March 2020
30	**Income taxes**		
A	**Income tax recognised in profit and loss**		
(a)	**Current tax**		
	In respect of current year	6.58	43.89
	In respect of prior years	12.80	12.72
		19.38	**56.61**
(b)	**Deferred tax [Refer note 30C]**		
	In respect of current year	(229.97)	(209.16)
	In respect of prior years	-	25.59
		(229.97)	**(183.57)**
	Total tax expense charged/(credited) in Statement of Profit and Loss	**(210.59)**	**(126.96)**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Loss before tax	(746.55)	(849.94)
	Income tax expense calculated at 29.12% (Previous period : 29.12%)	(217.39)	(247.50)
	Effect of expenses that are not deductible in determining taxable profit	(21.59)	76.98
	Adjustments recognised in the current year in relation to the current tax of prior years	12.80	12.72
	Adjustments recognised in the current year in relation to the deferred tax of prior years	-	25.59
	Effect on deferred tax balances due to the change in income tax rates	-	(24.41)
	Effect of tax rate differences of subsidiary company operating in other jurisdictions	15.59	29.66
	Income tax expense recognised in profit or loss	**(210.59)**	**(126.96)**
B	**Income tax recognised in other comprehensive income**		
	Deferred tax [Refer note 30C]		
	Arising on income and expenses recognised in other comprehensive income		
	-Remeasurement of defined benefit obligation	(2.13)	(0.36)
	- Foreign exchange translation differences	(2.68)	2.46
	Total tax expense/(Income) recognised in other comprehensive income	**(4.81)**	**2.10**

Tax rate used for the years ended 31 March 2021 and 31 March 2020 reconciliations above is the corporate tax rate of 29.12% being the rate at which tax is payable by corporate entities in India who have not elected the lower tax rate on taxable profits under the Indian tax law.

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30 Income taxes

C Movement in deferred tax

(i) For the year ended 31 March 2021

Particulars	Opening Balance	Recognised in profit or loss charge/(credit)	Recognised in Other comprehensive income charge/(credit)	Effect of foreign exchange translation differences	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and other intangible assets	(215.77)	(10.08)	-	(0.99)	(204.70)
Goodwill	(322.81)	(322.81)	-	-	-
	(538.58)	**(332.89)**	-	**(0.99)**	**(204.70)**
Tax effect of items constituting deferred tax assets					
Provision for employee benefits	34.08	5.82	2.13	-	26.13
Business loss and unabsorbed depreciation	192.07	(150.03)	-	6.37	335.73
Other items	335.46	247.13	2.68	1.08	84.57
	561.61	**102.92**	**4.81**	**7.45**	**446.43**
Deferred tax assets / (liabilities) (net)	23.03	(229.97)	4.81	6.46	241.73
Disclosed as:					
Deferred tax assets	202.51				276.56
Deferred tax liabilities	179.48				34.83
Deferred tax assets / (liabilities) (net)	**23.03**				**241.73**

(ii) For the year year 31 March 2020

Particulars	Opening Balance	Recognised in profit or loss charge/(credit)	Recognised in Other comprehensive income charge/(credit)	Effect of foreign exchange translation differences	Closing balance
Tax effect of items constituting deferred tax liabilities					
Property, plant and equipment and intangible assets	(268.89)	(58.73)	-	5.61	(215.77)
Goodwill	(261.59)	61.22	-	-	(322.81)
	(530.48)	**2.49**	-	**5.61**	**(538.58)**
Tax effect of items constituting deferred tax assets					
Provision for employee benefits	38.35	3.91	0.36	-	34.08
Business loss and unabsorbed depreciation	207.92	26.88	-	(11.03)	192.07
Other items	115.03	(216.85)	(2.46)	(1.12)	335.46
	361.30	**(186.06)**	**(2.10)**	**(12.15)**	**561.61**
Deferred tax assets / (liabilities) (net)	**(169.18)**	**(183.57)**	**(2.10)**	**(6.54)**	**23.03**
Disclosed as:					
Deferred tax assets	75.54				202.51
Deferred tax liabilities	244.72				179.48
Deferred tax assets / (liabilities) (net)	**(169.18)**				**23.03**

D. The Group does not have any unrecognised deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not created.

E. Deferred tax expense for the previous year was determined considering Goodwill acquired from business combination is a depreciable asset under section 32 of the Income Tax Act, 1961. The Finance Bill 2021, ammended whereby no depreciation on goodwill shall be allowable from April 2020 (ie. financial year 2020-21). Accordingly, deferred tax liability created in earlier year has been reversed in current year.

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31 Financial Instruments

a) Capital Management

The Company's management reviews the capital structure of the Group on periodical basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group monitors the capital structure using gearing ratio which is determined as the proportion of net debt to total equity.

The capital structure of the Group consists of net debt (borrowings as detailed in note 17 and offset by cash and bank balances in notes 12 and 13) and total capital (including Compulsorily convertible non-cumulative preference shares) of the Group.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans.

The funding requirements are met through a mixture of equity, internal fund generation, non-current and current borrowings. The Group's policy is to use non-current and current borrowings to meet anticipated funding requirements.

Gearing ratio

The gearing ratio at end of the reporting period was as follows

Particulars	As at 31 March 2021	As at 31 March 2020
Debt		
Borrowings- non current (Refer note 17)	-	4,318.18
Borrowings- current (Refer note 17)	4,595.87	341.54
	4,595.87	**4,659.72**
Less:		
Cash and cash equivalents (Refer note 12)	147.48	231.20
Bank balances (Refer note 13)	4.00	1.44
	151.48	**232.64**
Net debt	**4,444.39**	**4,427.08**
Total equity	(1,655.82)	(1,173.76)
Compulsorily Convertible Preference share capital (Refer note 16)*	2,855.80	2,548.27
Total capital	**1,199.98**	**1,374.51**
Net debt to equity ratio	**370.37%**	**322.08%**

* As CCPS will mandatorily be converted into equity shares, accordingly the same has been considered as part of total capital and not debt for the purposes of computation of net debt to equity ratio.

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31 Financial Instruments (cont'd.)

(b) Risk management framework

The Group is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Group's risk management framework is to manage the above risks and aims to :
- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Company's risk exposure
- improve financial returns

(i) Market risk

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price. Market risk comprises of - Interest risk, foreign currency, other price risk (such as equity price risk) and credit risk.

The Group's activities expose it primarily to interest rate risk, currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes : Fixed deposits, current investments, borrowings and other current financial liabilities.

(ii) Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment needs.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

	As at 31 March 2021			
	<1 year	1-3 Years	> 3 Years	Total
Non current				
- Lease liability	-	67.74	-	67.74
Current				
- Borrowings	4,595.87	-	-	4,595.87
- Lease liability	32.53	-	-	32.53
- Trade payables	1,469.22	-	-	1,469.22
- Other financial liabilities	1,093.52	-	-	1,093.52
Total	**7,191.14**	**67.74**	-	**7,258.88**

The Company has access to fund based facilities of Rs. 350.00, out of which Rs. 350.00 were undrawn as at 31 March 2021. Also refer note 17(A)(vii) and 17(B)(v) w.r.t. restructuring of debentures and extention of ROCPS.

	As at 31 March 2020			
	<1 year	1-3 Years	> 3 Years	Total
Non current				
- Borrowings	-	4,318.18	-	4,318.18
- Lease liability	-	19.87	-	19.87
- Other financial liabilities	-	524.38	-	524.38
Current				
- Borrowings	341.54	-	-	341.54
- Lease liability	28.93	-	-	28.93
- Trade payables	1,095.01	-	-	1,095.01
- Other financial liabilities	72.90	-	-	72.90
Total	**1,538.38**	**4,862.43**	-	**6,400.81**

The Company has access to fund based facilities of Rs. 350.00, out of which Rs. 8.46 were undrawn as at 31 March 2020.

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(iii) Foreign currency risk

Foreign exchange risk comprises of risk that may arise to the Group because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss. As at the year end, the Group was exposed to foreign exchange risk arising from foreign currency payables and receivables.

The carrying amounts of the Group foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	currency	As at 31 March 2021		As at 31 March 2020	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
Trade receivables	USD	4.13	-	7.46	-
	Equivalent INR	303.52	-	564.27	-
Trade payables	USD	-	0.75	-	0.00*
	Equivalent INR	-	55.25	-	0.30
Borrowings (include accrued interest)	USD	-	23.90	-	17.31
	Equivalent INR	-	1,464.87	-	1,310.44

* Amount less than Rs. 0.01 million

Note: the above foreign currency receivable & payable were unhedged as at year end.

The results of Group's operations may be affected by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 1% against the functional currency of the Group.

For the year ended 31 March 2021 and 31 March 2020, every 100 basis points depreciation/ appreciation in the exchange rate between the Indian rupee and U.S. dollar will decrease/increase the Group's losses before tax by Rs. 2.48 (31 March 2020 : Rs. 5.63).

(iv) Interest rate risk

The Group is exposed to interest rate risk on current and non-current borrowings and fixed deposits outstanding as at the year end. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees. The US dollar debt representing the buyers credit facility availed by the Company is composite of fixed and floating rates (linked to US dollar LIBOR). These exposures are reviewed by appropriate levels of management on a monthly basis. The Group invests in fixed deposits to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

The exposure of the Group's financial liabilities as at 31 March 2021 to interest rate risk is as follows:

	Floating rate	Fixed rate	Total
Current			
- Borrowings	-	4,595.87	4,595.87
	-	**4,595.87**	**4,595.87**
- Fixed deposits	4.00	-	**4.00**

Weighted average interest rate (per annum)	Floating rate	Fixed rate
Loans repayable on demand	6.10%	-
Term loan facility	-	12.00%
Debenutres	-	12.90%
ROCPS	-	15.00%

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The exposure of the Group's financial liabilities as at 31 March 2020 to interest rate risk is as follows:

	Floating rate	Fixed rate	Total
Non current			
- Borrowings	-	4,318.18	4,318.18
Current			
- Borrowings*	341.54	-	341.54
	341.54	**4,318.18**	**4,659.72**
- Fixed deposits	2.25	-	**2.25**

Weighted average interest rate (per annum)	Floating rate	Fixed rate
Loans repayable on demand	6.10%	-
Term loan facility	-	12.00%
Debenutres	-	12.90%
ROCPS		15.00%

* including current maturities of long term borrowings

Interest rate sensitivity analysis on borrowings:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's losses before tax for the year ended 31 March 2021 would increase/decrease by Rs. 45.96 (Period ended 31 March 2020: Rs. 46.60). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Interest rate sensitivity analysis on fixed deposits:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's losses before tax for the year ended 31 March 2021 would decrease/increase by Rs. 0.04 (Period ended 31 March 2020: Rs. 0.02). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(v) Other price risk

The Group was exposed to price risks arising from fair valuation of Group's investment in mutual funds. The investments in mutual fund were held for short term purposes. The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting year.

If prices had been 100 basis points higher/lower, loss before tax for the year ended 31 March 2021 would decrease/increase by Rs. Nil (for the period ended 31 March 2020: Rs. 0.01) as a result of the changes in fair value of these investments which have been designated as at FVTPL.

(vi) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group's policies on assessing expected credit losses is detailed in notes to accounting policies (Refer note 2.16). For details of exposure, default grading and expected credit loss as on the reporting year [Refer note 11(b)].

Apart from the customers as disclosed in note 11(d), the Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk as specified in note 11(d) did not exceed 50% of gross monetary assets at the end of reporting period.

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32 Fair value measurement

(a) The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at 31 March 2021 and 31 March 2020:

As at 31 March 2021

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	147.48	-	-	147.48
Bank balances other than cash and cash equivalents	4.00	-	-	4.00
Trade receivables	811.88	-	-	811.88
Loans - current	1.17	-	-	1.17
Loans - non-current	0.67	-	-	0.67
Other financial assets - non-current	30.78	-	-	30.78
Other financial assets - current	2.33	-	-	2.33
	998.31	-	-	**998.31**

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Compulsorily convertible preference shares	-	-	2,855.80	2,855.80
Borrowings - current	4,595.87	-	-	4,595.87
Lease liability - non-current	67.74	-	-	67.74
Lease liability - current	32.53	-	-	32.53
Trade payables	1,469.22	-	-	1,469.22
Other financial liabilities - non-current	-			-
Other financial liabilities - current	1,093.52	-	-	1,093.52
	7,258.88	-	**2,855.80**	**10,114.68**

As at 31 March 2020

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	231.20	-	-	231.20
Bank balances other than cash and cash equivalents	1.44	-	-	1.44
Trade receivables	898.49	-	-	898.49
Loans - current	2.53	-	-	2.53
Loans - non-current	1.19	-	-	1.19
Investments in mutual funds	-	-	1.03	1.03
Other financial assets - non-current	27.76	-	-	27.76
Other financial assets - current	11.42	-	-	11.42
	1,174.03	-	**1.03**	**1,175.06**

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Compulsorily convertible preference shares	-	-	2,548.27	2,548.27
Borrowings - non-current	4,318.18	-	-	4,318.18
Borrowings - current	341.54	-	-	341.54
Lease liability - non-current	19.87	-	-	19.87
Lease liability - current	28.93	-	-	28.93
Trade payables	1,095.01	-	-	1,095.01
Other financial liabilities - non current	524.38	-	-	524.38
Other financial liabilities - current	72.90	-	-	72.90
	6,400.81	-	**2,548.27**	**8,949.08**

Carrying values of financial assets and financial liabilities are approximation of their respective fair values.

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(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

Particulars	Level	As at 31 March 2021	As at 31 March 2020
Financial assets			
Investments in mutual funds	Level 2	-	1.03
Financial liabilities			
Compulsorily convertible preference shares	Level 3	2,855.80	2,548.27

Notes:

(i) Fair value of unquoted mutual funds is based on Net Assets Value (NAV) at the reporting date.

(ii) Fair value of the CCPS is estimated based on discounted cash flow projections using Monte-Carlo simulation model based on a Geometric Brownian Motion function.

key inputs for the level 3 financial liabilities as of 31 March 2021 and 31 March 2020 are (i) Discount rate (WACC), (ii) Growth rate for long term cash flow projections, (iii) Future cash flow projections and (iv) Volatility.

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33 Segment reporting

The Group is principally engaged in the business of manufacturing of electrical wiring accessories and fittings. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of various performance indicators of the Group as a single unit. Therefore, there is no reportable segment for the Group, in accordance with the requirements of Ind AS 108 - 'Operating Segments Reporting' notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

a. Geographical Segments

The Company is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is stated below:

	For the year ended 31 March 2021	For the year ended 31 March 2020
India	225.84	243.61
Outside India	4,782.11	5,662.88
Total	**5,007.95**	**5,906.49**

b. Information regarding geographical non-current assets* is as follows:

	As at 31 March 2021	As at 31 March 2020
India	3,580.47	3,673.34
Outside India	1,170.66	822.75
Total	**4,751.13**	**4,496.09**

* Non-current assets exclude non current-financial assets and non-current tax assets (net).

c. Customers contributing to more than 10% of revenue :

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Customer A	331.70	465.54
Customer B	273.93	447.44

There are no other customer who contributed 10% or more to the Group's revenue individually.

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34 Employee benefit plans

(i) Defined contribution plans

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the employees provident fund is deposited with the regional provident fund commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The total expense recognised in profit or loss of Rs. 18.51 million (Previous year : Rs. 19.82 million) for provident fund.

(ii) Defined benefit plans

Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 2.00. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary inflation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31 March 2021 by Willis Towers Watson, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuations	
	As at 31 March 2021	As at 31 March 2020
Discount rate(s)	6.70%	7.60%
Expected rate(s) of salary increase	8.00%	8.00%
Retirement age (years)	58	58
Mortality Table	Indian Assured Lives Mortality 2006-08	Indian Assured Lives Mortality 2006-08
Withdrawal rates	In %	In %
20 years to 24 years	5.00	5.00
25 years to 29 years	3.00	3.00
30 years to 34 years	2.00	2.00
35 years to 49 years	1.00	1.00
50 years to 54 years	2.00	2.00
55 years to 58 years	3.00	3.00

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company's financial statements as at 31 March 2021 and 31 March 2020:

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b) Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Service cost		
- Current service cost	7.94	6.56
Net interest expense	5.50	6.54
Components of defined benefit costs recognised in profit or loss	**13.44**	**13.10**
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	-	5.02
- Actuarial (gains) / losses arising from experience adjustments	(7.31)	(6.25)
Components of defined benefit costs recognised in other comprehensive income	**(7.31)**	**(1.23)**
Total	**6.13**	**11.87**

c) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	73.76	96.76
Net liability arising from defined benefit obligation	**73.76**	**96.76**

d) **Movement of defined benefit obligation:**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	96.76	91.76
Current service cost	7.94	6.56
Interest cost	5.50	6.54
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustments	-	5.02
- Actuarial (gains) / losses arising from experience adjustments	(7.31)	(6.25)
Benefits paid	(29.14)	(6.87)
Closing defined benefit obligation	**73.76**	**96.76**
- Current portion of the above	9.04	30.96
- Non current portion of the above	64.72	65.80

e) **Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 6.95 (increase by Rs. 8.24) [Previous year : decrease by Rs. 7.00 (increase by Rs. 8.29)]

ii) If the expected salary growth decreases (increases) by 1.00%, the defined benefit obligation would decrease by Rs. 6.94 (increase by Rs. 8.05) [Previous year : decrease by Rs. 6.97 (increase by Rs. 8.10)]

iii) If the withdrawl rate decreases (increases) by 1.00%, the defined benefit obligation would decrease by Rs. 9.32 (increase by Rs. 8.29) [Previous year : decrease by Rs. 9.14 (increase by Rs. 8.14)]

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

f) The average duration of the benefit obligation represents average duration for active members at 31 March 2021: 10 years (Previous period : 8 years).

g) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

h) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

i) The gratuity plan is unfunded.

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35 The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

36 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

37 **Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

The Ministry of Micro, Small and Medium Enterprises had issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2021 except as follows:-

S No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of accounting year.		
	- Principal amount	297.89	298.68
	- Interest thereon	231.57	2.70
2	The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	0.92	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year, and	231.57	2.70
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

38 **Related party disclosures**

I. **List of related parties**

a. **Ultimate Holding Entity**
Delos Investment Fund II, LP

b. **Holding Company**
Delos Sage Holdco Cooperatief U.A

c. **Firm exercising significant influence on the Group**
AR2 LLC

d. **Key Management Personnel (KMP)**

Vatsal Manoj Solanki (upto 31 March 2021)	Managing Director
Madhur Aneja (w.e.f 25 February 2021)	CEO
Michael Rakiter	Director
Sanjay Kumar Sanghoee	Director
Matthew Constantino	Director
Satish Kumar Rustgi	Director
Pratibha Priya Mysore Raghuveer (from 1 June 2020 to 31 March 2021)	Director
Isha Gupta	Company Secretary
Sandeep Chotia (w.e.f. 1 August 2020)	Chief Financial Officer

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38 Related party disclosures

(Figures in brackets relate to previous period)

Particulars	Holding Company	Firm exercising significant influence on the Group	Key Management Personnel (KMP)	Grand total
II. Transactions/ outstanding balances with related parties during the year				
A. Transactions during the year				
i. Issue of Compulsory Convertible Preference Shares - Class A	647.53	-	-	647.53
	(-)	(-)	(-)	-
ii. Issue of Compulsory Convertible Preference Shares - Class B	-	-	-	-
	(-)	(-)	(-)	-
iii. Corporate guarantee commission expense	39.91	-	-	39.91
	(38.46)	(-)	(-)	(38.46)
iv. Loss on fair value of derivative instruments (Refer note 16)	-	-	-	-
	(129.00)	(-)	(-)	(129.00)
v. Gain on fair value of derivative instruments (Refer note 16)	270.00	38.00	-	308.00
	(-)	(-17)	(-)	(-17)
vi. Legal and professional fees	-	53.65	-	53.65
	-	(81.19)	-	(81.19)
vii. Remuneration paid				
Vatsal Manoj Solanki	-	-	1.32	1.32
	(-)	(-)	(1.32)	(1.32)
Satish Kumar Rustgi	-	-	4.09	4.09
	(-)	(-)	(2.05)	(2.05)
Rupal Jain	-	-	-	-
	(-)	(-)	(0.04)	(0.04)
Isha Gupta	-	-	0.62	0.62
	(-)	(-)	(0.46)	(0.46)
Shashi Kumar Nayar	-	-	-	-
	(-)	(-)	(4.01)	(4.01)
Suraj Jaiswal	-	-	-	-
	(-)	(-)	(0.34)	(0.34)
Sandeep Kumar Chotia	-	-	5.92	5.92
	(-)	(-)	(-)	(-)
Madhur Aneja	-	-	1.76	1.76
	(-)	(-)	(-)	(-)
Total	-	-	**13.71**	**13.71**
	(-)	(-)	**(8.21)**	**(8.21)**
B. Outstanding balances at year end				
i. Equity share capital	356.92	-	-	356.92
	(356.92)	(-)	(-)	(321.23)
ii. Compulsory convertible preference shares - class A	2,462.08	-	-	2,462.08
	(2,083.55)	(-)	(-)	(2,083.55)
iii. Compulsory convertible preference shares - class B	-	147.58	-	147.58
	(-)	(185.58)	(-)	(185.58)
iv. Trade payables	-	42.23	-	42.23
	(-)	(0.40)	(-)	(0.40)

v. Debentures issued amounting to Rs. 2,857.50 (Previous year : Rs. 2,857.50) are also guaranteed by the Holding Company (Delos Sage Holdco Cooperatief U.A.) (Refer note 17)

vi The Company and the Holding Company had granted a corporate guarantee of US $20.00 million for a term loan taken from lenders by wholly owned Subsidiary Company, Sage International Inc., USA. As at 31 March 2021, SII has drawn $16.00 million (Rs. 1,170.56 million) [As at 31 March 2020, drawn $16.00 million (Rs. 1,211.36 million)] out of the original principal amount sanctioned.

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39 The Group had closed all its manufacturing plants and offices with effect from 24 March 2020 following countrywide lockdown due to Covid-19. Subsequently, the Group has gradually resumed its operations across all the plants adhering to the safety norms prescribed by the Government of India.

The Group has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these consolidated financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, inventories, and trade receivables. Based on current estimates, the Group expects the carrying amount of these assets will be recovered. Further, the management of the Company believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Group, in the long-term. The Group will continue to monitor any material changes to future economic conditions.

40 **Commitments**

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5.18	17.57

41 **Contingent liabilities**

a. Claims against the Company disputed and not acknowledged as debts: 0.59 (31 March 2020- 1.08)

b. **Contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952**

Based upon the legal opinion obtained by the management, there are various interpretation issues and thus management is in the process of evaluating the impact of the recent Supreme Court Judgement in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provisions Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, can not be ascertained.

c. Claims towards non-compliances with laws and regulations, the amounts for which is presently unascertainable. (Refer note 45 and 46)

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42 Leases

(i) Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method by recognising a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate and recognising a Right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the consolidated financial statements for the year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-use assets' of Rs. 527.21 from the reclassification of favourable lease assets under other intangible assets and recognition of 'Right -of-use assets and lease liabilities of Rs. 69.14 from leases which were earlier classified as 'operating leases' under the principles of Ind AS 17, Leases.

The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 April 2019.

(c) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(d) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Residual value guarantees

To optimise lease costs during the contract period, the Group may sometimes provide residual value guarantees in relation to property leases. There was no impact, in respect thereof on the financial statements.

(ii) Changes in the carrying value of right of use assets for the year ended:

ROU assests are amortised on straight line basis over the lease term. Lease term is 3-5 years. The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

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(iii) Movement in lease liabilities:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at 1 April	48.80	-
Transition impact of Ind AS 116	-	76.60
Additions	85.49	-
Finance costs accrued during the period	10.03	2.46
Payment of lease liabilities	(35.13)	(30.26)
Adjustment on account of change in present Value factor	(7.52)	
Forex movement	(1.40)	-
Balance as at 31 March	**100.27**	**48.80**

(iv) **Break-up of current and non-current lease liabilities:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current	32.53	28.93
Non - current	67.74	19.87
Balance as at 31 March	**100.27**	**48.80**

(v) **Contractual maturities of lease liabilities on an undiscounted basis:**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Less than one year	32.53	28.93
One to five years	67.74	19.87
More than five years	-	-

(vi) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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43 **Operational Outlook**

The Group has incurred loss of Rs. 521.97 (previous year Rs. 730.19) during the year ended March 31, 2021 and has accumulated losses of Rs. 2,111.19 (previous year Rs. 1,580.41) as of that date resulting in complete erosion of the net worth of the Company Further as at 31 March, 2021, the Company's current liabilities exceeds its current assets by Rs. 3,690.90. These conditions cast a significant doubt on the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the improvement of the Company's future operations, continued financial support from Delos Investment Fund II, LP, the Ultimate Holding Entity and deferment of borrowing.

However, the financial statements of the Company have been prepared as going concern as :

(a) Delos Investment Fund II, LP, the Ultimate Holding Entity, has confirmed to provide financial support as and when the need arises;

(b) Current liabilities as at 31 March 2021 includes NCD's amounting to Rs. 2,852.08 millions (as at 31 March 2020 Rs. 2,834.13 millions and included under non current borrowings), Redeemable Optionally Convertible Prefeence Shares (ROCPS) amounting to Rs. 280.36 millions (as at 31 March 2020 Rs. 280.36 millions and included under non current borrowings) and interest on NCD's and ROCPS amounting to Rs. 525.42 millions and 150.81 millions respectively (as at 31 March 2020 Rs. 335.07 millions and Rs. 93.64 millions respectively included in other current and non current liabilities). Subsequent to year end, for the NCD's outstanding (including interest), the Company has entered into a restructuring term sheet with lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of NCD's has been extended to 30 June 2023, with no extension option. Further, the Company has also commenced the process of renegotiating the terms of the ROCPS (including interest) with the ROCPS holder and the ROCPS holder has confirmed that the amount of ROCPS will not be called for the next twelve months. [Refer note 17(A)(vii) and 17(B)(v)

(c) Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 2,855.80 millions (as at 31 March 2020 Rs. 2,548.27 millions) disclosed as non current financial liability in the standalone financial results will be converted into equity share capital in the future; and

(d) Based on future projections, the management of the Company is confident of generating profits in the near future.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

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(All amounts are in Rs. Millions, unless otherwise stated)

44 Earnings per equity share (EPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Basic earnings per share (in Rs.) (A/B)	(2.03)	(3.04)
Diluted earnings per share (in Rs.) (A/B)	(2.03)	(3.04)

Basic and diluted earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Loss used in the calculation of basic and diluted earnings per share (A)	(535.96)	(722.98)
Weighted average number of equity shares for the purposes of computation of basic and diluted earnings per share (Face value of Rs. 10 each)	35,692,264	33,371,292
Weighted average number of potential equity shares (CCPS)	228,864,833	204,065,085
Weighted average number of equity shares and potential equity shares (CCPS) used in the calculation of basic and diluted earnings per share (B)	**264,557,097**	**237,436,377**

45 Regulatory Compliances

(a) Pursuant to section 96 of the Companies Act, 2013 the Company had obtained extension to hold its Annual General Meeting ("AGM") up to 31 December 2019 for the year ended 31 March 2019. The audited financial statements of the Company for the year ended 31 March 2019 could not be presented at the AGM held on 31 December 2019. Consequently, the financial statements for the year ended 31 March 2019, were presented in the adjourned Annual General Meeting held on 20 July 2020. On 16 December, 2020 the Company had filed a petition under section 441 of the Companies Act, 2013, for compounding of offences before the National Company Law Tribunal which was subsequentyly cancelled due to defects or incompleteness noted in the application.

Further, for the year ended 31 March 2020, the Company was required to hold AGM by 31 December 2020 (as per the provision of Section 96 of the Companies Act 2013 and further as extended by ROC order No. ROC/Delhi/AGM Ext./2020/11538 dated 08 September, 2020). The Company was not able to hold the meeting within the prescribed time. The financial statements for the year ended 31 March 2020, were presented in the Annual General Meeting held on 05 April, 2021.

The Company is in process of filing petitions under section 441 of the Companies Act, 2013, for compounding of above offences for the year ended 31 March 2019 and 31 March 2020 before National Company Law Tribunal.

(b) The Company is in non-compliance with respect to submission of standalone audited financial results for the years ended 31 March 2020 and 31 March 2021 and standalone unaudited financial results for the six months ended 30 September 2019 and 30 September 2020 to stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), as amended: The Company had submitted the standalone audited financial results for the year ended 31 March 2020 and standalone unaudited financial results for the six months ended 30 September 2019 on 31 March 2021.

Accordingly, the Company could be liable to certain penal provisions for the aforesaid non compliances under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non- compliances, including the liability for penal charges, if any, on the consolidated financial statements is presently not ascertainable and have accordingly not been recorded in the consolidated financial statements.

46 As at 31 March 2021, the Company has received / issued debit and credit notes in foreign currency amounting to Rs. 11.28 millions and Rs. 4.69 millions respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the standalone financial statements is presently not ascertainable and have accordingly not been recorded in the consolidated financial statements.

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Chartered Accountants

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Notes forming part of the consolidated financial statements for the year ended 31 March 2021
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47 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the entity	Net Assets i.e. Total Assets minus Total Liabilities as at 31 March 2021		Share in profit/ (loss) for the Year ended 31 March 2021		Share in other comprehensive income / (loss) for the Year ended 31 March 2021		Share in total comprehensive income for the Year ended 31 March 2021	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income / (loss)	Amount	As % of total comprehensive income	Amount
Parent								
Gluhend India Private Limited	47.95%	(793.94)	63.75%	(341.65)	0.37	5.18	64.46%	(336.47)
Foreign Subsidiary								
Sage International Inc.	0.10	(162.97)	46.30%	(248.17)	62.97%	8.81	45.86%	(239.36)
Eliminations/ Consolidation Adjustments	42.21%	(698.91)	(10.05%)	53.86	-	-	(10.32%)	53.86
TOTAL	100.00%	(1,655.82)	100.00%	(535.96)	100.00%	13.99	100.00%	(521.97)

	Net Assets i.e. Total Assets minus Total Liabilities as at 31 March 2020		Share in profit/ (loss) for the Year ended 31 March 2020		Share in other comprehensive income / (loss) for the Year ended 31 March 2020		Share in total comprehensive income for the Year ended 31 March 2020	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income / (loss)	Amount	As % of total comprehensive income	Amount
Parent								
Gluhend India Private Limited	41.8%	(490.64)	43.46%	(314.21)	-12.1%	0.87	42.9%	(313.34)
Foreign Subsidiary								
Sage International Inc.	(5.12%)	60.11	47.22%	(341.37)	112.1%	(8.08)	47.9%	(349.45)
Eliminations/ Consolidation Adjustments	63.32%	(743.23)	9.32%	(67.40)	-	-	9.23%	(67.40)
TOTAL	100.00%	(1,173.76)	100.00%	(722.98)	100.00%	(7.21)	100.00%	(730.19)

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48 The figures for the previous year have been regrouped wherever necessary, to make them comparable.

49 The consolidated financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 31 December 2021.

For and on behalf of the Board of Directors of
Gluhend India Private Limited

Deloitte Haskins & Sells LLP
Chartered Accountants

Madhur Aneja
Chief Executive Officer

Michael Rakiter
Director
DIN: 07995000

Sandeep Chotia
Chief Financial Officer

Satish Kumar Rustgi
Director
DIN: 08574594

GLUHEND INDIA PVT. LTD. DELHI

Isha Gupta
Company Secretary
Membership No. 22178

Place: New Delhi
Date: 31 December, 2021

GLUHEND INDIA PRIVATE LIMITED
(CIN: U74994MH2017FTC303216)

NOTICE OF THE 4TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Gluhend India Private Limited will be held on **31st of December 2021 at 8.00 PM IST** through Video Conferencing ('VC') to transact the following business:

ORDINARY BUSINESS:
To receive, consider and adopt:

a) The Audited Financial Statements of the Company for the financial year ended 31st March 2021, including the Audited Balance Sheet as on 31st March 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.

b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2021, together with the Report of the Auditors thereon.

By Order of the Board
For GLUHEND INDIA PRIVATE LIMITED

Date: 31.12.2021
Place: Delhi

Sd/-

SATISH KUMAR RUSTGI
CHAIRMAN
(DIN – 08574594)

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and MCA Circulars, the AGM of the Company is being held through VC.
2. In terms of Section 105 of the Companies Act, 2013, a member of a Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. at compliance.gluhend@gmail.com, authorizing its representative to attend and vote at the AGM through VC on its behalf.
4. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before the Annual General Meeting through email on compliance.gluhend@gmail.com. The same will be replied by the Company suitably.
5. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
7. Members will be able to attend the AGM through VC by logging through the invite link (i.e. through Google Meet) sent to the respective shareholders at their registered e-mail ids.
8. Members who need assistance before or during the AGM, can contact Mrs. Isha Gupta at the designated mail id compliance.gluhend@gmail.com.