

04th Sept' 2021

To
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001
BSE Scrip Code: 533014

Dear Sir,

Sub: Submission of Annual Report of the Company for the year 2020-21 along with notice of AGM.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the soft copy of the Annual Report of the Company for the financial year 2020-21 along with Notice convening the 17th Annual General Meeting, which will be sent to the shareholders of the Company by email from today.

A copy of the aforesaid Annual Report will also be made available on the Company's website at www.sicagen.com.

The above information may kindly be taken on record.

Thanking You,

Yours faithfully,
For Sicagen India Limited

A handwritten signature in blue ink, appearing to read "R. Chandrasekar".

R Chandrasekar
Whole Time Director

Encl: as above

Sicagen India Ltd.

Registered & Corporate Office :

4th Floor, Spic House, 88, Mount Road, Guindy, Chennai-600 032, INDIA

Tel : +91 44 4075 4075 | Fax : +91 44 4075 4999 | info@sicagen.com

CIN : L74900TN2004PLC053467 | www.sicagen.com



17th ANNUAL REPORT

2020-21



Sicagen India Limited
www.sicagen.com

Sicagen India Limited

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Board of Directors

Ashwin C Muthiah	DIN: 00255679	Chairman
B Narendran	DIN: 01159394	Independent Director
Sashikala Srikanth	DIN: 01678374	Independent Director
Rita Chandrasekar	DIN: 03013549	Independent Director
S Radhakrishnan	DIN: 00061723	Independent Director
M Rajamani	DIN: 00195006	Independent Director
S R Ramakrishnan	DIN: 00120126	Non-Executive Non Independent Director
R Chandrasekar	DIN: 06374821	Whole Time Director

Chief Financial Officer

M.O.Ayyappan

Company Secretary

R. Srikrishna (upto 30.07.2021)

Statutory Auditors

SRSV & Associates
Chartered Accountants
"Anmol Palani" Level-2 C-4,
III Floor G No.88,
G.N. Chetty Road, T. Nagar
Chennai - 600017

Registered Office

4th Floor, SPIC House
No.88, Mount Road
Guindy
Chennai - 600032

Internal Auditors

Sundar Srini & Sridhar
Chartered Accountants
No.9, Rajamannar Street, T.Nagar
Chennai-600017

Bankers

Union Bank of India (formerly Andhra Bank)
Axis Bank
HDFC Bank

Secretarial Auditor

R.Kannan
Practicing Company Secretary
No.6A, 10th Street,
Mahalakshmi Nagar New Colony,
Adambakkam
Chennai-600088

Registrar & Share Transfer Agent

Cameo Corporate Services Ltd
Unit: Sicagen
Subramanian Building, 5th Floor
No.1, Club House Road
Chennai - 600002
Tel: 044-28460390 / 044-40020728

Cost Auditor

J. Karthikeyan
Cost Accountant
No.16, Muthalamman Kovil Street
Selaiyur
Chennai-600073

Sicagen India Limited

Company Information

Incorporation	2004
Listing	Bombay Stock Exchange Ltd (BSE) National Stock Exchange of India Ltd (NSE) - (Delisted w.e.f. 29 th July, 2021)
Scrip Code	BSE : 533014 NSE : SICAGEN
Demat ISIN	INE176J01011
CIN	L74900TN2004PLC053467

Lines of Business

Building Materials

The distribution of building materials such as MS/GI pipes, precision tubes, structural tubes, seamless tubes, ERW tubes, rectangular/square hollow sections, construction steel including TMT steel rebars, steel fittings, PVC pipes, UPVC pipes, roofing sheets, electrical cables, switchgears, cement etc.

For dealers, contractors, builders and corporate buyers our network of 15 branches across India serves as a single window to top building material manufacturers that include TATA Steel, Jindal Pipes, Steel Authority of India, Maharashtra Seamless, Supreme Industries, Finolex Cables, ACC Cements and Dalmia Cements.

Power & Control Systems (Formerly Goodwill Governor Services)

Power & Control Systems is the business partner and India's only authorized service centre for WOODWARD, makers of the World's finest governors and is a Distributor for NORGREN power sector products, Danfoss for Drives and Motors, Eaton & ABB for Switch Gears.

Industrial Packaging (Formerly Beta Industries)

Manufacture of drums and barrels that are used for the transport of lubricant oil, hazardous and non-hazardous chemicals, bitumen and fruit pulp.

Specialty Chemicals

Provides water treatment and process improvement solutions for petrochemical, fertilizer, refinery, power, pharmaceutical, agro and pesticide industries.

Engineering (Formerly Goodwill Engineering Works)

Builds boats, tugs & barges.

Cable Manufacturing – Wilson Cables Private Ltd, Singapore (Subsidiary)

Manufacture of premium cables for industrial and other critical applications.

Fabrication – Danish Steel Cluster Private Ltd, Bengaluru (Subsidiary)

Precision fabrication of steel, carbon steel, mild steel and aluminium.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

SICAGEN STANDALONE	IND AS					IGAAP				
	2020-21	2019-20	2018-19	2017-18	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue	34778	43415	53781	56645	56423	45086	61184	67639	88418	93989
Other Income	491	757	993	1174	1033	1458	1387	2497	802	323
Total Revenue	35269	44172	54774	57819	57456	46544	62571	70136	89220	94312
EBIDTA	1664	1572	1406	1567	1535	1431	1675	3037	3562	3124
Finance Cost	366	600	723	688	616	567	689	928	1,091	825
Depreciation	465	461	179	174	160	261	403	391	222	205
Profit before Tax (PBT)	833	511	504	705	759	603	583	1718	2249	2094
Less										
Provision for Tax	247	299	285	63	9	(117)	67	(9)	751	698
Add: Exceptional Items					-	-	(213)	(641)	(168)	554
Profit After Tax & Exceptional Items	586	212	219	642	750	720	303	1086	1330	1950
OCI	960	(498)	(465)	23	193					
Total Comprehensive Income	1546	(286)	(246)	665	943	720	303	1086	1330	1950
Equity Capital	3957	3957	3957	3957	3957	3957	3957	3957	3957	3957
Reserves & Surplus	34988	33640	34117	34649	34269	38057	37623	37606	36888	36017
Earning Per Share (Excluding Exceptional Items)	1.48	0.54	0.55	1.62	1.90	1.82	1.30	4.36	3.79	3.53
Dividend Declared %	5%	5%	4%	6%	6%	6%	6%	8%	10%	10%
EBIDTA/Net Revenue	4.78%	3.62%	2.61%	2.77%	2.72%	3.17%	2.74%	4.49%	4.03%	3.32%
PBT/Net Revenue	2.40%	1.18%	0.94%	1.24%	1.35%	1.34%	0.95%	2.54%	2.54%	2.23%
PAT/Net Revenue	1.68%	0.49%	0.41%	1.13%	1.33%	1.60%	0.50%	1.61%	1.50%	2.07%

* Restated as per Ind As

SICAGEN INDIA LIMITED

CIN: L74900TN2004PLC053467

Regd. Office: 4th Floor, SPIC House, No.88, Mount Road, Guindy, Chennai-600032.

Website: www.sicagen.com E-mail: companysecretary@sicagen.com Phone: 044 4075 4075.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **17th Annual General Meeting (AGM)** of the shareholders of **Sicagen India Limited** (the "Company") will be held on **Tuesday, the 28th September 2021 at 4.30 p.m.** through Video Conferencing (VC)/Other audio visual means (OAVM) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To declare equity dividend for the year 2020-21.
3. To appoint a Director in the place of Mr. S. R. Ramakrishnan (DIN: 00120126), who retires by rotation and being eligible, offers himself for re-election.

SPECIAL BUSINESS

4. **Increase in the authorised share capital of the Company and consequent alteration to Clause V of the Memorandum of Association and Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 13 and 61 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory amendment(s) / modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and such other acts, laws, rules, regulations and guidelines applicable from time to time, consent of the Shareholders of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from ₹50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crore) equity shares of ₹10/- (Rupees Ten) each to ₹75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 5,00,00,000 (Five Crores) equity shares of ₹10/- (Rupees Ten) and ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Redeemable Cumulative Preference Shares of ₹10 each and consequently the existing Clause V of the Memorandum of Association of the Company

relating to the share capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new 'Clause V':

"The Authorised Share Capital of the Company is ₹75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 5,00,00,000 (Five Crores) equity shares of ₹10/- (Rupees Ten) and ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Redeemable Preference Shares of ₹10 each with such rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for time being, with the power to increase and/or decrease the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company for the time being."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions or difficulties that may arise in this regard.

5. **Alteration of Capital Clause 5 of the Articles of Association of the Company**

To consider and if thought fit to pass with or without modification (s), the following resolution as a Special resolution:

RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act 2013, the existing Article 5 of the Articles of Association of the Company be and is hereby substituted with following new Article 5:

"The Authorised Share Capital of the Company is ₹75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 5,00,00,000 (Five Crores) equity shares of ₹10/- (Rupees Ten) and ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Redeemable Preference Shares of ₹10 each.

Sicagen India Limited

6. Issue of Redeemable Non-Convertible Preference Shares under private placement

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act), read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, the rules/regulations/guidelines, if any, prescribed by the regulatory authorities and subject to such approvals, consents, permissions and/or sanctions, if any, of appropriate authorities/regulatory bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions and/or sanctions and acceptable to the Board of Directors (hereinafter called "the Board"), the Company be and is hereby authorised to create, offer, issue and allot to one or more domestic and/or foreign institutions, corporate bodies, non-resident Indians or otherwise, whether shareholders of the Company or not (including the Promoter and/or any entity in the Promoter Group) on a private placement basis not exceeding 2,50,00,000 (Two Crore Fifty Lacs) Redeemable Non-Convertible Preference Shares of ₹10/- (Rupees Ten) each at par aggregating to ₹25,00,00,000/- (Rupees Twenty Five Crores Only) as the Board may deem appropriate in its absolute discretion on such terms as mutually agreed to between the Company and the holder of Preference shares.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions or difficulties that may arise in this regard at any stage without requiring by the Board of Directors to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

7. Authorization for giving loans, guarantee and / or providing security in connection with any loan taken by other entities in which the Directors are interested / deemed to be interested as per Section 185 of the Companies Act, 2013

To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force and subject to such other consents, permissions, approvals, as may be required in that behalf), consent of Members of the Company, be and is hereby accorded to the Board of Directors of the Company ("Board") for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by M/s.EDAC Engineering Ltd, in which any of the Directors of the Company are interested/deemed to be interested as per Section 185 of the Companies Act, 2013 up to a sum not exceeding ₹25 Crores (Rupees Twenty Five Crores Only) at any point of time, in its absolute discretion deem beneficial and in the best interest of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalise, agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/ undertakings/agreements/papers/writings for giving effect to this Resolution.

8. Reappointment of Mr. R. Chandrasekar as Whole Time Director of the Company

To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 (Act) read with Schedule V to the Act and other applicable provisions if any of the Act, including any statutory modifications and/or re-enactments of the Act and/or any notification which the Central Government may issue from time to time and subject to the provisions of Articles of Association of the Company and also subject to such other statutory approvals as may be required, Mr.R.Chandrasekar (DIN 06374821) be and is hereby re-appointed as "Whole Time Director" of the Company on the following terms and conditions.

Term : 3 (Three) years with effect from 28th November 2021

Remuneration

a) Salary:

₹ 25,00,000/- (Rupees Twenty Five Lakhs Only) per annum.

b) Performance Linked Pay:

₹ 20,00,000/- (Rupees Twenty Lakhs Only) per annum.

c) Perquisites, Flexi Pay & Other allowance:

In addition to Salary and Performance Linked pay (a) & (b), Perquisites, Flexi pay & Other allowance are allowed for an amount not exceeding ₹30,00,000/- (Rupees Thirty Lakhs Only) per annum as per Company's Rules as well as Income Tax Rules.

(Perquisites, Flexi pay & Other allowance are classified as HRA, Leave Travel Allowance, Special Allowance, Reimbursement of Petrol expenses, Contribution to Provident Fund, Gratuity, Personal Accident Insurance, Mediciam Insurance etc.)

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to alter, vary or revise the terms of the above remuneration, from time to time, in such manner so as not to exceed the limits specified under Schedule V of Act or any amendments thereto.

FURTHER RESOLVED THAT in the event of any inadequacy or absence of profits during the duration of the tenure of appointment, the Whole Time Director shall be entitled to the aforesaid remuneration as the minimum remuneration and the same shall be subject to the provisions of applicable laws and such other statutory

approvals as may be required under the relevant laws.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable and also to do all such acts, deeds, things as may be considered necessary for giving effect to this resolution.

9. Ratification of the remuneration payable to Cost Auditor for the year 2021-22

To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Mr. J. Karthikeyan, Cost Accountant appointed as the Cost Auditor of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year 2021-22 at a remuneration of ₹90,000/- (Rupees Ninety Thousand Only) excluding applicable taxes, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby approved and ratified.

By order of the Board
For Sicagen India Limited

Date: 11th August 2021
Place: Chennai

R Chandrasekar
Whole Time Director

Sicagen India Limited

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed between 22.09.2021 and 28.09.2021 (both days inclusive) the 21.09.2021 shall be the Record date for the purpose of ascertaining the eligible shareholders for payment of equity dividend.
2. An explanatory statement pursuant to Section 102 of the Companies Act 2013, in respect of Item No.4 to 9 of the notice is annexed hereto.
3. Members are hereby informed that the Company has appointed M/s. Cameo Corporate Services Ltd, Unit: Sicagen, "Subramanian Building 5th Floor, No.1, Club House Road, Chennai-600002, Tel: 044-28460390 Fax: 044-28460129 e-mail address: investor@cameoindia.com, cameo@cameoindia.com as its Registrar and Share Transfer Agent (RTA). The shareholders are therefore requested to take note of the same and send all documents, correspondences, queries on any matter to RTA at the above mentioned address.
4. As per SEBI guidelines, submission of self-attested PAN copy of transferee/legal heir including joint holders if any is mandatory for registration of transfer/transmission/ transposition of shares. Hence the respective transferee(s)/ legal heir(s) are requested to attach their self-attested PAN copy to the Company/RTA while lodging the documents for registration.
5. Members those who hold share(s) in physical form are requested to notify immediately any change in their address to the Company/RTA and those who hold share(s) in demat form to the concerned Depository Participants.
6. Members are informed that the equity dividend amount for the year ended 31st March 2014, remaining unclaimed will become due for transfer on 15.09.2021 to the Investor Education and Protection Fund (IEPF) established by the Central Government in terms of Section 125(2) of the Companies Act, 2013 i.e., on expiry of 7 years from the date it became due for payment. Therefore, members are requested to note that no claim shall lie against the Company subsequent to the transfer of said dividend amount(s) to IEPF. Members who have not claimed the dividends declared for the financial year 2013-14 onwards are requested to approach the Company/ RTA for claiming the same as early as possible but before 15.09.2021.
7. Members are informed that the Company is in the process of transferring the equity shares of shareholders who have not claimed any dividends declared by the Company for the past 7 (Seven) consecutive years or more as per the provisions of Section 124(6) read with the IEPF (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. Hence, the members, who have not claimed any dividend for the period of 7 (Seven) consecutive years or more are requested to approach either the Company or its RTA for claiming the same as early as possible but before 18.06.2021.
8. Pursuant to the application filed with National Stock Exchange of India Ltd (NSE) for voluntary delisting under SEBI (Delisting of Equity Shares) Regulations 2009, the Company's equity shares were delisted from NSE w.e.f. 29th July 2021. As per NSE's letter dated 07th July 2021, the trading in the security was suspended w.e.f. 22nd July 2021 (i.e. w.e.f. closing hours of trading on 20th July 2021) and the admission to dealings in the security was withdrawn (delisted by NSE) w.e.f. 29th July 2021. The Company has released a public notice in the newspapers namely Business Standard (all editions) and Makkal Kural (Tamil edition) on 09th July 2021 about the delisting of equity shares from NSE and submitted to the Stock Exchanges. However the Company's equity shares are remain listed with Bombay Stock Exchange (BSE Ltd), which has nationwide trading terminal. The shareholders can continue to avail the benefits of trading facility from BSE. The listing fees for the year 2021-22 have been paid to NSE and BSE.
9. Shareholders are requested to furnish/update their bank account details (i.e., Bank account No., Name and address of the Bank branch, 9 digit MICR code, RTGS/IFSC code) to remit the dividend amount directly through ECS (Electronic Clearing Services) to their accounts so as to avoid fraudulent encashment/loss of dividend warrant in postal transit. Shareholders who hold shares in demat form are required to provide their bank account details to their concerned Depository Participant (DP) and those who hold shares in physical form are required to provide their bank account details to the Company/RTA.
10. The particulars of Director(s) seeking re-appointment at this AGM and their Directorship/Committee Membership/Chairmanship in other Companies as required under the provisions of SEBI (LODR) Regulations, Companies Act & its rules etc., are is separately given in the notice.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through Video Conferencing

(VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sicagen.com. The Notice can also be accessed from the website of the BSE Limited at www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated 13th January 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on 25.09.2021 at 9.00 a.m. and ends on 27.09.2021 at 5.30 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date 21.09.2021) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Sicagen India Limited

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/ IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) **Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend bank details (OR) Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

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company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Sicagn India Limited (Company Name) on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non-Individual Shareholders and Custodians–For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be

uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; companysecretary@sicagen.com (designated email address of the Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@sicagen.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@sicagen.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company/RTA email ID.

2. For Demat shareholders - Please update your email ID & Mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email ID & Mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Sicagen India Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following is the Explanatory Statement as per Section 102 of the Companies Act, 2013, which sets out all material facts relating to the Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the members of the Company:

Item No. 4 & 5

The present Authorised Share Capital of the Company is ₹50,00,00,000 (Rupees Fifty Crores) comprising of 5,00,00,000 (Five Crore) Equity Shares of ₹10/- each. It is informed to the shareholders that currently there is no sufficient capital base available for issue of further securities to facilitate growth of business and augment the finances of the Company. As the Company is engaged in a leveraged business and in order to meet the business plans for the coming years, it is proper to have a combination of both equity and preference shares to build the sufficient capital base. In view of the above, the Board at its Meeting held on 26th May 2021, has considered a proposal for increase of authorised share capital of the Company from ₹50,00,00,000 (Rupees Fifty Crores) to ₹ 75,00,00,000 (Rupees Seventy Five Crores) by creation of 2,50,00,000 (Two Crores Fifty Lakhs) Preference Shares of ₹10/- each in all respects as per the Memorandum and Articles of Association of the Company. Hence, the proposal for increase in Authorised Share Capital and amendment of Memorandum of Association and Articles of Association of the Company requires approval of members at a general meeting. The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

Item No. 6

As part of business development, the Company has increased the volume of trading business by adding new product portfolios and supply of specialized engineering and construction related materials to various industries. In order to develop further in trading business, the Company would like to extend the trading activities to cover the raw material sourcing for various Fertilizer and Petrochemical operations and is also looking at various options to augment resources for its working capital requirements. Considering the above, the Board at its meetings held on 26th May 2021 and 11th August 2021 has approved a fund raising proposal with one of the options by way of issue of preference shares to the extent of ₹25 Crores under private placement basis in one or more tranches and on such occasion or occasions as may be permissible under the Companies Act, 2013 and Rules made thereunder.

Pursuant to the provisions of Section 42 and 55 of the Companies Act, 2013 and the Rules made thereunder approval of the shareholders is required by way of Special Resolution for issuing the preference shares on private placement basis.

It is accordingly proposed to obtain the approval of the shareholders to issue Preference shares as contemplated in the resolution set out above on such terms as may be decided by the Board and in the best interests of the Company. Hence the Board of Directors recommends the resolution set out in item No. 7 of the Notice for the approval of the shareholders.

No Director, KMPs or their relatives, is interested or concerned or otherwise in the resolution. If the Preference Shares are offered for subscription to the Promoter and/or any entity in the Promoter Group, then the Promoter or such entity will be deemed to be interested in the aforesaid resolution.

Item No. 7

As per the provisions of Section 185 of the Companies Act, 2013, a Company may advance any loan, including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Directors of the Company are interested, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special resolution.

In order to achieve certain long term strategic and business objectives, the Board of Directors of the Company at its meeting held on 26th May 2021 has decided to advance loan to M/s. EDAC Engineering Ltd, in which the Directors of the Company are interested/deemed to be interested as per Section 185 of the Companies Act, 2013, for an amount not exceeding ₹ 25 Crores (Rupees Twenty Five Crores only) subject to the approval of shareholders. Accordingly, the Board of Directors recommends the Special resolution as set in the Notice hereto, for shareholders' approval for granting such loan or giving guarantee or providing security in connection with any such loan to M/s.EDAC Engineering Ltd pursuant to the provisions of Section 185 of the Act.

None of the Directors, KMPs of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Item No. 8

Mr. R. Chandrasekar was appointed as Whole Time Director of the Company for a period of 3 years with effect from 28.11.2018. The above appointment was approved by the Shareholders of the Company at the Annual General Meeting held on 31.07.2019. Since the tenure of the appointment of Mr. R. Chandrasekar comes to an end by 28.11.2021, the Board of Directors of the Company,

at its meeting held on 11th August 2021, has considered for re-appointment with the revised terms as stated in the resolution.

Mr. R. Chandrasekar is managing the entire business affairs of the Company since 2018 and under his supervision and management, the Company has maintained a constant growth despite the economic slowdown and general recessionary trend prevailed in the market for the past 2 years. Considering his dedication and contribution to the Company in maintaining a revenue and profits during in difficult situation, the re-appointment of his position as Whole Time Director was recommended with an increased remuneration so as to get the requisite approval from the shareholders under Section 197 and 198 read with Schedule V of the Companies Act, 2013.

Accordingly the Board of Directors recommends the resolution set out in item No. 8 of the Notice for the approval of the shareholders. None of the Directors, Key Managerial Personnel and their relatives except Mr. R. Chandrasekar are concerned or interested in this Resolution.

Item No. 9

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost auditor to audit the cost records of Company. On the recommendation of the Audit Committee at its meeting held on 26th May, 2021, the Board has approved the appointment of Mr. J. Karthikeyan, Cost Accountant as the Cost Auditor of the Company for the financial year 2021-22 at a remuneration of ₹ 90,000/- exclusive of applicable taxes and reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment of Cost auditor and the remuneration payable to him, are required to be ratified by the shareholders of the Company, in accordance with the provisions of the Act and Rule 14 of the Rules. Accordingly, the Directors recommend this Resolution for the approval of shareholders. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in this Resolution.

By order of the Board
For Sicagen India Limited

Date: 11th August 2021
Place: Chennai

R Chandrasekar
Whole Time Director

Sicagen India Limited

Details of the Directors seeking re-appointment at this Annual General Meeting

The particulars of Directors to be re-appointed at this AGM and the details of their other Directorships and Committee Memberships/Chairmanships held in other Companies as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards are given hereunder. The Directorship held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 have been excluded and Memberships/Chairmanships held in Audit and Stakeholders Relationship Committees have only been included.

- 1) Mr. S. R. Ramakrishnan, aged 71 years, is a B.Tech (Chem) graduate from IIT Madras. He has an overall experience of 47 years in technical & business management with the last 17 years of experience in Board positions. In his career, he worked in various departments including operation, process engineering, Technical services, R & D, Corporate Planning, etc. He has held senior positions in various Companies.

Mr. S. R. Ramakrishnan is a Non-Executive Non-Independent Director in the Company and also acting as Director on the Board of various other entities. He does not hold any shares in the Company and there is no relationship between the Directors inter-se.

Date of First appointment on the Board	01 st December 2018		
No. of meetings of the Board attended during the year	5		
Other Directorships held	Name of the Company	Position	
	Southern Petrochemicals Industries Corporation Ltd	Whole Time Director	
Other Committee Membership / Chairmanships held	Name of the Company	Name of the Committee	Position
	Southern Petrochemicals Industries Corporation Ltd	Stakeholders Relationship Committee	Member

- 2) Mr. R. Chandrasekar, aged about 57 years, is a graduate in Commerce and Chartered Accountant with more than 33 years of work experience in Finance & Accounts, Audit, Taxation, Legal & Secretarial and has worked in diverse segments such as Audit, Engineering Consultancy, EPC & Construction, Manufacturing, Mining, etc. He had held various senior financial positions such as General Manager, Chief Financial Officer and Directorships in major corporates in India and also in MNC in the Middle East for more than a decade.

Mr. R. Chandrasekar is a Whole Time Director in the Company and also acting as Director on the Board of various other entities. He do not hold any shares in the Company and there is no relationship between the Directors and promoters inter-se.

Date of First appointment on the Board	06 th August 2018		
No. of meetings of the Board attended during the year	5		
Other Directorships held	Name of the Company	Position	
	South India House Estates & Properties Ltd	Whole Time Director	
	Edac Engineering Ltd	Director	
Other Committee Membership / Chairmanships held	Name of the Company	Name of the Committee	Position
	South India House Estates & Properties Ltd	Audit Committee	Member

Statement under Para B, Section II, Part II of Schedule V to the Companies Act, 2013 is given below to the extent applicable.

(I) General Information

1. Nature of Industry:

The Company is primarily engaged in whole trade of building materials, power and control systems, boat building and Manufacture of speciality chemicals, drums and barrels.

2. Date of commencement of commercial operation/production:

The date of commercial production/operation the Company is 01.10.2006.

3. Financial performance:

The following are the financial performance of the Company during last 3 years:

(₹ in Lakhs)

	2017-18	2018-19	2019-20
Total Revenue	57,819	54,774	44,172
Profit after tax	642	219	214
Dividend declared (%)	6%	4%	5%

4. Foreign Investments or collaborations, if any:

The Company is holding 100% equity investment in M/s. Wilson Cables Private Ltd, a Singapore based cable manufacturing entity since 2011.

(II) Information about the appointee

Background details	Background details are as given in the details of the directors seeking re-appointment above.
Past Remuneration	(a) Salary: ₹20,00,000/- per annum (b) Performance Linked Pay: ₹8,00,000/- per annum (c) Perquisites & Other allowance: An amount not exceeding ₹30,00,000/- per annum as per Company/Income tax Rules.
Job profile and his suitability	Mr. R Chandrasekar is responsible for the entire business affairs and operational management of the Company subject to the overall superintendence, guidance and control of the Board of Directors. The Board is of the opinion that Mr.R.Chandrasekar has the requisite qualifications, experience and expertise for the position.
Remuneration proposed	The terms of re-appointment are furnished in the Resolution under Item No. 8 of the Notice.
Comparative remuneration profile with respect of industry, size of the Company, profile of the position and person.	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
Pecuniary relationship, directly or indirectly, with the Company or relationship with managerial personnel if any.	Mr. R. Chandrasekar has no pecuniary relationship directly or indirectly, with the Company (except to the extent of the remuneration received/receivable by him from the Company).

(III) Other information

(1) Reasons of inadequate profits or loss if any:

The previous year's profits computed in the manner laid down in Section 198 of the Companies Act, 2013 for payment of the proposed revision are marginally lower. Due to economic slowdown and general recessionary trend prevailed in the business sectors, the overall performance of the Company was significantly affected for the past two years. The sluggish macroeconomic environment and consequent lower demand led to a significant decline in sales, which could not sustain the adequate profit margin.

(2) Steps taken or proposed to be taken for improvement

The Company is constantly exploring the possibilities of developing its core area of businesses for which new action plans are also being initiated by the Management. In order to develop further in trading business, the Company in the process of increasing the trading activities to cover the raw material sourcing for various fertilizer and petrochemical operations. Hence the Company is confident of making higher turnover and profits in future.

(3) Expected increase in productivity and profits in measurable terms

The Company maintains a strong relationship with its existing business partners, suppliers, customers, financial supporters etc. With the continued support of all the stakeholders of the Company, it is expected that the relationship would benefit the Company in the long run and also give better growth and prospects in future.

Sicagen India Limited

DIRECTORS' REPORT

Your Directors are pleased to present the 17th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2021..

FINANCIAL RESULTS

Financial performance of the Company for the year ended 31st March 2021 is summarized below:

	Year ended 31 st March 2021	Year ended 31 st March 2020
Revenue from operations	34,778	43,415
Other Income	491	757
Total Revenue	35,269	44,172
Profit before Finance Cost, Depreciation and Tax	1,664	1,572
Finance Cost	366	600
Depreciation	465	461
Profit Before Tax	833	511
Provision for Tax	247	299
Profit After Tax	586	212
Other Comprehensive Income	960	(498)
Total Comprehensive Income for the year	1,546	(286)
Opening Balance in Other Equity	33,640	34,117
Amount available for Appropriations	35,186	33,831
Appropriations		
General Reserve	--	--
Dividend on Equity shares	237	198
Tax on Dividend	--	--
Earnings per share (EPS) in ₹	1.48	0.54

STATE OF COMPANY'S AFFAIRS

Review of Operations

During the year under review the total revenue of the Company was ₹ 35,269 Lakhs as compared to ₹ 44,172 Lakhs in 2019-20. Profit before tax was ₹ 833 Lakhs as against ₹ 511 Lakhs in the previous year.

Building Materials division has posted a total turnover of ₹ 27,306 Lakhs and a net profit of ₹ 453 Lakhs in the current year as against ₹ 35,637 Lakhs and ₹ 12 Lakhs respectively in previous year.

Power & Control Systems division has posted a total turnover of ₹ 2481 Lakhs as compared to ₹ 2,868 Lakhs in the previous year. The net profit was ₹ 408 Lakhs when compared to ₹ 397 Lakhs in the previous year.

Speciality Chemicals division has posted a total turnover of ₹ 901 Lakhs and net profit of ₹ 201 Lakhs as compared to ₹ 1,158 Lakhs and ₹ 196 Lakhs respectively in 2019-20.

Industrial Packaging division has posted total revenue of ₹ 3,686 Lakhs this year as compared to ₹ 3,710 Lakhs in

2019-20. The net profit of this division for the current year was ₹ 224 Lakhs as compared to ₹ 176 lakhs previous year.

Engineering division has posted revenue of total revenue of ₹ 498 Lakhs this year as compared to ₹ 167 lakhs last year and posted a net loss ₹ 4 Lakhs as against a net profit of ₹ 6 Lakhs.

Dividend

Your directors are pleased to recommend a dividend of 60 paise per equity share (6% on equity capital of the Company) for the financial year 2020-21. Total dividend pay-out for the year is ₹ 237 Lakhs and necessary tax on dividend will be deducted as per Income Tax Act. The dividend shall be paid to the eligible shareholders whose names appear in the Register of Members as on the record date fixed by the Board.

Voluntary delisting of equity shares from NSE

In view of insignificant volume traded in the market and as part of saving in administration cost and additional compliance requirement, the Company had proposed

for voluntary delisting of equity shares from National Stock Exchange of India Limited (NSE) and submitted application to NSE during May 2020. However, due to Covid-19 pandemic situation and present economic conditions, the delisting application submitted to NSE was kept in abeyance till August 2021 and the said proposal for voluntary delisting of equity shares from NSE was re-considered by the Board.

DISCLOSURES UNDER THE COMPANIES ACT, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has complied with requirements and the details of which are disclosed hereunder.

1. Annual Return

As per Section 92(3) of the Companies act, 2013, Annual return of the Company is disclosed on Company's website under the web-link: <https://sicagen.com/corporate-governance/>.

2. Number of Board Meetings

The Board of Directors met 5 (Five) times in the year 2020-21. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report, which forms part of this Annual report.

3. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 Board of Directors confirm that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (b) 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 and of the profit and loss of the Company for that period.
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- (d) they have prepared the annual accounts on a going concern basis.
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.

- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

4. Details in respect of frauds reported by auditors

During the year under review, the Auditors have not reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

5. Statement on declaration given by Independent Directors

The Company maintains the requisite number of Independent Directors as required under Section 149(4) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Remuneration Policy

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management employees including criteria for determining qualification, positive attributes and independence of Directors. The following is the Remuneration Policy for both Executive and Non-Executive Directors which is also available on Company's website at <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/RemunerationPolicyforDirectors.pdf>

(i) For Executive Directors

The remuneration of the Whole Time Directors shall comprise of a fixed component and a performance linked pay, as may be recommended by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

(ii) For Non-Executive Directors

The Non-Executive Directors will be paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee. Different scales of sitting fee may be fixed for each category of the directors and type of meeting. However, the fees payable to the Independent Directors and Woman Directors shall not be lower than the fee payable to other categories of directors. In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company. Subject to the provisions of the Act and the Articles of Association, the Company in General Meeting may, by special resolution, sanction and pay to the Directors remuneration not exceeding 1% of the net profits of the Company computed in accordance with the relevant provisions of the Act. The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

6. Explanation of Board on qualification of statutory auditors & secretarial auditor, if any

The Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

As required by the Listing Regulations, the Practicing Company Secretary's certificate on corporate governance for the financial year 2020-21 is enclosed as Annexure to this Annual report. The certificate does not contain any qualification, reservation or adverse remark.

The Secretarial Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure to this Annual report.

7. Particulars of loans, guarantees or investments given or made by the Company

During the year under review, Company has not given any loan, guarantee or provided any security and made any investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013. The information relating to investments, loans, etc., form part of the Notes to the financial statements provided in this Annual Report.

8. Related Party Transactions

The related party transactions entered into with related parties during the year under review were in the ordinary course of business and at arm's length basis and in compliance with the applicable provisions of the

Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant related party transactions made by the company with promoters, directors or key managerial personnel etc., which may have potential conflict with the interest of the company at large.

Since there are no transactions that are not in arms' length basis and material in nature, disclosure under AOC-2 does not arise.

9. Amount transferred or proposed to be transferred to any reserves

The Company has not transferred or proposed to transfer any amount to any reserves as there is no necessity to transfer such amount as required under the Companies Act, 2013.

10. Material changes and commitments, if any, affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e., 31st March, 2021 and the date of this report.

11. Transfer of unclaimed dividend/Shares to the Investor Education and Protection Fund

As required under the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, and the rules and amendments made thereunder, the Company is required to transfer the dividends that remain unpaid/unclaimed for a period of 7 (seven) consecutive years or more to Investor Education and Protection Fund (IEPF) and also all the equity shares in respect of which dividends remain unclaimed/unpaid for a period of seven consecutive years or more to IEPF account administered by the Central Government. During the year, the Company has transferred the unclaimed dividend amount of ₹9,68,681/- pertaining to the financial year 2012-13 to IEPF account. The Company is also in the process of transferring the shares in respect of which dividends remain unclaimed for the last 7 years or more to IEPF account.

As on 31st March 2021, an amount of ₹ 8.06 Lakhs lying in the unclaimed dividend account of the Company pertaining to the financial year 2013-14 will be transferred to the IEPF account on or before 15th September 2021. The members who have not claimed their dividends pertaining to the financial year 2013-14, may write to the Company/RTA (Cameo Corporate Services Limited) for claiming the same before transfer to the IEPF account.

Year-wise amounts of unpaid / unclaimed dividends lying in the unpaid accounts up to the year, and the corresponding shares, which are liable to be

transferred are available on our website, at www.sicagen.com.

12. Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo

Particulars required to be disclosed under Section 134 of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure I, which forms part of this Report.

13. Risk Management Policy

Risk Management Policy for identifying and managing risk, at the strategic, operational and tactical level, has been adopted by the Company. Our risk management practices are designed to be responsive to the ever changing Industry dynamics. At present the Company has not identified any element of risk which may threaten the existence of the Company. However, the Constitution of a Risk Management Committee as per Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is not applicable to the Company.

14. Corporate Social Responsibility (CSR)

The Company has constituted a CSR Committee of Board of Directors and has adopted a CSR Policy. The same is posted in the Company's website at <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/Corporate-Social-Responsibility-CSR-Policy.pdf>.

The Company is carrying out its CSR activities through AM Foundation, a Not-For-Profit Organisation. A report in prescribed format detailing the CSR expenditure for the year 2020-21 forming part of this report is attached herewith as separate Annexure II.

15. Evaluation of Board

Your Company has a structured framework for evaluation of the Individual Directors, Chairperson, Board as a whole and its Committees. The Independent Directors at their Meeting held on 10th February 2021 evaluated the performance of Non-Independent Directors, Board as a whole, Chairperson and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors at their Meeting held on 10th February 2021 evaluated the performance of all Independent Directors and the Board as a whole and its Committees and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board through circulation of questionnaires, to assess the performance on select parameters relating to roles, responsibilities

and obligations of the Board and functioning of the Committees. The evaluation criteria were based on the participation, contribution and guidance offered and understanding of the areas etc., which are relevant to the Directors in their capacity as Members of the Board/Committees.

16. Directors and Key Managerial Personnel (KMP)

As on the date of Report, Board comprises of 8 (Eight) directors of whom 5 (Five) are Independent directors including 2 (Two) Woman Directors. All the Independent Directors have furnished necessary declaration under Section 149 (7) of the Act and under Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the said declarations, they meet the criteria of independence as provided in Section 149 (6) of the Act and the Regulations. All of them have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended. The Board met 5 (Five) times during the year under review and the relevant details are furnished in the Corporate Governance Report, which forms part of this Annual report.

In accordance with provisions of Sec. 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. S R Ramakrishnan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

17. Composition of Committees

As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of the Company had constituted Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate governance report, which forms part of this Annual report and also available in Company's website at <https://sicagen.com/wp-content/uploads/sicagen-docs/AGM/Committee-Positions.pdf>.

18. Deposits

The Company has not invited or accepted any deposits during the year under review and there are no deposits covered under Chapter V of the Companies Act, 2013 during the year 2020-21, the details of which are required to be furnished.

19. Significant and material orders passed by the regulators or courts or tribunals

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

20. Internal Financial Control

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss that all the transactions are properly authorized and recorded and Information provided to management is reliable and timely. The Company ensures adherence to all statutes. The strong and robust internal control system is in place with appropriate policies and procedures to ensure the achievement of operational and strategic goals, compliance with policies, rules and regulations, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and economical and efficient use of resources.

The Company has engaged a firm of external consultants for the internal audit function to continuously monitor the effectiveness of internal controls. Audits are conducted on an ongoing basis and all significant deviations are brought to the notice of the Audit Committee. Corrective action is recommended for implementation by the audit committee. All these measures do facilitate timely detection of any irregularities and provide early remedial steps. The Audit Committee approves the audit plan assigned to the internal auditors and the audit plan is reviewed annually. Further, the Audit Committee also reviews the quarterly reports submitted by internal auditors critically and all material deviations are seriously viewed.

21. Proceedings under Insolvency and Bankruptcy Code, 2016

No application has been made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company during the year under review.

22. Vigil Mechanism

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with the Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has established a vigil mechanism for its directors and employees to report their grievances or genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. In order to prevent fraudulent activities and also to ensure a corruption free work environment, a detailed whistle blower policy has been laid down by the Board. The details of the whistle blower policy are posted on the Company's website at <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/Whistle-Blower-Policy.pdf>

23. Internal Complaints Committee

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual

harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there was no event affecting any of the women employees on account of any sexual harassment at the work place.

24. Compliance with Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and that such systems are adequate and operating effectively.

25. Particulars of employees

The particulars of employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 are given as Annexures III & IV, and form part of this Annual report.

26. Corporate Governance Report

A Report on Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms part of this Annual Report. The requisite certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as required under the above Regulations is also annexed to this report.

27. Management Discussion & Analysis Report

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed as annexure to this report.

28. Auditors

(a) Statutory Auditors

At the 13th Annual General Meeting (AGM), M/s. SRSV & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for a period of 5 years and they will hold office until the conclusion of 18th AGM (FY 2017-18 to 2021-22) as per Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors), Rules 2014. M/s. SRSV & Associates, Chartered Accountants, Chennai have also confirmed that the appointment is within the limits as specified under the Companies Act 2013. Consequent to the amendment made in the provisions of Section 139 of the Act, the ratification of statutory auditors' appointment at the ensuing AGM does not arise.

(b) Secretarial Auditor

The Company has appointed M/s. KRA & Associates, Practicing Company Secretaries, Chennai to carry out necessary secretarial audit for the financial year 2020-21 as required under Section 204 of the Companies Act, 2013. As required under Section 204 of the Act, the Secretarial Audit Report issued by Secretarial Auditor for the year 2020-21 is given as Annexure V and forms part of this Annual report.

(c) Cost Auditor and Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with the amended rules thereof, the Board of Directors on recommendation of the Audit Committee, has appointed Mr. J. Karthikeyan, Cost Accountant as Cost Auditor of the Company for the financial year 2021-22 to carry out necessary cost audit in respect of manufacturing activities of the Company such as specialty chemicals division, Industrial Packaging (drums manufacturing) division, Engineering division (Boat Building) and Governor Services Division etc. The Board has recommended the remuneration payable to the above Cost Auditor for ratification of shareholders at the ensuing Annual General Meeting.

29. Share Capital

The paid-up share capital of the company as on 31st March, 2021 remains unchanged at ₹ 39,57,16,840/- consisting of 3,95,71,684 equity shares of ₹10 each. During the year under review, there was no change in the paid up share capital of the Company.

30. Dematerialization of Equity Shares

As on 31st March 2021, 3,83,07,759 equity shares representing 96.80% of the paid-up share capital of the Company have been dematerialized. The shareholders holding shares in physical form are advised to dematerialize their equity shares to avoid the risks associated with holding the share certificates in physical form.

31. Subsidiary, Associates and Joint Venture Companies

Pursuant to Section 136 of the Companies Act, 2013 which has given exemption from attaching the annual reports of subsidiary companies along with the annual report of the Company, the copies of balance sheet, profit and loss account, report of Directors & Auditors and other related information of South India House Estates & Properties Ltd, Wilson Cables Private Ltd, Danish Steel Cluster Private Ltd (Subsidiary

Companies), Wilson Far East Private Ltd, Singapore (Step-down subsidiary) are not attached with this annual report. However, the financial statements of the aforesaid subsidiary Companies are available for inspection by any member at the registered office of the Company and also available at the Company's website at <https://sicagen.com/financials-for-subsidiaries/>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the aforesaid subsidiary Companies for the year ended 31st March 2021, forming part of this report is annexed as separate Annexure in Form AOC-1, which forms part of this Annual report.

During the year under review, the management of Danish Steel Cluster Private Ltd (Danish Steel) announced VRS scheme and settled 85 workmen under this scheme. Due to lack of orders from the customers, Danish Steel is in the process of evaluating the potential future business prospects and also looking at various options to shift the business operations to a viable place.

The Company do not have any Associates or Joint Venture Companies.

32. Consolidated Financial Statements

In accordance with Indian Accounting Standard (Ind AS) 110 of Institute of Chartered Accountants of India and Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated financial statements are prepared by the Company. The audited consolidated financial statements together with auditors' report for the financial year ended 31st March 2021 are annexed with this Annual report.

Acknowledgement

Your Directors take this opportunity to express their gratitude to Company's Bankers, NBFCs, Customers, Suppliers, Govt. Departments and other business associates for their unstinted support extended to the Company. Your Directors wish to place on record, their appreciation of the efficient and dedicated services rendered by the employees at all levels across the Company. We are sincerely grateful to all the shareholders for their confidence, faith and support in the endeavours of the Company.

For and on behalf of the Board

Place : London
Date : 26.05.2021

Ashwin C Muthiah
Chairman

Sicagen India Limited

Annexure – I to Directors' Report

The particulars required under Section 134 of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014

A) Conservation of Energy

The operations of the Company are not energy intensive.

B) Technology Absorption

No technology has been imported or absorbed.

Form "A"

Research & Development (R&D)

1. Specific area in which R & D is carried out by the Company	Nil
2. Benefits derived as a result of the above R & D.	Nil
3. Future Plan of Action	Nil
4. Expenditure on R & D	Nil

C) Foreign Exchange, Earnings & Outgo

Total Foreign Exchange Earned	₹ 477 Lakhs
Outgo	₹ 119 Lakhs

Annexure –II to Directors' Report

Report on CSR Activities

1) Brief outline of CSR Policy

The Company in its endeavour to contribute its mite for the sustained development and growth of the Society has formulated its CSR Policy to achieve any or all of the following objectives.

- To provide basic amenities such as sanitation, safe drinking water, etc. to the less privileged and also to provide an impetus to rural development.
- To promote education through improving the infrastructure in the schools run by the government, local bodies and not-for-profit organizations.
- To improve the capabilities and self-sustenance of the disadvantaged and make them employable and self-reliant through promotion of skills, provision of vocational training, establishment of public libraries, etc.
- To join hands with other organizations, authorities, local bodies, etc. to cater to the needs of the people living in rural areas including agricultural development activities.
- To undertake projects in the area of health care and to eradicate hunger, malnutrition, poverty.
- To ensure environment sustainability, ecological balance and preservation of the quality of soil, air and water.
- To provide financial support to technology incubators of academic institutions approved by the Central Government.
- To implement Infrastructure development in areas where the less privileged live.

2) Composition of the CSR Committee

S I . No	Name of the Director	Designation / Nature of Relationship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashwin C Muthiah	Chairman	2	1
2.	Mrs. Sashikala Srikanth	Member	2	2
3.	Mr. R Chandrasekar	Member	2	2

3) Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://sicagen.com/corporate-governance/>

4) Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 :

Not applicable

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

Nil

6) Average net profit of the Company as per Section 135(5)

(Amount in ₹)

Sl. No	Financial year	Net Profit	Average net profit of the Company as per Section 135(5).
1	2017-18	(1,76,11,262.69)	2,84,60,393.38
2	2018-19	5,04,21,643.50	
3	2019-20	5,25,70,799.35	
	Total	8,53,81,180.15	

7) Total CSR Obligation for the financial year

Sl. No	Particulars	Amount (in ₹)
(a)	Two percent of average net profit of the Company as per Section 135(5)	5,69,207.87
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b-7c)	5,69,207.87

8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹5,90,452.80	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year

Sl. No	Name of Project	Item from the list of activities in schedule VII to the Act.	Local area	Location of the project		Amount spent for the project (in ₹)	Mode of implementation	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)
1.	Contribution towards 25 Grosan toilets belonging to Phase-I and Phase-II of Puducherry Inner City Sanitation (ICS) project	Promoting Sanitation	Yes	Puducherry		4,50,000.00	Indirect	AM Foundation	CSR00001066

Sicagen India Limited

Sl. No	Name of Project	Item from the list of activities in schedule VII to the Act.	Local area	Location of the project		Amount spent for the project (in ₹)	Mode of implementation	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)
2.	Providing of Printer and UPS for Govt Higher Secondary School, Chennai	Promoting Education	Yes	Tamil Nadu	Chennai	1,12,336.00	Indirect	AM Foundation	CSR00001066
Total						5,62,336.00			

(d) Amount spent in Administrative Overheads :

5% of Amount spent on CSR (f) mentioned above – ₹ 28,116.80

(e) Amount spent on Impact Assessment: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) = ₹ 5,90,452.80

(g) Excess amount for set off, if any:

Sl. No	Particulars	Amount (In ₹)
(i)	2% of average net profit of the Company as per Section 135(5)	5,69,207.87
(ii)	Total amount spent for the Financial Year 2020-21	5,90,452.80
(iii)	Excess amount spent for the financial year [(ii)-(i)]	21,244.93
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	21,244.93

9. (a.) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial years	Amount Transferred to Unspent CSR account under section 135(6) (Amount in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (In ₹)	Date of Transfer	
1	2017-18	Nil	Nil	Not Applicable			Not Applicable
2	2018-19	Nil	Nil	Not Applicable			Not Applicable
3	2019-20	Nil	Nil	Not Applicable			Not Applicable
4	2020-21	Nil	Nil	Not Applicable			Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

No amount has been spent for ongoing projects of the preceding financial year(s).

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable.

Place: Chennai

Date: 26.05.2021

Ashwin C Muthiah

Chairman

Sashikala Srikanth

Member

R.Chandrasekar

Member

ANNEXURE -III TO DIRECTORS REPORT

The particulars required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 annexed to and forming part of the Directors Report for the year ended 31st March 2021.

SN	Employee Name	Designation	Nature of duties	Qualifications	Experience (Years)	Date of Joining	Age (Years)	Last Employment & Position held	Remuneration (₹ In Lakhs)
1	R Chandrasekar	Whole Time Director	Operation	ACA	32	28-Nov-18	57	Edac Engineering Ltd CFO & Whole Time Director	58.00
2	Nandakumar Varma	GM - Power & Control Systems	Operation	B. Tech, MBA	28	05-Apr-93	52	Mekel Corporation, Design Engineer	29.22
3	S Santhanakrishnan	GM - Speciality Chemicals	Operation	MBA	35	03-Jan-97	57	SPIC Ltd, Research Associate	26.77
4	Prasanna Joshi	DGM - Building Materials	Sales	MBA	14	04-Jun-13	37	AMIH Pvt Ltd, Sr. Manager - Strategic Management	25.93
5	M O Ayyappan	CFO	Finance & Accounts	M.Com, MBA, PGDPM	27	02-Aug-93	53	Agro Cargo Transport Ltd Management Trainee	19.48
6	D Aditya Kiran	RSM	Sales	MBA	19	01-Jul-13	51	Egwood Boards & Panels Pvt Ltd, Branch Manager	18.78
7	RM Muthuraman	Chief Manager	Central Purchase	B.Com, PGDM	34	02-Jan-87	57	South India Corporation (A) Ltd, Branch Manager	18.48
8	Kotasthane Kedar Dinesh	Manager	Sales	GMBA, MMM	13	17-July-18	36	Fugro Survey India Pvt Ltd, Sales Engineer	15.00
9	R Vasudevan	DGM – Boat Building	Operations	BE	27	17-Jun- 19	50	L & T Ship Building DGM-Quality Control	14.19
10	A Ramaswamy	Regional Sales Manager	Sales	DME, MBA	27	10-Nov-94	57	Sathya Auto Accessories, (Supplier of Maruthi Suzuki Ltd), Deputy Manager	13.14

Notes:

- The nature of employment is contractual.
- The remuneration includes salary, allowances, performance pay, perquisites and leave encashment, Ex-gratia, Company's contribution to PF, NPS, Superannuation & Gratuity, etc. paid during the year.
- Terms and conditions of the employment are as per Company's Rule.
- None of the employees are related to any Directors of the Company.
- None of the Directors / Employees holds more than 2% of the equity shares in the Company.

Sicagen India Limited

ANNEXURE - IV TO DIRECTORS REPORT

The particulars required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 annexed to and forming part of the Directors Report for the year ended 31st March 2021.

1	The ratio of the remuneration of each Director to the median remuneration of the employees.	₹3.16 Lakhs per annum to ₹58 Lakhs per annum Ratio of remuneration is 1:13
2	% increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) in the financial year.	No increase in remuneration to WTD. 3.45% increase in remuneration to CFO (W.e.f.1.10.20). 3.70% increase in remuneration to CS – Mr.Srikrishna (W.e.f.1.10.20)
3	% increase in the median remuneration of employees in the financial year.	3.65%
4	The number of permanent employees on the rolls of company;	285
5	Average percentile increase 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 and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Salary increase to non-managerial employees is at 3.67% and for managerial employees is at 3.64%.

It is affirmed that the remuneration paid / payable to the Directors, KMPs and other median employees are as per the remuneration policy of the Company

Date : 26.05.2021
Place: Chennai

R Chandrasekar
Whole Time Director

ANNEXURE-V TO DIRECTORS' REPORT**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,
Sicagen India Limited
4th Floor, SPIC House,
No.88, Mount Road,
Guindy,
Chennai 600 032.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sicagen India Limited (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed thereunder 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) 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;
- (v) Laws applicable specifically to the Company:
 - (a) Factories Act, 1948
 - (b) Shop and Commercial Establishment Act
 - (c) Indian Contract Act, 1872
 - (d) The Pondicherry Ground Water (Control & Regulation) Act, 2002
 - (e) Tamil Nadu Fire Service Act, 1985

We 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 Listing Agreements entered into by the Company with Stock Exchange(s);

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We further report that:

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. 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.

We 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 KRA & ASSOCIATES
Practicing Company Secretaries

R. KANNAN
PARTNER

FCS NO. 6718 / CP NO. 3363
UDIN: F006718C000336938

Place: Chennai
Date: 17/05/2021

‘ANNEXURE A’

To,
The Members
Sicagen India Limited
4th Floor, SPIC House
No.88, Mount Road
Guindy
Chennai 600 032.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KRA & ASSOCIATES
Practicing Company Secretaries

R. KANNAN
PARTNER

FCS NO. 6718 / CP NO. 3363
UDIN: F006718C000336938

Place: Chennai
Date: 17/05/2021

Management Discussion and Analysis Report 2020-21

INDIAN ECONOMY

India's economy which had grown at 4.2% in 2019-20, entered a recessionary phase with two successive quarters of sharp contraction triggered by the Covid-19 nationwide lockdown announced by the Government. The lockdown which started just before end of March 2020, remained in full swing and it led to a contraction of 23.9% during the first quarter of 2020-21. With the start of the vaccination drive, the government expects to track a faster recovery in 2021-22. The Economic Survey 2021 also predicts 10% to 12% growth in the ensuing year. Although, the pandemic had created a biggest threat to economic growth, Government took significant steps to deal with the Covid-19 crisis and improve the economic situation.

To overcome from the present challenging situation, as a first step, the Government took measures to revamp the financial sector by increasing credit outflows by the banks and NBFCs, reducing stress in real estate sector, liberalising FDI norms, a significant cut in the corporate tax rate, easing tax rules for foreign portfolio investors and implementing new start-up schemes. In November 2020, Government announced ₹2.65 lakh crores stimulus package to generate job opportunities and provide liquidity support to various sectors. Also, India's cabinet approved the production-linked incentives scheme to provide ₹2 trillion over five years to create jobs and boost production in the country. Under "Make in India" initiative, the government is trying to develop all the manufacturing sectors with an aim to boost country's economy and increase purchasing power of an average Indian consumer.

INDUSTRY OUTLOOK AND OPPORTUNITIES

The year 2020-21 was very challenging because of Covid-19 pandemic that had impacted the global economy and industries at large. It has caused a spiral effect on all industries. The outbreak of the pandemic and the resultant lockdown had smashed the non-essential manufacturing segments. In the building materials segment, companies faced numerous challenges like disruption in the manufacturing process, manpower shortage due to reverse migration, growing gap between the demand and supply chain and logistical constraints. However as economies are now opening, the sector has been on a revival path, recovering faster than expected. Despite the current challenges, the sector is poised to witness 5% to 10% growth in 2021 owing to planned infrastructural developments. It is also expected that the ongoing infrastructure project opportunities in the country and existing government flagship programs like "Smart Cities", "Housing for All" and "Make in India" will always increase supply of building materials and make the industries vibrant.

The increasing production of manufacturing and industrial sector is one of the major factors augmenting sales of steel drums. Steel drums usage in India is rising in

shipping and storing of various liquid materials and it is considered the most suitable rigid packaging solutions for transporting hazardous and non-hazardous materials. The consumption of steel drums is considerably high in regions exhibiting increasing trade of chemicals, oils, lubricants, paints, solvents, fruit pulps etc. It is expected that growing demand for cost efficient packaging solution and increase usage of steel drums by oil and chemical industries in India will create new opportunities for the steel drum market in the next five years and projected to expand the market at a CAGR of 5% during 2021-2031.

India has potential in the field of water treatment and the market for water treatment chemicals in India is expected to grow at a CAGR of above 8% in the next few years. The industrial segment is also projected to be the largest end-use industry segment of the water treatment chemicals market during the forecast period. The demand for water treatment in the industrial sector is increased due to rapid industrialization and substantial growth in several key markets. Every industry consumes water for a variety of applications which include metal & mining, chemical processing, oil & gas, paper and power generation that require water treatment chemicals to treat the usage of essential water. Moreover, the industries such as food processing, beverages, textile and auto components which are growing at a rapid rate in the country will require water treatment chemicals to improve the quality and efficiency. Increasing demand from the chemical and pharmaceutical industries is a major driving factor for the market studied.

The power and control systems are highly required now for various industries in a fully automated environment. Increase in demand for mechanical governors, actuators and other controlling equipment across the country is anticipated to fuel the operating efficiency of power plant control systems market. The systems help improve operational efficiency of power plants which is expected to augment the power plant control systems. In the modern technology and development, the demand for instrumentation & controlling equipment and superior quality service solutions had enabled the Company's business to reach great heights in the related market both in many public and private sectors. Installation of control systems in power plants has led to improved plant efficiency, hence power plant control systems have been widely adopted in the end-use industry. Automation in power generation technology has enabled intelligent operation of power plants. This is expected to boost the power control systems market and create demand and supply.

OPERATIONAL AND FINANCIAL PERFORMANCE

The Company reported a revenue of ₹ 35,269 Lakhs in 2020-21 as compared to ₹ 44,172 Lakhs in 2019-20. The decline was largely owing to the lockdown imposed by the government to contain the Covid-19 spread in the

Sicagen India Limited

country beginning April 2020. However, in Q3 and Q4, the Company's sales picked up substantially. During the year under review, profit before tax was ₹ 833 Lakhs as against ₹ 511 Lakhs in the previous year. The Company reported 63% growth in profit before tax over 2019-20 owing to optimisation of operating and administrative expenditure, reduction in finance cost.

Building Materials division has posted a total turnover of ₹ 27,306 Lakhs and a net profit of ₹ 453 Lakhs in the current year as against ₹ 35,637 Lakhs and ₹ 12 Lakhs respectively in previous year. The decline in the turnover was mainly due to sluggish macroeconomic environment and lower demand of construction materials. However, the Management is continuously reviewing these threats and devising appropriate mitigative actions appropriately. The Company has taken several initiatives to improve market coverage, business development and also to **strengthen the core values of excellence, customer focus, integrity, commitment and team work.**

As part of business development, the Company has expanded its trading business beyond the conventional range by adding various product portfolios and catering to a wide customer base in the existing markets as well as expanding into high business potential markets. During the year, the Company has achieved a total revenue of ₹ 1,681 Lakhs and earned a net profit of ₹ 89 Lakhs under this trading segment.

Power and Control Systems division's revenue during the year under review was ₹ 2,481 Lakhs and net profit was ₹ 408 Lakhs as compared to revenue of ₹ 2,868 Lakhs and net profit of ₹ 397 Lakhs in the previous year. With right product mix and focus on repair and service, the division was able to perform reasonably well in the year. The revenue was less as compared to last year due to lower priority from the customers for Capex due to adverse market conditions. This division has partnership with global brands namely Woodward for Governors, Norgren, Eaton & ABB for Switch Gears and motors and Danfoss for Drives and vast experience of about three decades and expertise in the field of Governing and power management products.

Speciality Chemicals division has achieved a total turnover of ₹ 901 Lakhs and earned a net profit of ₹ 201 lakhs as against the turnover of ₹ 1,158 Lakhs and the net profit of ₹ 196 Lakhs in the previous year 2019-20. This division continuously bagged orders for supply of Cooling Water Treatment (CWT) chemicals from NLC and APPGC. During the year, this division has submitted offers through tenders for supply of CWT chemicals valuing ₹ 190 Lakhs to FACT and NLC and ₹ 130 Lakhs to JSW, Bellary. The division also continued to cater services to FACT, Cochin and Mettur Thermal Power Station, Tuticorin. Annual contract for supply of Neem oil to SPIC was also executed by this division during the year. This division has developed a new anticaking agent product and received commercial orders from TFL after successful completion of trials. Setting up of a new manufacturing facility at Tuticorin was completed

and shifting of the plant operations of this division from Pondicherry to new location was initiated.

Industrial Packaging division has posted total revenue of ₹ 3,686 Lakhs this year as compared to ₹ 3710 Lakhs in 2019-20. The net profit of this division for the current year was ₹ 224 Lakhs as compared to ₹176 Lakhs. This division continued to supply of MS barrels to PSUs and bagged new orders valuing ₹449 Lakhs from various customers for supply 37,242 number of barrels with 210 Ltrs and 20-25 Ltrs capacity. During the year, there was a loss of production in the Epoxy Lacquer Coating unit of this division due to fire accident occurred in the plant at Minjur, Chennai on 22.01.2021 at 05.30 p.m. Fortunately, there was no injury or damage to any workers on account of the fire accident. The manufacturing process in the particular unit was stopped for 1 week due to this incident and resumed operation after damage was completely rectified. The Management examined the incident and ascertained the loss for insurance claim.

Engineering division bagged orders from Ministry of Fisheries for construction of deep sea fishing boats for fishermen. During the year, this division has successfully delivered 8 deep sea fishing boats to the beneficiaries and remaining 6 boats are under construction. This division has posted a total revenue of ₹ 498 Lakhs this year as compared to ₹ 167 lakhs last year and posted a net loss ₹ 4 Lakhs as against a net profit of ₹ 6 Lakhs. The decline in net profit was due to increase in material cost and administrative expenditure due to Covid pandemic situation.

KEY FINANCIAL RATIOS

Details of significant changes in key financial ratios (Change in 25% or more) as compared to the immediately previous financial years.

Particulars	Details	Detailed Explanation
Debtors Turnover	--	Change is less than 25%
Inventory Turnover	--	Change is less than 25%
Interest Coverage Ratio	80%	Increase in Operating profits during the year resulting in a better interest coverage ratio.
Current Ratio	--	Change is less than 25%
Debt Equity Ratio	--	Change is less than 25%
Operating Profit Margin (%)	182%	Optimisation of the operating cost and increase in steel price in the Quarter 3 & 4 contributed to the increase in the operating profits.
Net Profit Margin (%)	104%	Optimisation of the operating cost and increase in steel price in the Quarter 3 & 4 contributed to the increase in the operating profits.

NAVIGATING THROUGH CHALLENGING TIMES

With the Government of India announcing nation-wide lockdown towards the end of the first quarter of 2020-21 to contain the spread Covid-19 pandemic, the country witnessed complete shutdown of business and social activities. The Company's operations across locations were shut during the lockdown and gradually resumed operation in line with the directives from the government. The Company ensured essential manning, stabilised operations as per standard operating procedures (SOP) and subsequently ramped up capacity utilisation.

HUMAN RESOURCE DEVELOPMENT

The Company attaches utmost importance to all employees working at various locations. The main focus is on attracting, retaining and nurturing the best of talents to lead the organisation towards achieving the Company's strategic goals and objectives. The Company provides a work culture free of discrimination and bias and provide equal opportunity to all.

The Company believes that employees and third parties visiting our premises are entitled to a safe and healthy working environment and the management ensures to provide it. With the outbreak of Covid-19, health and safety assumed more significance than ever. The extensive focus on the development and implementation of workplace response plans to address Covid-19 related health and safety risks at each and every locations ensured that the people felt safe and were informed about the necessary preventive measures.

As on 31st March 2021, 285 employees are in permanent rolls of the Company out of which, 16 are women employees. Apart from the permanent employees, 99 employees are on contractual/casual basis.

INTERNAL CONTROL SYSTEM

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value. To ensure that, the Company has created an adequate system of internal controls. The procedures and policies covering all financial and operating functions framed by the Company are effective in maintaining a proper internal control system. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets and compliances with regulations and minimising of losses wherever possible.

The current system of internal financial controls is aligned with the requirement of the Companies Act, 2013 and is in line with SEBI Regulations and internal framework designed by the Audit Committee. This framework includes entity-level accounting policies, processes and standard operating procedures. The compliance with these policies and procedures is ingrained into the management review process. The Company uses IT supported Oracle platforms to keep the internal financial control framework robust. The Company periodically assess operational effectiveness of internal controls across multiple functions and locations through extensive internal audit exercises.

The Company has appointed a professionally experienced internal audit firm to carry out periodical internal audit. The internal auditors appointed by the Company submit their reports with observations to the Management regularly. All the significant internal audit observations and corrective action plans are presented to the Audit Committee.

RISK AND CONCERNS

The Company always ensures that the risk management process is also an integral part of yearly business plan and it involves a systematic approach to identify, assess, manage and monitor risks that can affect the organisation's ability to achieve its objectives. The Company identifies major risks and concerns affecting its business which are mainly associated with various external factors. Since the main business is relating to trading and service, the major external risk may arise because of the price variation, market fluctuation, credit offering, liquidity position, demand and supply, changes in government policies, banking regulations and tax rates etc. Hence the Company has put in place an effective risk management system to monitor and avoid those risks and take aggressive steps to overcome the challenges by offering value added services to its esteemed customers.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's structure, challenges, outlook, financials and HR policies may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price situations in the domestic and overseas market in which the company operates, changes in the Government, laws, rules, regulations and other statutes and other incidental factors.

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REPORT ON CORPORATE GOVERNANCE 2020-21

1. Company's Philosophy

Corporate Governance is a reflection of our policies, our culture, our relationship with stakeholders and our commitment to value. Your Company strives to conduct business with sound Corporate Governance practices which reflect fairness, integrity, accountability and transparency in our dealings with stakeholders and regulatory authorities.

2. Board of Directors

(a.) Composition

As on 31st March 2021, the Board comprised of 8 Directors which consists of 1 Executive Director, 2 Non-Executive Directors and 5 Independent Directors. All Directors are with professional expertise in various fields such as administration, marketing, finance, accounts and engineering. The Board of Directors of the Company is headed by Mr. Ashwin C Muthiah, Chairman, Non-Executive Director. There is no pecuniary relationship or transaction by the Non-Executive Directors with the Company and vis-versa.

(b.) Board meetings and Directors attendance

(i) Total Number of Board Meetings held: Five (5)

Date(s) of Board meetings: 23.04.2020, 17.06.2020, 07.08.2020, 12.11.2020 & 10.02.2021.

(ii) Attendance of Directors at the meeting of the Board of Directors held during 2020-21 and the last Annual General Meeting (AGM) held on 17.09.2020 are as follows.

Name and designation of the Director	Category/ Position	Attendance		Number of other directorships* & committee membership/ chairmanship**			Directorship held in listed entities (Category of Directorship)
		At Board Meetings	At Last AGM	Director	Member of Committee	Chairman of Committee	
Ashwin C Muthiah Chairman	Non-Executive Non-Independent (Promoter)	5	Yes	3	-	2	1) Southern Petrochemical Industries Corpn. Ltd (Non-Executive Non Independent) 2) Manali Petrochemicals Ltd (Non-Executive Non Independent) 3) Tamilnadu Petroproducts Ltd (Non-Executive Non Independent)
B Narendran Director	Non-Executive Independent	5	Yes	6	4	5	1) Southern Petrochemical Industries Corpn. Ltd (Non-Executive Independent) 2) Tuticorin Alkali Chemicals & Fertilizers Ltd (Non-Executive Independent) 3) Mercantile Ventures Ltd (Non-Executive Independent) 4) India Radiators Ltd (Non-Executive Independent)

Name and designation of the Director	Category/ Position	Attendance		Number of other directorships* & committee membership/ chairmanship**			Directorship held in listed entities (Category of Directorship)
		At Board Meetings	At Last AGM	Director	Member of Committee	Chairman of Committee	
Sashikala Srikanth Director	Non-Executive Independent	5	Yes	6	4	3	1) Southern Petrochemical Industries Corpn. Ltd (Non-Executive Independent) 2) Manali Petrochemicals Ltd (Non-Executive Independent) 3) Tamilnadu Petroproducts Ltd (Non-Executive Independent) 4) Mercantile Ventures Ltd (Non-Executive Independent)
Rita Chandrasekar Director	Non-Executive Independent	5	Yes	3	2	1	1) Tuticorin Alkali Chemicals & Fertilizers Ltd (Non-Executive Independent) 2) India Radiators Ltd (Non-Executive Independent) 3) Southern Petrochemical Industries Corpn. Ltd (Non-Executive Independent)
S Radhakrishnan Director	Non-Executive Independent	5	Yes	2	2	-	Southern Petrochemical Industries Corpn. Ltd (Non-Executive Independent)
M Rajamani Director	Non-Executive Independent	5	Yes	2	-	-	-
S R Ramakrishnan Director	Non-Executive Non Independent	5	Yes	1	1	-	Southern Petrochemical Industries Corpn. Ltd (Executive)
R. Chandrasekar Whole Time Director	Executive Non-Independent	5	Yes	2	2	-	-

Note: *Directorships held in public limited companies are only included. Directorship held in private Companies, foreign companies and companies registered under Sec.8 of the Companies Act, 2013 are excluded.

**Memberships/Chairmanships held in Audit Committee and Stakeholders Relationship Committee in public limited Companies have only been included.

- Figures mentioned in brackets indicate the number of companies in which the Director is Chairman across all listed entities, except Sicagen India Limited.
- There is no inter-se relationship between the Directors.

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(iii) Details of equity shares of the Company held by non-executive directors as on 31st March 2021

Name of the Director	Category/ Position	No of equity shares held
Ashwin C Muthiah	Non-Executive Non Independent	41,838
B Narendran	Non-Executive Independent	2,515
Sashikala Srikanth	Non-Executive Independent	Nil
Rita Chandrasekar	Non-Executive Independent	Nil
S Radhakrishnan	Non-Executive Independent	Nil
M Rajamani	Non-Executive Independent	Nil
S R Ramakrishnan	Non-Executive Non Independent	Nil

(iv) Details of familiarization programs conducted for the Independent Directors are disclosed in the Company's website at <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/FamiliarizationprogrammeForIndependentDirectors.pdf>

(v) List of core skills/expertise/competencies identified by the Board.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board members.

Major Classification	Sub Classification	Remarks	Directors having the skills
Industry	Specific Skills	Good knowledge about the Building Materials business and industry and the issues specific to the Company.	Mr. Ashwin C Muthiah Mr. B. Narendran
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	Mr. R. Chandrasekar Mr. M. Rajamani Mr. S. R. Ramakrishnan
Strategy & Policy	Strategy	Ability to identify and critically assess strategic opportunities and threats to the business. Guiding development of strategies to achieve the overall goals	Mr. Ashwin C Muthiah Mr. S. Radhakrishnan
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Mrs. Sashikala Srikanth Mr. S. R. Ramakrishnan
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Mr. Ashwin C Muthiah
Risk & Compliance	Operational	Identification of risks related to each area of operation	Mr. S. Radhakrishnan Mr. R. Chandrasekar
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements	Mr. B. Narendran Mrs. Rita Chandrasekar
	Financial	Experience in accounting and finance, ability to analyze the financial statements presented, assess the viability of various financial proposals, oversee funding arrangements and budgets.	Mrs. Sashikala Srikanth Mr. S. Radhakrishnan Mr. R. Chandrasekar

Major Classification	Sub Classification	Remarks	Directors having the skills
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.	Mr. Ashwin C Muthiah
	Leadership	Make decisions and take necessary actions for implementation thereof in the best interest of the organization. Analyze issues and contribute at board level to solutions	Mr. S. Radhakrishnan Mr. B. Narendran Mr. S. R. Ramakrishnan Mr. M. Rajamani
Board Conduct Contribution	Contribution	Participate actively in the matters discussed and contribute effectively at the meetings. Help in arriving at unanimous decisions in the event of difference of opinions.	All the Directors of the Company
Personnel	Qualification	Having formal education and well qualified to possess the skills and competencies outlined above.	All the Directors of the Company
	Experience	Previous experience in Board or senior management positions in reputed companies/ organizations/ government.	
	Diversity	Optimum combination - Gender, ethnic, age, etc. and presence adding value to the Board's stature.	
	Interpersonal Skills	Must work well in a group, listen well and communicate their point of view frankly but tactfully.	
	Interest in the Company	Shall be sincere and evince genuine interest in the affairs of the Company	
	Instinct	Shall have good business instincts and acumen, and ability to get to the crux of the issue quickly. A degree of intuition would also be good.	
	Ethics and integrity	Be ethical and maintain integrity at any cost. Adhere to the Codes of Conduct in letter and spirit. In the event of conflict of interest, prioritize the Company	

(vi) Confirmation of Independent Directors

As required under Schedule V Part C (2) (i) of SEBI (LODR) Regulations, 2015, (Regulations), the Board of Directors in their opinion confirm that, the Independent Directors fulfil the conditions specified in the Regulations and are independent of the Management.

3. Audit Committee

(a) Terms of reference:

1. Oversee the company's financial reporting process and review the financial statements and auditors' report thereon.
2. Recommendation of appointment, re-appointment and if required, the replacement or removal of the statutory auditors, cost auditors, internal auditors and fixation of their fees.
3. Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc.
4. Review and monitor the auditor's independence, performance and effectiveness of audit process;
5. Review of internal control and internal audit system.
6. Review of the functioning of Vigil mechanism under whistle blower policy.
7. Seek information from any employee, if needed.
8. Obtain legal or expert opinion or professional advice from outside, if any required.

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9. Approval or any subsequent modification of transactions of the company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of the company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Monitoring the end use of funds raised through public offers and related matters.
14. Investigation of any activity within the terms of reference of Audit Committee.

(b.) Composition, name of members and chairperson:

The Company has a qualified and independent Audit Committee which comprises four Directors, three of whom are Non-Executive Independent directors. The Audit Committee comprises of the following members as on 31st March 2021.

Sl. No.	Name of the Director	Position
1	Sashikala Srikanth	Chairperson
2	B Narendran	Member
3	S Radhakrishnan	Member
4	R Chandrasekar	Member

The Company Secretary acts as Secretary to the Audit Committee

(c.) Meetings and attendance during the year

During the year 2020-21, Four Audit Committee meetings were held respectively on 17th June 2020, 07th August, 2020, 12th November 2020 and 10th February 2021. All the members have attended the meetings through video conferencing and the attendance record is given hereunder.

Sl. No.	Name of the Director	No. of meetings attended
1	Sashikala Srikanth	4
2	B Narendran	4
3	S Radhakrishnan	4
4	R Chandrasekar	4

4. Nomination and Remuneration Committee

(a.) Brief description of Terms of reference:

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the appointment and payment of remuneration to Directors, Key Managerial Personnel and other senior management level employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
3. To recommend the appointment of Managing Director(s), Chief Executive Officer, Whole Time Director(s) and the terms and conditions of their appointment.
4. To carry out evaluation of every Directors.
5. To determine remuneration package of Directors and recommend to the Board for approval.
6. To recommend the appointment of Chief Financial Officer, Company Secretary and other Division/Business Heads of the Company and the terms and conditions of their appointment including remuneration.

(b.) Composition, No. of meetings and attendance:

The Nomination and Remuneration Committee comprises of the following Directors as on 31st March 2021. During the year, the Committee met 1 time on 17th June 2020.

Sl. No.	Name of the Director	Position	No. of meetings attended
1	S Radhakrishnan	Chairperson	1
2	B Narendran	Member	1
3	M Rajamani	Member	1

(c.) Performance evaluation criteria for independent directors

The criteria for evaluation of the performance of Independent Directors, include their qualification, experience, competency, knowledge, understanding of respective roles (as Independent Director and as a member of the Committee of which they are Members/Chairpersons), adherence to Codes and ethics, conduct, attendance and participation in the meetings etc.,

5. Remuneration of Directors:

- None of the non-executive directors had any pecuniary relationship with the Company other than receipt of sitting fees.
- Criteria of making payments to non-executive directors and the Remuneration of Policy for Executive and Non-Executive directors are given in the Directors report which forms part of this Annual report and also available at <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/FamiliarizationprogrammeForIndependentDirectors.pdf>
- The details of remuneration paid/payable to Whole Time Director of the Company for the financial year 2020-21 are as follows:

Name	Gross Salary & Perquisites	Performance Incentive	Others	Total
				(₹ in lakhs)
R Chandrasekar Whole Time Director	42.57	8.00	7.43	58.00

Whole-time Director is under contract employment with the Company which stipulates a Notice period of three months from either side for early separation.

- Details of sitting fee paid to the Non-executive Directors for the financial year 2020-21.

The Non-Executive Directors were paid sitting fees of ₹ 50,000/- per meeting for attending Board meetings. The details of sitting fees paid to each of the Directors during the year 2020-21 are given below:

Sl. No	Name of the Director	Amount (₹)	Tax deducted (₹)	Net amount Paid (₹)
1	Ashwin C Muthiah	2,50,000	77,700	1,72,300
2	B Narendran	2,50,000	18,750	2,31,250
3	Sashikala Srikanth	2,50,000	18,750	2,31,250
4	S Radhakrishnan	2,50,000	18,750	2,31,250
5	Rita Chandrasekar	2,50,000	18,750	2,31,250
6	M Rajamani	2,50,000	18,750	2,31,250
7	S R Ramakrishnan	2,50,000	18,750	2,31,250
Total		17,50,000	1,90,200	15,59,800

- No Employee Stock Option has been offered by the Company to any of the directors.

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6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consisting of three members as on 31st March 2021 is as follows.

Sl. No.	Name of Director	Position
1	Rita Chandrasekar	Chairperson
2	S R Ramakrishnan	Member
3	R Chandrasekar	Member

Mr. R Srikrishna, Company Secretary & Compliance Officer who acts as Secretary to the Committee was authorized to approve share transfer(s) / transmission(s) and to resolve shareholders' grievances.

During the year, the Committee met 2 times on 17.06.2020 and 19.11.2020 and all the members were present at the meeting. During the year, the Company has received One (1) compliant which has been resolved immediately. As on 31st March 2021, no complaints were pending against the Company.

7. General Body Meetings

- a) Details of date, time and venue of Annual General Meetings (AGM) of the Company held for last 3 years are given below.

Year	Date & Time	Venue
2018	06 th August 2018 at 3.00 p.m.	Raja Annamalai Mandram, Esplanade, Chennai-600 108
2019	31 st July 2019 at 3.30 p.m.	Raja Annamalai Mandram, Esplanade, Chennai-600 108
2020	17 th September 2020 at 02.00 p.m.	Through Video Conferencing

- b) Details of Special Resolutions passed at the Annual General Meetings held for last 3 years are as follows.

Date of AGM	Purpose for which the Special Resolutions were passed
06 th August 2018	No Special resolution has been passed.
31 st July 2019	a) Re-appointment of Mr. M. Rajamani (DIN 00195006) as Independent Director for a further period of 5 years w.e.f 28.11.2018, who is going to attain the age of 75 years in the month of February 2020. b) Re-appointment of Mr. B. Narendran (DIN 01159394) as Independent Director for a further period of 5 years w.e.f 11.08.2019, who is going to attain the age of 75 years in the month of June 2020. c) Re-appointment of Mrs. Sashikala Srikanth (DIN 01678374) as Independent Director for a further period of 5 years w.e.f 11.08.2019. d) Appointment of Whole Time Director and payment of Managerial Remuneration.
17 th September 2020	Authorisation for the Company to advance loans, give guarantee and / or provide security in connection with any loan taken by other entities in which the Directors are interested as per Section 185 of the Companies Act, 2013

The Company has not convened any Extra-Ordinary General Meeting during the financial year 2020-21.

- c) No item was transacted through Postal Ballot during the financial year 2020-21. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. Means of communication

As stipulated under Regulation 33 read with Regulation 47, the Quarterly and Annual Results are intimated to the Stock Exchanges and published in one English National Newspaper (Business Standard) and one Tamil Newspaper (Makkal Kural). The results are also displayed in the website of the Company at www.sicagen.com. The information stipulated under Regulation 46 of the Regulations are also available in the website of the Company.

During the year, there were no official news releases and presentations made to the institutional investors or to the analysts that to be displayed in the website of the Company.

9. General Shareholders information

- (a) Annual General Meeting - Date, Time and Venue 28th September, 2021 at 4:30 p.m. (IST) through Video Conferencing
- (b) Financial year From 01st April 2020 to 31st March 2021
- (c) Dividend Payment Date Within 30 days from the date of AGM, subject to declaration at the ensuing AGM.

(d) Listing of Equity Shares on Stock Exchanges

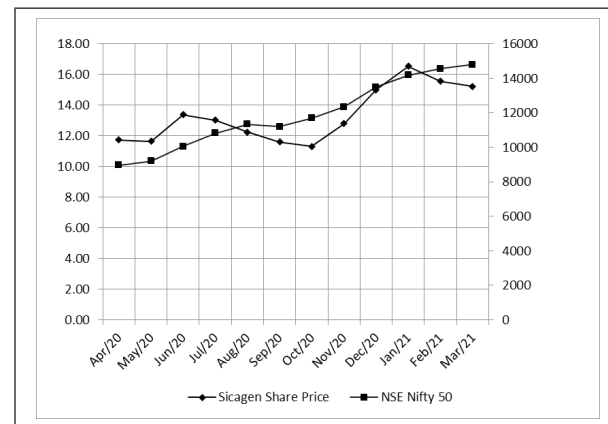
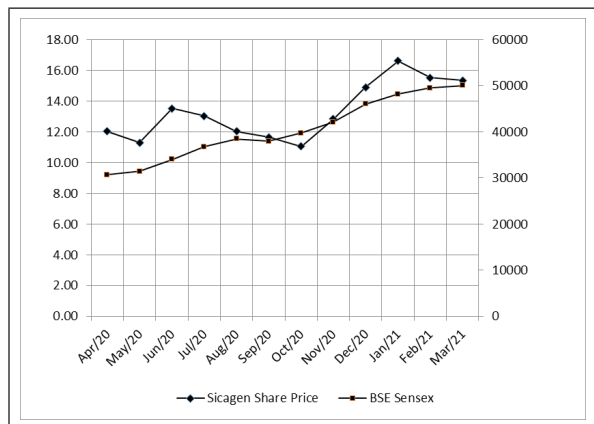
The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). Annual listing fee for the financial year up to 2021-22 was paid to BSE and NSE.

Sl. No	Name of the Stock Exchange	Scrp Code
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	533014
2	National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G. Bandra Kurla Complex, Bandra East, Mumbai- 400 051.	SICAGEN

(e) Market Price Data & Share price performance vis a vis indices

Month	BSE				NSE			
	Share Price (₹)		Sensex		Share Price (₹)		NIFTY 50	
	High	Low	High	Low	High	Low	High	Low
Apr-20	15.24	8.83	33887.25	27500.79	15.10	8.35	9889.05	8055.80
May-20	12.30	10.31	32845.48	29968.45	12.75	10.55	9598.85	8806.75
Jun-20	15.90	11.15	35706.55	32348.1	15.75	11.00	10553.15	9544.35
Jul-20	14.58	11.50	38617.03	34927.2	14.55	11.50	11341.40	10299.60
Aug-20	12.98	11.10	40010.17	36911.23	13.30	11.20	11794.25	10882.25
Sep-20	12.66	10.66	39359.51	36495.98	12.60	10.60	11618.10	10790.20
Oct-20	11.81	10.31	41048.05	38410.2	12.05	10.55	12025.45	11347.05
Nov-20	14.69	10.98	44825.37	39334.92	14.60	11.00	13145.85	11557.40
Dec-20	17.77	12.02	47896.97	44118.1	17.90	12.10	14024.85	12962.80
Jan-21	18.00	15.20	50184.01	46160.46	17.95	15.10	14753.55	13596.75
Feb-21	17.35	13.70	52516.76	46433.65	17.45	13.65	15431.75	13661.75
Mar-21	16.50	14.20	51821.84	48236.35	16.45	14.00	15336.30	14264.40

(f) Performance of Sicagen's share price in comparison with NSE Nifty and BSE Sensex Index



(g) Registrars and Share Transfer Agent:

The Company has appointed M/s. Cameo Corporate Services Limited, Unit: Sicagen India Limited No.:1, Club House Road, "Subramanian Building", 5th Floor, Chennai-600002. Tel: 044-28460390 Fax: 044-28460129. Website: www.cameoindia.com E-mail: investor@cameoindia.com, cameo@cameoindia.com as its Registrar and

Sicagen India Limited

Share Transfer Agent (RTA). The shareholders are therefore requested to send all documents, correspondences, queries, intimations on any matters relating to transfer/ transmission/ demat/ remat of shares, issue of duplicate share certificates, change of address etc., to the RTA at the above mentioned address.

(h) Share Transfer System

The physical share transfers, transmissions, transpositions etc., are processed by the RTA and all the documents duly completed in all respects are registered and returned within the stipulated time. The routine requests from the shareholders such as transfers, transmissions, transpositions, change of name, demat, remat etc., are duly approved by the Company Secretary and the details of which are placed before the Stakeholders Relationship Committee on a periodical basis.

(i) Distribution of shareholding as on 31st March 2021

No. of shares Category	No. of holders	% of total	No. of shares	% of total
1 - 100	32,651	78.58	8,17,641	2.07
101 - 500	5,573	13.41	15,41,729	3.90
501 - 1000	1,615	3.89	13,24,279	3.35
1001 - 2000	784	1.89	12,21,185	3.09
2001 - 3000	308	0.74	7,97,008	2.01
3001 - 4000	133	0.32	4,79,682	1.21
4001 - 5000	126	0.30	5,95,535	1.50
5001 - 10000	195	0.47	14,45,711	3.65
10001 and Above	167	0.40	3,13,48,914	79.22
Total	41,552	100.00	3,95,71,684	100.00

(j) Dematerialization of Shares & Liquidity

The Company has availed depository services from National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd (CDSL) for dematerialization of shares. The shareholders may kindly note the Company's ISIN: INE176J01011 allotted by NSDL & CDSL. Since trading in equity shares of the Company shall be permitted only in dematerialized form, the shareholders who are holding shares in physical form, are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

The shareholders may also kindly note that as directed by SEBI, the Company/RTA has sent 3 reminders to the shareholders, who are holding the shares in physical form and who have not claimed their share certificates from the Company so far, to retrieve their share certificates.

3,83,07,759 equity shares representing 96.80% of the paid-up share capital of the Company stood dematerialised as on 31st March 2021. Trading in equity shares of the Company is permitted only in dematerialized form. The shares are traded regularly on BSE and NSE



(k) The Company has not issued any convertible instruments

(l) Commodity price risk or Foreign Exchange Risk and Hedging activities

The Commodity Price Risk is not applicable to the Company as our raw materials are not covered in the commodity production inputs.

(m) Plant Locations

- Speciality Chemicals : Pondicherry, Ghaziabad & Tuticorin
 Drums Manufacturing : Minjur, Chennai
 Boat Building : PIPDIC Industrial Estate & Port, Pondicherry

Plant location of subsidiary Companies:

- Cable Manufacturing : Wilson Cables Private Ltd
 Jurong Industrial Estate, Singapore
 Steel Fabrication : Danish Steel Cluster Private Ltd
 Kiadb Industrial Area, Jigani, Bengaluru

(n) Address for Correspondence:

Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address:

M/s. Cameo Corporate Services Limited
 Unit: Sicagen India Limited
 No.:1, Club House Road, "Subramanian Building", 5th Floor, Chennai – 600002.
 Tel: 044-28460390 Fax: 044-28460129. Website: www.cameoindia.com
 E-mail: investor@cameoindia.com, cameo@cameoindia.com

For other general matters or in case of any difficulties/grievances investors, may contact the Company Secretary and Compliance Officer, at the Registered Office of the Company at the below address:

The Company Secretary,
Sicagen India Limited,
 4th Floor, SPIC House, No.88, Mount Road, Guindy, Chennai-600032,
 Tel: 044-4075 4075. Website: www.sicagen.com
 E-mail: companysecretary@sicagen.com, secl@sicagen.com.

10. Other Disclosures

- (a) There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements
- (b) The Company has complied with various rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to capital markets during the year under review. In the previous financial year, NSE & BSE have imposed fine for delay in submission of shareholding pattern for the quarter ended 30th June 2019. Other than the above, no other penalties or strictures have been imposed by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- (c) The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Director(s) / employee(s) who avail the mechanism and no personnel has been denied direct access to the Chairperson of the Audit Committee. The whistle blower policy is disclosed in the website of the Company.
- (d) The Company has complied with all the mandatory requirements under various Regulations in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (e) The policy for determining material subsidiaries is disclosed in the website of the Company under the web-link <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/Policy-on-Material-Subsidiary.pdf>
- (f) The Policy on Related Party Transactions is disclosed in the website of the Company under the web-link <https://sicagen.com/wp-content/uploads/2021/05/Policy-on-Related-Party-Transactions.pdf>
- (g) The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there has been no commodity hedging activities undertaken by the Company. As regards the Foreign exchange risks, the Company takes forward contracts based on the exposure and extant market conditions and details of hedging are available in the financial statements.

Sicagen India Limited

- (h) No Funds were raised through preferential allotment or QIP as specified under Regulation 32 (7A).
 - (i) Mr. R Kannan, Partner of M/s. KRA & Associates, Practicing Company Secretaries has certified that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
 - (j) There are no recommendations of committees of the Board which is mandatorily required and which has not been accepted by the Board.
 - (k) There were no payments to the Statutory Auditor or other entities in the network firm/network entity of which the statutory auditor is a part by the Company or its subsidiaries, other than the audit fee and other payments as disclosed in the financial statements.
 - (l) During the year no complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
11. All the requirements of corporate governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.
12. The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:
- i. The Company has appointed a third party firm as the internal Auditors which carries out the audit and the report is presented directly to the Audit Committee for review and further directions.
13. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct

The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. All the Board members and Senior Management personnel have affirmed compliance with above code and a declaration to that effect signed by the Whole Time Director is attached and forms part of this report.

Compliance Certificate on Corporate Governance from Practicing Company Secretaries

The Company has obtained a certificate from Mr. R Kannan, Partner of M/s. KRA & Associates, Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been annexed as part of this Annual report.

Unclaimed Suspense Account

During the year under review, the Company has sent 3 reminders to the shareholders who have not claimed their Shares. Consequent to these reminders, so many shareholders have claimed their physical share certificates that remained unclaimed with the RTA and the total number of Unclaimed shares reduced to 339061 shares pertaining to 5695 shareholders on 31st March 2021. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Nomination of physical shares

Members holding shares in physical form are encouraged to nominate a person to whom the shares in the Company shall vest in the event of death. Nomination forms will be sent to the Members on request.

WTD & CFO Certification

As required under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from WTD & CFO was submitted to the Board and the same has been annexed herewith.

Certificate of WTD / CFO

(Under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To
The Board of Directors of
Sicagen India Limited

We, R. Chandrasekar, Whole Time Director and M.O. Ayyappan, CFO of the Company hereby certify to the Board of Directors of the Company that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2021 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- i. significant changes in internal control over financial reporting during the year ended 31st March 2021;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 26th May 2021
Place : Chennai

R. Chandrasekar
Whole Time Director

M. O. Ayyappan
CFO

Sicagen India Limited

Compliance Certificate on Corporate Governance Report

Practicing Company Secretary's Certificate

[Under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To

The Shareholders of Sicagen India Limited,

We have examined the compliance of conditions of Corporate Governance by SICAGEN INDIA LIMITED, for the year ended on 31st March 2021, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We also state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KRA & ASSOCIATES
Practicing Company Secretaries

R. KANNAN
PARTNER

FCS NO. 6718 / CP NO. 3363

Place: Chennai

Date : 26th May 2021

Declaration from Whole Time Director on Code of Conduct

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to certify that all Members of the Board and designated Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, for the year ended 31st March 2021.

R Chandrasekar
Whole Time Director

Place : Chennai

Date : 26th May 2021

Annual Report 2020-21

Accounts - Standalone



Sicagen India Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of SICAGEN INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SICAGEN INDIA LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive Income, and changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1.4.1 & 24.2 to the financial statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company’s operations and results as assessed by management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Investment in Subsidiary

The Company has an investment amounting to ₹ 1,201 lakhs, and has an outstanding Loan amounting to ₹ 1,805 lakhs due from Danish Steel Cluster Private Limited, one of the subsidiaries of the Company. Independent Auditors of the Subsidiary Company have reported that due to impact of Covid-19 pandemic and employees lay-off carried out by the Subsidiary, the Subsidiary’s performance is dependent on future developments which are uncertain, and a material uncertainty exists that may cast significant doubt on the Subsidiary’s ability to continue as a going concern. However, the accounts of the Subsidiary has been prepared on a going concern basis and impairment of investment in subsidiary is not considered necessary.

Our opinion is not modified in respect of this matter.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

<p style="text-align: center;">Revenue Recognition (IND AS 115)</p> <p>Recognition of revenue is complex due to several types of customer contracts across divisions.</p> <p>The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes;</p> <ul style="list-style-type: none"> • Identification of performance obligations contained in contracts. • Determination of the most appropriate method for recognition of revenue relating to the identified performance obligations. • Assessment of transaction price & • Allocation of the assessed price to the individual performance obligations. 	<p style="text-align: center;">Audit Procedure</p> <p>Audit procedure involved review of the Company's IND AS 115 implementation process and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.</p> <p>Based on the procedures performed, it is concluded that management's judgments with respect to recognition and measurement of revenue in light of IND AS 115 is appropriate.</p>
<p style="text-align: center;">Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition.</p> <p>In calculating the Expected Credit Loss as per Ind AS 109 – "Financial Instruments", the company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.</p> <p>Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p style="text-align: center;">Audit Procedure</p> <p>We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received.</p> <p>Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Legal cases have been filed in the case of some debtors and we have analyzed the company's chances of succeeding in the litigation.</p> <p>Furthermore we assessed the appropriateness of the disclosures made in Note 7 & Note 42 to the financial statements.</p> <p>Our procedures did not identify any material exceptions.</p>
<p style="text-align: center;">Inventory</p> <p>Management judgment is required to establish the carrying value of inventory particularly in relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.</p> <p>In view of being a Trading concern this has been identified as a Key Audit Matter.</p>	<p style="text-align: center;">Audit Procedure</p> <p>Physical Verification of Inventory was conducted by the management and with respect to the Net Realizable value of Inventory, the Company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.</p> <p>Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records.</p> <p>Based on the audit procedure performed, no material discrepancies were identified.</p>

Sicagen India Limited

<p>Discussion on investments and loan and advances in subsidiaries</p> <p>Investments to the tune of ₹ 12,602 lakhs in subsidiaries and Loans & advances to the tune of ₹1,805 lakhs given to a subsidiary - Danish Steel Cluster Pvt Ltd are identified as a Key Audit Matter owing to the size and its impact in assessing the true and fair view of the Financials statements. Impairment testing of the Investments and Loan given to subsidiary was carried out.</p>	<p>Audit Procedure</p> <p>Independent Auditors of the Subsidiary Company, Danish Steel Cluster Private Limited, have reported that due to impact of Covid-19 pandemic and employees lay-off carried out by the Subsidiary, the Subsidiary's performance is dependent on future developments which are uncertain, and a material uncertainty exists that may cast significant doubt on the Subsidiary's ability to continue as a going concern. However, the accounts of the Subsidiary has been prepared on a going concern basis.</p> <p>Audit Procedures were performed to confirm the value of the investments and Authorization of Loan Advanced, repayment terms and capability of the subsidiary. Impairment testing was done by reviewing the financial statements of the subsidiaries.</p> <p>Our Audit Procedures did not identify any material exceptions.</p>
<p>Contingent Liability</p> <p>On assessment of Provisions for taxation, litigations and claims as at 31st March 2021 the Company had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 258 lakhs.</p> <p>These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums.</p>	<p>Audit Procedure</p> <p>The Audit addressed this Key Audit Matter by;</p> <ul style="list-style-type: none"> Assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities. Discussing significant litigations and claims with the Company's Internal Legal Counsel. Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors & Assessing the reliability of the past estimates of the management. <p>Our Audit Procedures did not identify any material exceptions.</p>
<p>IND AS 116 – Leases</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p>	<p>Audit Procedure</p> <p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; Evaluated the reasonableness of the discount rates applied in determining the lease liabilities. <p>On a statistical sample, we performed the following procedures:</p> <ul style="list-style-type: none"> assessed the key terms and conditions of each lease with the underlying lease contracts; and evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our 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.

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 in the 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 Companies Act, 2013 ("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, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with the rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment Rules, 2016). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement 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.

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

Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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

Sicagen India Limited

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2".

(g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 – Note 39 to 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.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRSV & Associates**
Chartered Accountants
F.R. No. 015041S

Place: Chennai
Date: May 26, 2021

V. Rajeswaran
Partner
Membership No. 020881
UDIN NO. : 21020881AAAADJ7012

Annexure 1 to the Independent Auditor's Report

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given to us and on the basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. In our opinion and according to the information and explanations given to us the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. (Based on the above para, matters referred in clause iii(a), iii(b) and iii(c) of paragraph 3 of Companies (Auditors Report) Order 2016 are not applicable).
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed

statutory dues including provident fund, employees' state insurance, income-tax, goods & service tax, wealth tax, duty of customs, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.

- b) As at March 31, 2021 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

S. No	Period	Nature of Dues	Not Paid (₹ In Lakhs)	Forum where Pending
1	AY 2009-10	Income Tax	200	High Court
2	AY 2015-16	Income Tax	39	CIT(A)
3	FY 2016-17	CST	14	Appellate Deputy Commissioner
4	FY 2017-18	CST	2	Appellate Deputy Commissioner
5	FY 2012-13 & 2013-14	Service Tax	3	Commissioner (Appeals)

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders. Moratorium has been availed on certain loans from the banks as per Covid 19 relief measures announced by the Government of India.
- ix. The Company has not raised money by way of initial public offer or further public offer during the Current year and the term loans were applied for the purposes for which those were raised.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial period.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

Sicagen India Limited

xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(Based on the above Para, matters referred in clause (xiv) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable).

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors

or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For **SRSV & Associates**
Chartered Accountants
F.R. No. 015041S

Place: Chennai
Date: May 26, 2021

V. Rajeswaran
Partner
Membership No. 020881
UDIN NO. : 21020881AAAADJ7012

Annexure 2 to the Independent Auditor's Report

Report on the Internal Financial Controls 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 **M/s SICAGEN INDIA LIMITED** ("the Company") as of March 31, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For **SRSV & Associates**
Chartered Accountants
F.R.No. 015041S

Place: Chennai
Date: May 26, 2021

V. Rajeswaran
Partner

Membership No. 020881
UDIN NO. : 21020881AAAADJ7012

Sicagen India Limited

Balance Sheet as at 31st March 2021

(₹ in lakhs)

Particulars	Note No.	As at 31 st Mar 2021		As at 31 st Mar 2020	
I. ASSETS					
1 Non Current Assets					
(a) Property, Plant and Equipment	2a	3479		3450	
(b) Capital work-in-progress	2b	-		28	
(c) Investment Property	2c	309		315	
(d) Other Intangible assets	2d	61		89	
(e) Right of Use Asset	2e	470		594	
(f) Financial Assets					
(i) Investments	3	15381		14279	
(ii) Loans	4	2013		1736	
(g) Other non-current assets	5	4940	26653	4884	25375
2 Current assets					
(a) Inventories	6	3882		4888	
(b) Financial Assets					
(i) Trade receivables	7	9754		10423	
(ii) Cash and cash equivalents	8	260		149	
(iii) Bank Balance other than (ii) above	9	2584		1019	
(c) Current Tax Assets (Net)	10	482		575	
(d) Other Current Assets	11	914	17876	2414	19468
	TOTAL		44529		44843
II. Equity and Liabilities					
1 Equity					
(a) Share capital	12	3957		3957	
(b) Other equity	13	34988	38945	33640	37597
Liabilities					
2 Non-current liabilities					
(a) Financial Liabilities					
(i) Lease Liabilities	14	280		374	
(ii) Other financial liabilities	15	-		10	
(b) Provisions	16	32		36	
(c) Deferred Tax Liabilities	17	46	358	51	471
3 Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	18	3025		3202	
(ii) Trade Payables	19	941		2467	
(iii) Other financial liabilities	20	410		231	
(iv) Lease Liabilities	21	193		209	
(b) Other current liabilities	22	530		480	
(c) Provisions	23	127	5226	186	6775
	TOTAL		44529		44843
Significant Accounting Policies	1				
Notes on Financial Statements	1 to 43				

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES
Chartered Accountants
F.R.No.015041S

V.RAJESWARAN
Partner
M.No.020881

ASHWIN C MUTHIAH
Chairman

B. NARENDRAN
Director

R.CHANDRASEKAR
Whole Time Director

Place: Chennai
Date: 26th May 2021

M.O. AYYAPPAN
Chief Financial Officer

R.SRIKRISHNA
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
I. INCOME			
Revenue from operations	24	34778	43415
Other income	25	491	757
Total Revenue		35269	44172
II. EXPENSES			
Cost of materials consumed	26	4163	4594
Purchases of Stock-in-Trade	27	25658	34145
(Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade	28	932	260
Employee benefit expense	29	1557	1891
Finance costs	30	366	600
Depreciation and amortization expense		465	461
Other expenses	31	1295	1710
Total expenses		34436	43661
III. Profit before exceptional items and tax		833	511
Tax expense:			
(1) Current tax	36	252	279
(2) Deferred tax		(5)	20
IV. Profit / (Loss) for the period		586	212
V Other Comprehensive Income	32		
A. (i) Item that will not be reclassified to profit or loss		960	(498)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Item that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VI. Total Comprehensive Income for the period (Comprising Profit/ (Loss) and other Comprehensive Income for the Period)		1546	(286)
VII. Earnings per equity share:	33		
Basic and diluted EPS (₹)		1.48	0.54
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 43		

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES
Chartered Accountants
F.R.No.015041S
V.RAJESWARAN
 Partner
 M.No.020881

ASHWIN C MUTHIAH
 Chairman

B. NARENDRAN
 Director

R.CHANDRASEKAR
 Whole Time Director

 Place: Chennai
 Date: 26th May 2021

M.O. AYYAPPAN
 Chief Financial Officer

R.SRIKRISHNA
 Company Secretary

Sicagen India Limited

Statement of Changes in Equity

Share Capital

Particulars	(₹ in lakhs)			
	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Issued				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
Subscribed & Paid up				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

Other Equity

PARTICULARS	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as per 1st April 2019	2856	29443	200	(2368)	3986	34117
Profit for the year 2019-20	-	-	-	212	-	212
Other Comprehensive Income for the year 2019-20	-	-	-	(27)	(471)	(498)
Dividend and Dividend Tax paid during the year	-	-	-	(191)	-	(191)
Balance at 31st March 2020	2856	29443	200	(2374)	3515	33640
Profit for the year 2020-21	-	-	-	586	-	586
Other Comprehensive Income for the year 2020-21	-	-	-	20	940	960
Dividend and Dividend Tax paid during the year	-	-	-	(198)	-	(198)
Balance at 31st March 2021	2856	29443	200	(1966)	4455	34988

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES
Chartered Accountants
F.R.No.015041S

V.RAJESWARAN
Partner
M.No.020881

ASHWIN C MUTHIAH
Chairman

B. NARENDRAN
Director

R.CHANDRASEKAR
Whole Time Director

Place: Chennai
Date: 26th May 2021

M.O. AYYAPPAN
Chief Financial Officer

R.SRIKRISHNA
Company Secretary

Statement of Cash Flow for the year ended 31st March 2021

(₹ in lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
A Cash Flow from Operating Activities		
Profit before tax	833	511
Adjustments for		
Depreciation	465	461
(Profit)/Loss on Disposal of Fixed Assets(net)	10	(31)
Interest Income	(256)	(246)
Dividend Income	(106)	-
Diminution in the Value of Investment	-	44
Investment in Preference Shares	-	(180)
Provision for Trade Receivables Under ECL Model	101	127
Interest Expenditure	336	546
Operating Profit before Working Capital Changes	1383	1232
Adjustments for		
Trade and Other Receivables	568	1892
Other Current & Non Current Assets	1396	(1363)
Inventories	1006	380
Trade Payables and Other Liabilities	(1607)	(5692)
Cash Generated from Operations	2746	(3551)
Less: Tax Paid	232	153
Net Cash from Operating Activities	2514	(3704)
B Cash Flow from Investing Activities		
Purchase of Property Plant & Equipment including Change in WIP	(190)	(469)
Proceeds from Sale of Property Plant & Equipment	17	58
Investment in Shares	(162)	-
Movement in Fixed Deposits	(1674)	4164
Interest Income Received	241	256
Dividend Income Received	94	-
Net Cash used in Investing Activities	(1674)	4009
C Cash Flow from Financing Activities		
Payment of lease liabilities	(255)	(280)
Term Loan Availed (net of repayment)	60	(120)
Interest Paid	(336)	(546)
Dividend paid (Including Dividend Tax)	(198)	(190)
Net Cash used in Financing Activities	(729)	(1136)
D Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	111	(831)
Cash and Cash Equivalents as at 1 st April 2020	149	980
Cash and Cash Equivalents as at 31 st March 2021	260	149

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES
Chartered Accountants
F.R.No.015041S
V.RAJESWARAN
 Partner
 M.No.020881

ASHWIN C MUTHIAH
 Chairman

B. NARENDRAN
 Director

R.CHANDRASEKAR
 Whole Time Director

 Place: Chennai
 Date: 26th May 2021

M.O. AYYAPPAN
 Chief Financial Officer

R.SRIKRISHNA
 Company Secretary

Sicagen India Limited

1. Significant Accounting Policies

1.1 Brief description of the Company

Sicagen India Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at SPIC House , Guindy , Chennai - 600032, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a diversified operating segments such as trading of Building materials, Sales & Servicing Power & controls systems , manufacturing of MS barrels and manufacture of water treatment chemicals. The subsidiary Companies are into manufacture of Cables, precision steel fabrication and property development.

1.2 Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956, (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financials for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors at their meeting held on 26th May 2021.

1.3 Basis of accounting

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

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

Investments

The fair value of investments in equity is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

Trade Receivables

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets and for others difference of carrying amount and fair value is not material for disclosure.

1.4 Use of estimates and judgement

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Significant Estimates and judgments

The areas involving critical estimates or judgments are:

- i) Defined benefit obligation - (Refer Note 37)
- ii) Estimation of useful life of Property, Plant and Equipment - Refer Note 1.10
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations – (Refer Note- 39)

1.4.1 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, property plant & equipment and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates. The Company expects that the carrying amount of these assets will be recovered.

1.5 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

1.6 Current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.7 Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is

measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115, Revenue from Contracts with Customers requires identification of performance obligations for the transfer of goods and services in each contract with customers. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from contracts for sale of products or services

Revenue from contracts with customers for the sale of products is recognised at a point in time when the control of the asset is transferred to the customer which is usually upon shipment or delivery of goods as per the terms of the each contract and where there is no uncertainty as to measurement or collectability of consideration.

Revenue from contracts with customers for the sale of services is recognised when a customer obtains control of the services, which is upon completion of service.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset (Receivables) based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability (referred as deferred revenue).

1.7.1 Other operational revenue

This represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract upon satisfaction of performance obligations.

1.7.2 Other income

- i. Interest income is accrued on a time basis by reference to the principal outstanding and recognised using the effective interest rate method. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- ii. Dividend income is accounted in the period in which the right to receive the same is established. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- iii. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

1.8 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve

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an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts

1.9 Property, plant and equipment (PPE)

1.9.1 Tangible Assets

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policies on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

1.9.2 Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group is classified as investment property. Investment Property is measured initially at its cost and including related transaction cost where applicable, borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item is measured reliably.

1.9.3 Depreciation and amortization

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

S.No.	Category of the Assets	Useful Life
1	Factory Building	30 years
2	Office Building	60 years
3	Plant & Machinery	15 years
4	Electrical Equipments*	10-15 years
5	Computer & Accessories	3 years
6	Office Equipments	5 years
7	Furniture & Fixtures	10 years
8	Motor Car	8 years

*For few assets useful life is determined by technical evaluation.

Depreciation method is reviewed at each financial year

end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Freehold land is not depreciated.

1.9.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, less accumulated amortisation and cumulative impairment.

1.9.5 Research and development expenditure on new products:

Expenditure on research is expensed under respective heads of account in the period in which it is incurred. Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

1.9.6 Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use;
- (ii) in the case of a cash generating unit (a group of assets that generates are identified with independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained

as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.10 Employee Benefits

1.10.1 Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

1.10.2 Post-employment benefits:

- i) Defined contribution plans: The state governed provident fund scheme, employee state insurance scheme and the company's superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- ii) Defined benefit plans: The employees' gratuity fund scheme managed by board of trustees established by the company represents the defined benefit plan. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost.

Gains or losses on settlement of any defined benefit plan are recognised in profit or loss when such

settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits

1.11 Leases

Initial Recognition

Company As a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest

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rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases.

1.12 Financial instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. In case of interest free or concession loans given to subsidiary companies, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

1.12.1 Financial assets:

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

1. Investments in debt instruments – at amortised cost, subject to following conditions:
 - i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - ii) The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- 1 Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
- 2 Investment in preference shares of associate companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
- 3 Investments in equity instruments are classified at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income. The Company has chosen the option to measure the fair value changes in the equity Instruments through FVTOCI on initial recognition and all subsequent measurement.
- 4 For financial assets that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.
- 5 The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

De recognition:

A financial asset is primarily derecognized when:

1. the right to receive cash flows from the asset has expired, or

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive).

1.12.2 Financial liabilities:

- i) Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
- ii) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.
- iii) The company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non-derivatives, as either fair value hedges or cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.
 - a. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

- b. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such forward element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight line basis over the period of the forward contract or the financial instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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1.13 Inventories

Inventories are valued after providing for obsolescence, as under:

- a) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- b) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.
- c) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

1.14 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.15 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended

use or sale. Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.16 Foreign currencies

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

1.17 Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other operational revenue directly identifiable with/ allocable to the segment including inter segment revenue.
- ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result.

- iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.
- iv) Income which relates to the company as a whole and not allocable to segments is included in “unallocable corporate income”.
- v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the company.
- vi) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole.
- vii) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost and is allocated to the segment.
- viii) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer prices which are either determined to yield a desired margin or agreed on a negotiated basis.

1.18 Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company’s financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- a) the company has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Warranties:

Provisions for expected cost of warranty obligations under legislation governing sale of goods are recognised on the date of sale of the relevant products at the Management’s best estimate of the expenditure required to settle the obligation which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidences.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are

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directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Contingent liability is disclosed in case of:

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

1.20 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.21 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.22 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing

activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.23 Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.24 Related Party Transaction

Terms and conditions of transactions with the related parties

- (1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- (2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the Companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these Companies.
- (3) Outstanding balances (other than loan) of Subsidiaries and Associate at the year - end, are unsecured and interest free.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2. Property, Plant & Equipment as at 31.03.2021 (₹ In Lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 st April 2020	Additions	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 1 st April 2020	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 31 st March 2020
a Property, Plant & Equipment									
Land - Free hold	1833	-	-	1833	-	-	-	1833	1833
- Lease hold	1	-	-	1	-	-	-	1	1
Buildings	923	82	-	1005	154	45	-	806	769
Plant and Equipment	545	84	-	629	137	46	-	446	408
Furniture and Fixtures	188	8	27	169	58	17	7	101	130
Vehicles	50	17	10	57	16	6	3	38	34
Office Equipment	186	7	1	192	84	22	-	86	102
Trucks	5	-	3	2	4	-	3	1	1
Lease hold improvements	149	8	1	156	100	15	1	42	49
Electrical Equipments	145	9	-	154	22	7	-	125	123
Total	4025	215	42	4198	575	158	14	3479	3450
b Capital Work In Progress									
Capital Work In Progress	28	12	40	-	-	-	-	-	28
Total	28	12	40	-	-	-	-	-	28
c Investment Property									
Investment Property	332	-	-	332	17	6	-	309	315
Total	332	-	-	332	17	6	-	309	315
d Intangible Assets									
Computer software	167	3	-	170	78	31	-	61	89
Total	167	3	-	170	78	31	-	61	89
Grand Total	4552	230	82	4700	670	195	14	3849	3882

2 Right of Use Asset as at 31.03.2021

(₹ In Lakhs)

Particulars	Gross Block		Accumulated Depreciation			Net Block		
	Balance as at 1 st April 2020	Additions	Disposals / Adjustments	Balance as at 1 st April 2020	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 31 st March 2020
e Right of Use Asset								
Office Building	855	149	3	267	268	-	535	588
Furniture	8	-	-	2	2	-	4	6
Total	863	149	3	269	270	-	539	470

2.1 Rental Expenditure related to short-term leases and leases of low-value assets amounts to ₹44 lakhs

2.2 Rental Income derived from Investment Property recognised in Statement of Profit & Loss is ₹ 1.08 lakhs (FY 2019-20- ₹12.76 lakhs)

Property, Plant & Equipment as at 31.03.2020

(₹ In Lakhs)

Particulars	Gross Block			Accumulated Depreciation		Net Block			
	Balance as at 1 st April 2019	Additions	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 1 st April 2019	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 31 st March 2019
a Property, Plant & Equipment									
Land - Free hold	1849	-	16	1833	-	-	-	1833	1849
- Lease hold	1	-	-	1	-	-	-	1	1
Buildings	707	220	4	923	110	44	-	154	769
Plant and Equipment	449	97	1	545	96	41	-	137	408
Furniture and Fixtures	189	8	9	188	42	19	3	58	130
Vehicles	43	8	1	50	11	6	1	16	34
Office Equipment	167	20	1	186	60	25	1	84	102
Trucks	5	-	-	5	4	-	-	4	1
Lease hold improvements	150	1	2	149	85	16	1	100	49
Electrical Equipments	68	77	-	145	16	6	-	22	123
Total	3628	431	34	4025	424	157	6	575	3450
b Capital Work In Progress									
	2	71	45	28	-	-	-	-	28
Total	2	71	45	28	-	-	-	-	28
c Investment Property									
	332	-	-	332	11	6	-	17	315
Total	332	-	-	332	11	6	-	17	315
d Intangible Assets									
Computer software	155	12	-	167	49	29	-	78	89
Total	155	12	-	167	49	29	-	78	89
Grand Total	4117	514	79	4552	484	192	6	670	3882
Particulars	Gross Block			Accumulated Depreciation		Net Block			
	Balance as at 1 st April 2019	Additions	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 1 st April 2019	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 31 st March 2019
e Right of Use Asset									
Office Building	855	-	-	855	-	267	-	267	588
Furniture	8	-	-	8	-	2	-	2	6
Total	863	-	-	863	-	269	-	269	594

3. Non Current Investments		(₹ in lakhs)	
Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020	
Trade Investments			
(a) Investment in Equity Instruments	14201	13099	
(b) Investment in Preference Shares	1180	1180	
Total	15381	14279	
Aggregate amount of quoted investments	1598	496	
Aggregate amount of unquoted investments	13783	13783	
	15381	14279	

3.1 Details of Trade Investments		(₹ in lakhs)									
Sl No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Fair Value		
			2021	2020			2021	2020	2021	2020	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
(a) Investment in Equity Instruments											
	Southern Petrochemicals Industries Corporation Ltd	Others	3676424	3017349	Quoted	Fully Paid	1.80	1.48	1079	357	
	Mercantile Ventures Ltd	Others	4008205	4008205	Quoted	Fully Paid	3.58	3.58	519	139	
	First Leasing company of India Ltd (includes bonus shares)	Others	2153649	2153649	Quoted	Fully Paid	9	9	-	-	
	Mitsuba Sical India Pvt Ltd	Others	300000	300000	Unquoted	Fully Paid	-	-	-	-	
	South India House Estates & Properties Limited	Subsidiary	10000000	10000000	Unquoted	Fully Paid	100	100	1000	1000	
	Wilson Cables Pte Ltd	Subsidiary	6886216	6886216	Unquoted	Fully Paid	100	100	10401	10401	
	Danish Steel Cluster Pvt Ltd	Subsidiary	7084703	7084703	Unquoted	Fully Paid	100	100	1201	1201	
	EDAC Engineering Ltd	Others	9461	9461	Unquoted	Fully Paid	-	-	1	1	
	AM Foundation	Others	1600	1600	Unquoted	Fully Paid	16	16	-	-	
(b) Investments in Preference Shares											
	EDAC Engineering Ltd	Others	11800000	11800000	Unquoted	Fully Paid	35	35	1180	1180	
Total							15381		14279		

3.2 During the year, 659075 equity shares of Southern Petrochemicals Industries Corporation Ltd was purchased at the market price@ 24.60 per share.

3.3 All Quoted Investments have been fair valued at the prevailing Market Price as per IND AS.

3.4 All Investments are fully paid up.

4 Loans (₹ in lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
a. Security Deposits		
Unsecured, considered good	208	243
b. Loans and advances to related parties		
Unsecured, considered good	1805	1493
Total	2013	1736

5 Other Non-Current Assets

Provision for Gratuity	17	-
Other advances	11258	11219
Less: Provision for Advances- ECL Model	6335	6335
Total	4940	4884

5.1 The Company has a detailed review mechanism of overdue loans and advances at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on Loans & advances where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

6 Inventories

a. Raw Materials and components	297	361
b. Work-in-progress	393	420
c. Finished goods	24	18
d. Stock-in-trade	3135	4046
e. Stores and spares	33	43
Total	3882	4888

7 Trade Receivables

Unsecured, considered good	9993	10628
Less : Provision for doubtful debts	239	205
Total	9754	10423

7.1 The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on trade receivables where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

8 Cash and Cash Equivalents

Balances with banks		
Current Accounts	256	144
Cash on hand	4	5
Total	260	149

Sicagen India Limited

9 Bank balance and Others

(₹ in lakhs)

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Margin Money		40		145
Balance with bank (for unpaid dividend)		46		50
Bank Deposits with maturity for more than 3 months but less than 12 months		2498		824
Total		2584		1019

9.1 Bank Balance and others as at March 31, 2021 and March 31, 2020 include restricted bank balances of ₹86 lakhs and ₹195 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and Unpaid Dividend Account balances.

9.2 Fixed Deposits of ₹543 lakhs (including Interest) are pledged in relation to security granted for Working Capital Facilities from Banks and NBFC.

10 Current tax Assets (Net)

Advance Income tax		2437		2277
Less:				
Provision for Tax		1955		1702
Total		482		575

11 Other Current Assets

Security Deposit		9		9
Other Advances		81		6
Prepaid expense-unsecured considered good		102		90
Balance with government authorities -				
GST Credit Receivable		142		241
Debit Balance with creditors				
Unsecured, considered good		414		1972
Others		166		96
Total		914		2414

12 Share Capital

(₹ in lakhs)

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Issued				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
Subscribed & Paid up				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

12.1 Number of shares and the amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	39571684	3957	39571684	3957
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39571684	3957	39571684	3957

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

Name of Shareholder	As at 31 st Mar 2021		As at 31 st Mar 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s.Ranford Investments Ltd.	7400649	18.70	7400649	18.70
M/s.Darnolly Investments Ltd.	7276102	18.39	7276102	18.39
M/s.Twinshield Consultants Pvt.Ltd.	3713919	9.39	2948810	7.45

12.3 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

13 Other Equity

(₹ in lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Capital Reserve	2856	2856
Securities Premium Reserves	29443	29443
General Reserve	200	200
Retained Earnings	(1966)	(2374)
Other Comprehensive Income Reserve	4455	3515
	34988	33640

14 Lease Liabilities

Lease Liabilities*	280	374
Total	280	374

*On Account of Adoption of Ind As 116.

15 Other Financial Liabilities

Advance from Customers	-	10
Total	-	10

16 Provisions - Non current

Provision for employee benefits	32	36
Total	32	36

Sicagen India Limited

17 Deferred Tax Liability		(₹ in lakhs)	
Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020	
Opening Balance	51	31	
Provided in Profit & Loss A/c during the year	(5)	20	
Closing Balance	46	51	

18 Borrowings			
Secured			
Working Capital Facility	911	562	
Term Loan	100	-	
Unsecured			
From Banks	1456	1471	
From Other Parties	558	1167	
Trade Deposits	-	2	
Total	3025	3202	

18.1 Working capital facilities availed were secured by hypothecation of stocks and receivables of all divisions and creation of equitable mortgage by way of deposit of title deeds of certain immovable assets of the company and Fixed Deposits of ₹543 lakhs (including Interest).

18.2 During the Year, Term loan availed under the scheme of Covid Emergency Line of Credit from Union Bank of India amounting to ₹ 150 lakhs @ 8% payable in 18 monthly installments. Outstanding amount as on 31.03.2021 is ₹100 lakhs.

19 Trade payables			
Dues to Micro, Small and Medium Enterprises *	402	542	
Dues to enterprises other than Micro, Small and Medium Enterprises	539	1925	
Total	941	2467	

19.1 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

19.2 Dues to Micro, Small and Medium Enterprises *

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020	
I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	402	542	
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	
III) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	
V) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	

20 Other Financial Liabilities		(₹ in lakhs)	
Particulars	As at 31st Mar 2021	As at 31st Mar 2020	
Unpaid Dividend	46	50	
Liability for Expenses	362	180	
Trade/Security Deposit	2	1	
Total	410	231	
21 Lease Liabilities			
Current Maturities of Lease Liability*	193	209	
Total	193	209	
*On Account of Adoption of Ind As 116.			
22 Other Current Liabilities			
Advance from Customers	238	313	
Others	292	167	
Total	530	480	
23 Provisions - Current			
Provision for employee benefits			
Gratuity	-	20	
Performance Link Pay/Bonus	127	166	
Total	127	186	
24 Revenue From Operations		(₹ in lakhs)	
Particulars	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020	
Sale of products			
Traded Goods	28957	37162	
Manufactured Goods	4672	5131	
Sub-Total	33629	42293	
Sale of services	972	944	
Other operating revenues			
Scrap Sales	176	172	
Others	1	6	
Total	34778	43415	

Sicagen India Limited

24.1 Details of Products Sold

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Traded Goods		
Steel Pipes	21579	26930
Steel	1993	5873
PVC Pipes	281	212
Cables	999	1862
Power & Control Equipment	1412	1411
Spares and Others	2693	874
Sub-Total - (A)	28957	37162
Manufactured Goods		
Drums	3451	3544
Power & Control Equipment	163	584
Chemicals	560	837
Others	498	166
Sub-Total - (B)	4672	5131
Total	33629	42293

24.2 Impact of COVID-19

- a) While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from:
- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.
 - prolonged lock-down situation resulting in its inability to deploy resources due to restrictions in mobility.
 - customers postponing their discretionary spend due to change in priorities.

The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

- b) The company was able to revive its operations towards the end of the year due to cost optimisation and price increase in the Quarter 3 & 4 of the FY 2020-21.

25 Other Income

Interest Income	256	246
Dividend Income	106	-
Other non-operating income	129	511
Total	491	757

26. Cost of Raw Materials Consumed		(₹ in lakhs)	
Particulars	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020	
Inventory at the beginning of the year	404	524	
Add : Purchases	4089	4474	
Less : Inventory at the end of the year	330	404	
Cost of Raw Materials consumed	4163	4594	
26.1 Details of Raw Material Consumed			
CRCA Coils	2643	2472	
Others	1520	2122	
Cost of Raw Materials consumed	4163	4594	
27. Purchases of Stock-in-Trade			
Steel Pipes	18709	24604	
Steel	1866	5514	
PVC Pipes	259	206	
Cables	935	1832	
Power & Control Equipment	1597	1422	
Spares and Others	2292	567	
Total	25658	34145	
28. (Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade			
Inventory at the end of the year			
Finished Goods	24	18	
WIP	393	420	
Stock in Trade	3135	4046	
Sub-Total - (A)	3552	4484	
Inventory at the beginning of the year			
Finished Goods	18	35	
WIP	420	100	
Stock in Trade	4046	4609	
Sub-Total - (B)	4484	4744	
(Increase)/Decrease - (B-A)	932	260	
29. Employee benefit expense			
Salaries, Wages and Bonus	1402	1695	
Contribution to Provident Fund and Others	85	104	
Staff Welfare Expense	70	92	
Total	1557	1891	

Sicagen India Limited

30. Finance Cost

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Interest	336	546
Bank Charges	30	54
Total	366	600

31. Other Expenses

Rent	44	76
Rates & Taxes	51	43
Insurance	31	46
Power & Fuel	128	140
Office Maintenance	258	292
Vehicle Operating Expenses	-	1
<u>Repairs & maintenance</u>		
Plant & Machinery	5	4
Building	-	3
Vehicles	14	17
Others	78	107
Travelling & Conveyance	57	185
Printing & Stationery	13	27
Postage, Telegram & Telephone	36	49
Subscription / Donation/ CSR Expense	7	6
Advertisement, Publicity & Sales Promotion	65	82
Payment to Auditors (Details given below)	23	20
Legal & Professional Fees	14	12
Freight & Forwarding charges	157	264
Director's Sitting Fee	18	17
Other Selling Expenses	3	2
Consumable Stores & Tools	5	7
Security Service Charges	61	67
Brokerage & Commission	71	13
Loss on sale of Fixed Assets	17	2
Impairment of Investments	-	44
Entertainment Expenses	-	1
Consultancy Fees	29	34
Miscellaneous Expenses	9	12
Provision for Doubtful Debtors	101	127
Bad Debts written off	-	10
Total	1295	1710

31.1 Payment to Auditor

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Statutory Audit Fee	12	12
Taxation matters	2	2
Other services	9	6
Total	23	20

32. Other Comprehensive Income

A. Items that will not be reclassified to profit or loss:

Remeasurement of defined benefit plans	20	(27)
Equity Instruments through other comprehensive Income	940	(471)
Total	960	(498)

B. Items that will be reclassified to profit or loss:

	-	-
Total	960	(498)

33. Earning Per Share [EPS]

Profit after Tax	586	212
No. of Shares used in computing EPS-Basic	39571684	39571684
Face value per share (₹)	10	10
Weighted Average number of equity shares	39571684	39571684
Basic & diluted earning per share	1.48	0.54

34. Expenditure in Foreign Currency during the Financial year:

Travelling Expenses	-	2
Reimbursement of Expenses	119	59
Total	119	61

35. Earnings in Foreign Exchange (Received during the year)

Export of goods	477	-
Others	-	2
Total	477	2

36. Income Tax Expense

Tax Expenses		
Current Tax on profits for the year	252	173
Adjustments for tax of prior periods	-	106
Deferred tax charge	(5)	20
Income tax expense reported in the statement of profit or loss	247	299

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36.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (₹ in lakhs)

Particulars	For the year ended 31 st Mar 2020	For the year ended 31 st Mar 2019
Accounting profit before tax	833	511
Corporate Tax Rate	25.17%	25.17%
Tax on Accounting Profit	210	129
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non - Deductible Expenses	66	66
Effect of Income Taxed at Different Rate	-	(7)
Deferred Tax Liability	(5)	20
Tax Adjustments of Prior Periods	-	106
Other Adjustments	(24)	(15)
Income tax expense	247	299

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of income tax assets is based on estimates of taxable income and the period over which income tax assets will be recovered.

37 Employee Benefit Obligation

Defined Benefit Plans as per Actuarial Valuation

Disclosure Report as per Ind As 19

1 Principle actuarial assumptions

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Discount Rate	5.20% p.a	5.45% p.a	5.20% p.a	5.45% p.a
Salary Growth Rate	6.00% p.a	6.00% p.a	6.00% p.a	6.00% p.a
Withdrawal Rates	20.00% p.a at all ages	20.00% p.a at all ages	20.00% p.a at all ages"	20.00% p.a at all ages
Rate of Return on Plan Assets	5.20% p.a	5.45% p.a		
Leave Availment Rate	-	-	2.5% p.a	2.5% p.a
Leave Encashment in Service	-	-	-	-

2 Profit and loss account for the period

Service cost:

Current service cost	21	20	8	6
Past service cost and loss/(gain) on curtailments and settlement	-	-	-	-
Net interest cost	1	(1)	2	2
Net value of remeasurements on Obligation & plan assets	-	-	-8	3
Total Charge to P&L	22	19	2	11

3 Other Comprehensive Income for the Current Period

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	2	12	-	2
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	(22)	14	-	1
Return on plan assets excluding amounts included in interest income	-	1	-	-
	(20)	27	-	3

4 Funded Status of the Plan

Present value of unfunded obligations	-	-	35	35
Present value of funded obligations	261	274	-	-
Fair value of plan assets	(277)	(253)	-	-
Net Liability (Asset)	(16)	21	35	35

5 Reconciliation of Defined Benefit Obligation

Opening Defined Benefit Obligation	274	246	35	30
Transfer in/(out) obligation	-	-	-	-
Current service cost	21	20	8	6
Interest cost	13	15	2	2
Components of actuarial gain/losses on obligations:	-	-	-	-
Due to Change in financial assumptions	2	12	-	2
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	(22)	14	(8)	1
Past service cost	-	-	-	-
Loss/(gain) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-	-	-
Benefits paid	(28)	(33)	(5)	(6)
Closing Defined Benefit Obligation	260	274	32	35

Sicagen India Limited

6 Reconciliation of Plan Assets

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Opening value of plan assets	253	246	-	-
Transfer in/(out) plan assets	-	-	-	-
Interest Income	13	16	-	-
Return on plan assets excluding amounts included in interest income	-	(1)	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer	39	25	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-
Exchange differences on foreign plans	-	-	-	-
Benefits paid	(28)	(33)	-	-
Closing value of plan assets	277	253	-	-

7 Reconciliation of Net Defined Benefit Liability

Net opening provision in books of accounts	21	-	35	30
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	19	-	-
Employee Benefit Expense	22	27	2	11
Amounts recognized in Other Comprehensive Income	(20)	-	-	-
	<u>23</u>	<u>46</u>	<u>37</u>	<u>41</u>
Benefits paid by the Company	-	-	(5)	(6)
Contributions to plan assets	(39)	(25)	-	-
Closing Provision in Books of Accounts	(16)	21	32	35

8 Sensitivity to key Assumptions

Discount rate Sensitivity

Increase by 0.5%	257	270	31	35
(% change)	-1.56%	-1.56%	-1.58%	-1.61%
Decrease by 0.5%	265	279	32	36
(% change)	1.62%	1.62%	1.64%	1.67%

Salary growth rate Sensitivity

Increase by 0.5%	265	279	32	36
(% change)	1.60%	1.60%	1.62%	1.65%
Decrease by 0.5%	257	270	31	35
(% change)	-1.56%	-1.56%	-1.58%	-1.61%

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
<u>Withdrawal rate (W.R.) Sensitivity</u>				
W.R. x 110%	260	274	32	35
(% change)	-0.23%	-0.18%	-1.10%	-1.07%
W.R. x 90%	261	275	32	36
(% change)	0.24%	0.18%	1.26%	1.22%

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The Expected Contribution for the next year to Defined Benefit Plans (Gratuity- Funded) is ₹ 19.87 lakhs

The Average Outstanding Term of the Obligation (gratuity) as at the Valuation date is 3.28 years

38 Related Party Transaction

a. List of related parties where control exists

Name of the Related Party

Wholly owned Subsidiary

Wilson Cables Private Limited

South India House Estates & Properties Limited

Danish Steel Cluster Private Limited

Enterprise over which a Director is able to exercise significant influence

Firstgen Distribution Private Limited

SIDD Life Sciences Private Limited

Medihub Sciencetec Private Ltd

Enterprise over which a Director's Relative is a partner and is able to exercise significant influence

South India Investments & Associates

Post-Employment Benefit Plan Entity

Sicagen India Limited Employees Gratuity Fund

Sicagen India Limited Executives Superannuation Fund

Key Management Personnel

R.Chandrasekar, Whole Time Director

M.O.Ayyappan, Chief Financial Officer

G.Arunmozhi, Company Secretary (upto 03.07.2020)

R.Srikrishna, Company Secretary (w.e.f 04.07.2020)

b. The following transactions were carried out with the related parties during the year 2020-21 (₹ in Lakhs)

Sale of Goods/Income from Services Rendered	Amount
Firstgen Distribution Private Limited	451.15

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(₹ in Lakhs)

Purchase of Goods

SIDD Life Sciences Private Limited	390.76
Firstgen Distribution Private Limited	1.10
Danish Steel Cluster Private Limited	1.88

Managerial Remuneration

R.Chandrasekar	58.02
M.O.Ayyappan	19.48
G.Arunmozhi (upto 03.07.2020)	5.91
R.Srikrishna (w.e.f 04.07.2020)	4.67

IT Support Charges

Wilson Cables Private Limited	37.59
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Rent Received

MediHub Sciencetec Private Ltd	1.95
Firstgen Distribution Private Limited	2.53

Reimbursement of Expenses-Payable

Wilson Cables Private Limited	163.89
Danish Steel Cluster Private Limited	0.85

Reimbursement of Expenses-Receivable

Wilson Cables Private Limited	6.04
South India House Estates & Properties Limited	15.85

Advances given

Danish Steel Cluster Private Limited	556.00
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Post-Employment Benefit Plan Entity

Sicagen India Limited Employees Gratuity Fund	27.76
Sicagen India Limited Executives Superannuation Fund	4.57

39 Contingent Liability

- Appeals pending at High Court for the Assessment year 2009-10 for a demand of ₹200 lakhs. Appeal filed with CIT (A) for a demand of ₹ 39 lakhs for the Assessment year 2015-16.
- CST Appeal pending at Appellate Deputy Commissioner for Financial year 2016-17 & 2017-18 for a demand of ₹ 14 lakhs & ₹ 2 lakhs respectively.
- Service Tax appeal pending at CESTAT for FY 2012-13 & 2013-14 for ₹ 3 lakhs.
- Guarantees given by the bankers for performance of Contracts and others ₹238.41 Lakhs (₹298.14 Lakhs).

40 Segment Information for the year ended 31st March 2021
Information about Primary Business Segments

(₹In Lakhs)

	2021			2020				
	Trading	Manufacturing	Eliminations	Total	Trading	Manufacturing	Eliminations	Total
REVENUE								
External Sales	29932	4846		34778	38120	5295		43415
Inter Segment Sales	5	2	(7)	-	36	2	(38)	-
Total Revenue	29937	4848	(7)	34778	38156	5297	(38)	43415
RESULT								
Segment Result	1230	430		1660	1064	389		1453
Unallocated Corporate Expenses net of Unallocated Income			(491)					(396)
Operating Profit			1169					1057
Interest Expense			336					546
Income Taxes(net of def.tax)			247					299
Profit from ordinary activities			586					212
Exceptional items			-					-
Net Profit			586					212
OTHER INFORMATION								
Segment Assets	15867	2280		18147	17361	2521		19882
Unallocated Corporate Assets				26382				24961
Total Assets	15867	2280	-	44529	17361	2521	-	44843
Segment Liabilities	3555	443		3998	5588	456		6044
Unallocated Corporate Liabilities				1586				1202
Total Liabilities	3555	443	-	5584	5588	456	-	7246
Capital Expenditure	118	72		190	359	110		469
Depreciation	391	74		465	389	72		461

Information about Secondary Business Segments

	India	Rest of the World	Total	India	Rest of the World	Total
Revenue by Geographical Market	34301	477	34778	43415	-	43415
Segment Assets	18147	-	18147	19882	-	19882
Capital Expenditure	190	-	190	469	-	469

Notes:

- The Company has identified Business Segment as the Primary Segment and Geographic Segment as the Secondary Segment disclosure.
- The Company's Primary segment identified as business segment based on nature of products, returns and Internal Business Reporting System as per Ind AS 108
- The Business Segments identified are Trading and Manufacturing
- The Geographical Segment considered for disclosure are India and Rest of the World. All sales facilities are located in India. Geographical segments are based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.
- Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets.

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41 DISCLOSURE OF FAIR VALUE MEASUREMENT:

41.1 The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

The carrying value and fair value of financial instruments by category as at 31st March, 2021 & 31st March 2020 are as follows :

PARTICULARS	As at 31 st March 2021		As at 31 st March 2020	
	Amortised Cost	FVOCI	Amortised Cost	FVOCI
Financial Assets				
Investments				
- Equity Instruments	1	1598	1	496
- Preference Shares	1180		1180	
Investments in Subsidiaries	12602		12602	
Loans	2013		1736	
Trade Receivables	9754		10423	
Cash and cash equivalents	260		149	
Bank Balances other than Cash Equivalents	2584		1019	
Financial Liabilities				
Borrowings	3025		3202	
Trade Payables	941		2467	
Other Financial Liabilities (Current & Non Current)	410		241	

41.2 Valuation Techniques used for Fair Valuation is as follows:

Particulars	As at 31 st March 2021				As at 31 st March 2020				
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in			Total
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets									
Investments									
- Equity Instruments	1	1598		1599	1	496		497	
- Preference Shares	1180			1180	1180			1180	
Investments in Subsidiaries	12602			12602	12602			12602	
Loans	2013			2013	1736			1736	
Trade Receivables	9754			9754	10423			10423	
Cash and cash equivalents	260			260	149			149	
Bank Balances other than Cash Equivalents	2584			2584	1019			1019	
Financial Liabilities									
Borrowings	3025			3025	3202			3202	
Trade Payables	941			941	2467			2467	
Other Financial Liabilities	410			410	241			241	

Valuation techniques used to determine the fair value

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

42. Financial risk management

The treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is moderate. The Company's average project execution cycle is around 12 months.

General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Impact of Covid-19

Trade receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The Company is closely monitoring the developments across various business verticals. Basis this assessment, provision made towards ECL is considered adequate.

Loans and advances

Cash and cash equivalents and deposits with banks

The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks. The risk of default with government controlled entities is considered to be insignificant.

Provision for expected credit losses

Loss Allowance is measured using the expected credit loss model on assets where the probability of default is high and the counter party's capacity to meet the obligations is not strong using the expected credit loss model.

The Company has assets where the counter- parties have sufficient capacity to meet the obligation and where the risk of default is very low.

Assets are written off when there is no reasonable expectation of recovery, such as debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.

Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

- (i) The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model.

The reconciliation of ECL is as follows:

Particulars	(₹ in Lakhs)	
	As at 31 st Mar 2021	As at 31 st Mar 2020
Opening Balance	205	78
Loss Allowance based on ECL created	101	127
Reversal of Excess provision	67	-
Write off as Bad Debts	-	-
Closing Balance (as per Note 7)	239	205

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(ii) Trade receivable written off during the year but still enforceable for recovery amounts to NIL (previous year: NIL).

(a) Category-wise classification for applicable financial assets:

I. Measured at amortised cost: (₹ in Lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Loans	2013	1736
Trade receivables	9754	10423
Cash and cash equivalents	260	149
Bank Balance Other than Cash Equivalents	2584	1019

II. Measured at fair value through Other Comprehensive Income (FVTOCI):

Investment in Equity Instruments (Quoted) (₹ in Lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Investment in Equity Instruments	1598	496

Liquidity risk

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

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Working Capital Facility	911	562
Channel Financing Facility	2014	2598
Term Loan	100	40
Total	3025	3200

During the year, Covid Emergency line of credit availed for ₹ 150 lakhs @ 8% repayable in 18 monthly installments.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

43. Previous year's figures have been regrouped and rearranged wherever necessary.

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Accounts - Consolidated



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INDEPENDENT AUDITOR'S REPORT

To the Members of SICAGEN INDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SICAGEN INDIA LIMITED (“the Holding Company”) and its subsidiaries (collectively referred to as “the Company” or “the Group”), comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information (“the consolidated financial statements”).

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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, the consolidated profit, consolidated total comprehensive Loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1.4.1 & 29.2 to the financial statements, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company’s operations and results as assessed by management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Material uncertainty related to Going Concern of Subsidiary

We draw attention to Note 46 to the financial results. Independent Auditors of the Subsidiary Company, Danish Steel Cluster Private Limited, have reported that due to impact of Covid-19 pandemic and employees lay-off carried out by the Subsidiary, the Subsidiary’s performance is dependent on future developments which are uncertain, and a material uncertainty exists that may cast significant doubt on the Subsidiary’s ability to continue as a going concern. However, the accounts of the Subsidiary has been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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.

Holding Company

<p align="center">Revenue recognition (IND AS 115)</p> <p>Recognition of revenue is complex due to several types of customer contracts across divisions.</p> <p>The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes:</p> <ul style="list-style-type: none"> • Identification of performance obligations contained in contracts. • Determination of the most appropriate method for recognition of revenue relating to the identified performance obligations. • Assessment of transaction price. • Allocation of the assessed price to the individual performance obligations. 	<p align="center">Audit Procedures</p> <p>Audit procedure involved review of the Company's IND AS 115 implementation process and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.</p> <p>Based on the procedures performed, it is concluded that management's judgments with respect to recognition and measurement of revenue in light of IND AS 115 is appropriate.</p>
<p align="center">Existence and Impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place which impacts the timing of revenue recognition.</p> <p>In calculating the Expected Credit Loss as per Ind AS 109 – "Financial Instruments", the company has also considered the estimation of probable future customer default and has taken into account an estimation of possible effect from the pandemic relating to Covid-19.</p> <p>Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p align="center">Audit Procedures</p> <p>We performed audit procedures on existence of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received.</p> <p>Assessing the impact of trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Legal cases have been filed in the case of some debtors and we have analyzed the company's chances of succeeding in the litigation.</p> <p>Further more, we assessed the appropriateness of the disclosures made in Note 4,8 & 45 to the financial statements.</p> <p>Our procedures did not identify any material exceptions.</p>

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<p style="text-align: center;">Inventory</p> <p>Management judgment is required to establish the carrying value of inventory particularly in relation to determining the appropriate level of provisions in relation to obsolete and Surplus items.</p> <p>Being a Trading Concern this is identified as a Key Audit Matter</p>	<p style="text-align: center;">Audit Procedure</p> <p>Physical Verification of Inventory was conducted by the management. With respect to the Net Realizable value of Inventory the company has provided Management Representations that there is no significant impact on account of Covid as all contracts are based on fixed prices.</p> <p>Audit procedures include testing the inventory provisions, we assessed the management control and estimation of inventory provisions and their appropriateness. Future salability of inventory was assessed based on past track records.</p> <p>Based on the audit procedure performed, no material discrepancies were identified.</p>
<p style="text-align: center;">Contingent Liability</p> <p>On assessment of Provisions for taxation, litigations and claims as at 31st March 2021 the Company had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 317 Lakhs (including subsidiaries). These provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various forums.</p>	<p style="text-align: center;">Audit Procedures</p> <p>The Audit addressed this Key Audit Matter by</p> <ul style="list-style-type: none"> • Assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities. • Discussing significant litigations and claims with the Company's Internal Legal Counsel. • Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors. • Assessing the reliability of the past estimates of the management. <p>Our Audit Procedures did not identify any material exceptions.</p>
<p style="text-align: center;">IND AS 116 – Leases</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p>	<p style="text-align: center;">Audit Procedure</p> <p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116). • Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; • Evaluated the reasonableness of the discount rates applied in determining the lease liabilities. <p>On a statistical sample, we performed the following procedures:</p> <ul style="list-style-type: none"> • assessed the key terms and conditions of each lease with the underlying lease contracts; and • evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term. <p>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.</p>

Subsidiary Company (Danish Steel Cluster Private Limited)

Revenue recognition (IND AS 115)	Audit Procedures
<p>The Company's sales comprise revenue from the sale of products, services adjusted by sales adjustments which primarily comprise product returns and quality issue charges.</p> <p>Company's most significant revenue is generated from sale of fabricated stainless steel & Galvanized steel for various industries based on customer specifications.</p> <p>Revenue from sale of services primarily includes the installation services associated with sale of some of the fabricated products.</p> <p>Revenue from the sale of goods is recognised in the income statement when the company satisfies a performance obligation by transferring a promised goods or services to a customer and the customer obtains control over the goods or services.</p> <p>There are a few indicators to identify whether customer has obtained control such as transfer of physical possession of the asset or customer has assumed the significant risk and rewards of ownership or has accepted the asset.</p> <p>The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements.</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue Accounting Standard. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluation of internal control design over the revenue recognition and testing of key controls for its operating effectiveness by selecting a sample of continuing and new contracts in respect of identification of the distinct performance obligations and determination of transaction price. • Comparison of these performance obligations in the contract with that identified and recorded by the Company. • Test of the accuracy of cut-off with substantive analytical procedures supplemented with test of details on a transaction level on either side of the Balance Sheet date and by analyzing credit notes issued after the balance sheet date. • Assessment of the compliance of company's revenue recognition accounting policies with new Accounting Standard. • Test of accounts receivable confirmations received from the customers.

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.

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In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its Subsidiaries are responsible for assessing the ability of the Group and of its Subsidiaries 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 Group 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 and of its subsidiaries are responsible for overseeing the financial reporting process of the Group and of its subsidiaries.

Auditor's Responsibilities 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its subsidiaries 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 and its subsidiaries 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 of the 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Holding Company 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.

Other Matter

The consolidated financial statements include the audited Financial Results of one subsidiary, whose Financial Statements reflects Group's share of total assets of ₹ 2719 lakhs as at March 31, 2021, Group's share of total revenue of ₹486 lakhs and Group's share of total net loss after tax of ₹ 715 lakhs for the year ended March 31, 2021, and net cash outflows of ₹ 132 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, which have been audited by their respective independent auditors.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

The consolidated financial statements include the audited Financial Results of two foreign subsidiaries whose Financial Statements/ Financial information reflect Group's share of total assets of ₹20,041 lakhs as at March 31, 2021, Group's share of total revenue of ₹19,238 lakhs and Group's share of total net profit after tax of ₹64 lakhs for the year ended March 31, 2021, and net cash inflows of ₹285 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in so far as it relates to the aforesaid subsidiaries are based solely on the reports of such other auditors.

The consolidated financial statements include the audited financial statement of two foreign subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries. The Group's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. . We have audited these conversion adjustments made by the Group's management. Our opinion in so far it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Group's management and audited by us. Our opinion is not modified in respect of the above matters.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to in the Other Matters section above 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 preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1".
- (g) With respect to the matter to be included in the Auditors' Report under 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 and based on the reports of the statutory auditors of such

Sicagen India Limited

subsidiary companies incorporated in India which are not audited by us, remuneration paid by the Holding Company and its subsidiary companies to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 42 to the consolidated financial statements. The subsidiary company has applied for Vivad se Vishwas scheme for the AY 2013-14 and is liable to pay a demand of ₹ 219 lakhs for which provision has been created during the year.

ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

For **SRSV & Associates**
Chartered Accountants
F.R. No. 015041S

Place: Chennai
Date: May 26, 2021

V. Rajeswaran
Partner
Membership No. 020881
UDIN No. : 21020881AAAADL1275

Annexure 1 to the Independent Auditor's Report

Report on the Internal Financial Controls 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 March 31, 2021, we have audited the internal financial controls over financial reporting of **SICAGEN INDIA LIMITED** ("the Holding Company"), and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are 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 ("Guidance Note") 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, based on the test checks conducted by us, the Holding Company, and its subsidiary companies, which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at March 31, 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.

For **SRSV & Associates**
Chartered Accountants
F.R. No. 015041S

Place: Chennai
Date: May 26, 2021

V. Rajeswaran
Partner
Membership No. 020881
UDIN No. : 21020881AAAADL1275

Sicagen India Limited

Consolidated Balance Sheet as at 31st March 2021

(₹ in lakhs)

Particulars	Note No.	As at	
		31 st Mar 2021	As at 31 st Mar 2020
I. ASSETS			
1 Non Current Assets			
(a) Property, Plant and Equipments	2a	14913	14584
(b) Capital work-in-progress	2b	32	61
(c) Investment Property	2c	309	315
(d) Other Intangible assets	2d	65	98
(e) Right of Use Asset	2e	1548	1783
(f) Financial Assets			
(i) Investments	3	3742	1999
(ii) Trade receivables	4	-	-
(iii) Loans	5	1815	1851
(g) Other non-current assets	6	278	238
2 Current assets			
(a) Inventories	7	10465	13259
(b) Financial Assets			
(i) Trade receivables	8	17058	20607
(ii) Cash and cash equivalents	9	804	544
(iii) Bank Balance other than (ii) above	10	2696	1128
(iv) Loans	11	1	1
(c) Current Tax Assets (Net)	12	515	663
(d) Other Current Assets	13	1922	3369
TOTAL		56163	60500
II. Equity and Liabilities			
1 Equity			
(a) Share capital	14	3957	3957
(b) Other equity	15	35514	33565
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	580	697
(ii) Trade Payables	17	27	-
(iii) Lease Liabilities	18	1174	1389
(iv) Other financial liabilities	19	3	13
(b) Provisions	20	1581	1602
(c) Deferred Tax Liabilities (Net)	21	289	290
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	5812	7205
(ii) Trade Payables	23	5284	10187
(iii) Other financial liabilities	24	745	558
(iv) Lease Liabilities	25	339	353
(b) Other current liabilities	26	561	480
(c) Provisions	27	128	204
(d) Current Tax Liabilities (Net)	28	169	-
TOTAL		56163	60500
Significant Accounting Policies	1		
Notes on Financial Statements	1 - 47		

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES

Chartered Accountants
F.R.No.015041S

V. RAJESWARAN
Partner
M.No.020881

ASHWIN C MUTHIAH
Chairman

B. NARENDRAN
Director

R. CHANDRASEKAR
Whole Time Director

Place: Chennai
Date: 26th May 2021

M. O. AYYAPPAN
Chief Financial Officer

R. SRIKRISHNA
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
I. INCOME			
Revenue from operations	29	54163	69886
Other income	30	837	1104
Total Revenue		55000	70990
II. EXPENSES			
Cost of materials consumed	31	19223	29489
Purchases of Stock-in-Trade	32	25658	34144
(Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade	33	2822	(1614)
Employee benefit expense	34	3145	3519
Finance costs	35	546	881
Depreciation and amortization expense		994	1014
Other expenses	36	2468	3216
Total expenses		54856	70649
III Profit before tax		144	341
Tax expense:			
(i) Current tax		471	284
(ii) Deferred tax		(7)	21
IV. Profit / (Loss) for the period		(320)	36
V Other Comprehensive Income			
A. (i) Item that will not be reclassified to profit or loss	37	1599	(781)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Item that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VI Total Comprehensive Income for the period (Comprising Profit/ (Loss) and other Comprehensive Income for the Period)		1279	(745)
VII Earnings per equity share:			
Basic and diluted EPS (₹)	38	(0.81)	0.09
Significant Accounting Policies	1		
Notes on Financial Statements	1 - 47		

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES

 Chartered Accountants
 F.R.No.015041S

V.RAJESWARAN
 Partner
 M.No.020881

ASHWIN C MUTHIAH
 Chairman

B. NARENDRAN
 Director

R.CHANDRASEKAR
 Whole Time Director

 Place: Chennai
 Date: 26th May 2021

M.O.AYYAPPAN
 Chief Financial Officer

R.SRIKRISHNA
 Company Secretary

Sicagen India Limited

Consolidated Statement of Changes in Equity

Share Capital

(₹ in lakhs)

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Issued				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
Subscribed & Paid up				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

Other Equity

Particulars	Reserves and Surplus				Foreign Currency Translation Reserve	Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings			
Balance as per 1st April 2019	6938	29443	200	(4367)	(455)	2528	34287
Total Comprehensive Income for the year	-	-	-	36		(781)	(745)
Dividend and Dividend Tax paid during the year	-	-	-	(191)		-	(191)
Change in Foreign Currency Translation	275			72	(133)		214
Balance at 31st March 2020	7213	29443	200	(4450)	(588)	1747	33565
Total Comprehensive Income for the year	-	-	-	(320)		1599	1279
Dividend and Dividend Tax paid during the year	-	-	-	(198)		-	(198)
Change in Foreign Currency Translation	219			61	588		868
Balance at 31st March 2021	7432	29443	200	(4907)	-	3346	35514

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES

Chartered Accountants
F.R.No.015041S

V.RAJESWARAN

Partner
M.No.020881

ASHWIN C MUTHIAH

Chairman

B. NARENDRAN

Director

R.CHANDRASEKAR

Whole Time Director

Place: Chennai

Date: 26th May 2021

M.O.AYYAPPAN

Chief Financial Officer

R.SRIKRISHNA

Company Secretary

Consolidated Statement of Cash Flow for the year ended 31st March 2021

(₹ in lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
A Cash Flow from Operating Activities		
Profit before tax	144	341
Adjustments for		
Depreciation	994	1014
(Profit)/Loss on Disposal of Fixed Assets(net)	25	(30)
Diminution in Value of Investment	-	44
Provision for Expected Credit Loss	101	127
Effect of Exchange Rate Changes	168	214
Interest Income	(259)	(184)
Investment in Preference Shares	-	(180)
Dividend Income	(106)	-
Interest Expenditure	498	807
Operating Profit before Working Capital Changes	1565	1812
Adjustments for		
Trade and Other Receivables	3448	6013
Current and Non Current Assets	1661	(1319)
Inventories	2794	(1695)
Trade Payables and Other Liabilities	(6142)	(8696)
Cash Generated from Operations	3326	(3544)
Tax (Paid)/Refund	(236)	(149)
Net Cash from Operating Activities	3090	(3693)
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(205)	(523)
Sale of Property, Plant & Equipment	30	58
Movement in Bank Deposits	(1677)	4673
Investment in Shares	(162)	-
Interest Income Received	244	264
Dividend Income Received	94	-
Net Cash used in Investing Activities	(1676)	4472
C Cash Flow from Financing Activities		
Long term Borrowings (net of repayment)	(117)	(238)
Interest Paid	(498)	(807)
Term Loan availed (net of repayment)	60	(120)
Payment of lease liabilities	(401)	(439)
Dividend paid (Including Dividend Tax)	(198)	(191)
Net Cash used in Financing Activities	(1154)	(1795)
D Net Increase /(Decrease) in Cash and Cash Equivalents(A+B+C)	260	(1016)
Cash and Cash Equivalents as at 1 st April 2020	544	1560
Cash and Cash Equivalents as at 31 st March 2021	804	544

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES

 Chartered Accountants
 F.R.No.015041S

V.RAJESWARAN
 Partner
 M.No.020881

ASHWIN C MUTHIAH
 Chairman

B. NARENDRAN
 Director

R.CHANDRASEKAR
 Whole Time Director

 Place: Chennai
 Date: 26th May 2021

M.O.AYYAPPAN
 Chief Financial Officer

R.SRIKRISHNA
 Company Secretary

Sicagen India Limited

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Brief description of the Company

Sicagen (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at SPIC House, Guindy, Chennai - 600032, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a diversified operating segments such as trading of Building materials, Sales & Servicing Power & controls systems , manufacturing of MS barrels and manufacture of water treatment chemicals. The subsidiary Companies are into manufacture of Cables, precision steel fabrication and property development.

1.2 Basis of preparation

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of sections 133 read with sub-section (1) of Section 210A of the Companies Act, 1956, (1 of 1956). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The financials for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors at their meeting held on 26th May 2021.

Principles of Consolidation.

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitutes the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee, has the ability to use its power to affect its returns and has power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

The consolidated Financial Statements have been prepared in accordance with IND AS 110 "Consolidated Financial Statements" and IND AS 28

"Accounting for Investments in Associated companies in the consolidated financial statements.

The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses. Unrealised losses are also eliminated during consolidation unless the transaction provides evidence of an impairment of the transferred asset.

The consolidated Financial Statements have been prepared in accordance with IND AS 110 "Consolidated Financial Statements" and IND AS 28 "Accounting for Investments in Associated companies in the consolidated Financial statements.

The consolidated financial statements of Sicagen India limited and its subsidiaries have been prepared in accordance with accounting policies and standards applicable to them in the countries in which they are incorporated as stated in the accounting policies in the respective companies and published separately.

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 subsidiaries have been harmonized to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

The results and financial position of the foreign subsidiaries are translated into the reporting currency as follows:

- (i) Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- (ii) Income and expenses are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated

statement of changes in equity and balance sheet, respectively.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the policy described in note 1.9.6 below.

The subsidiary companies and associates considered in the consolidated financial statements are:

1.2.1 Subsidiary Companies:

SI No	Name of the Company	Country of incorporation	Proportion of ownership voting power -%
1	South India House Estates & Properties Limited	India	100%
2	Wilson Cables Private Limited	Singapore	100%
3	Danish Steel Cluster Pvt Limited (DSC)	India	100%
4	Wilson Far East Private Ltd (100% Subsidiary of Wilson Cables)	Singapore	100%

The Company "Wilson Far East Private Limited was formed in April 2018 with a capital of SGD 10,000 totally subscribed by Wilson Cables Private Limited. Therefore this Company is a 100% subsidiary of Wilson cables Private limited Singapore. The nature of business is to carry out general trading - import & export.

Associates:

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

1.3 Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. Estimates are based on historical experience, where applicable and other assumption that management believes are

reasonable under the circumstances. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

1.4 Significant Estimates and judgments

The areas involving critical estimates or judgments are:

- i) Defined benefit obligation.
- ii) Estimation of useful life of Property, Plant and Equipment.
- iii) Estimation and evaluation of provisions and contingencies relating to tax litigations.

1.4.1 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, property plant & equipment and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates. The Company expects that the carrying amount of these assets will be recovered.

1.5 Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific sales/ project/ contract/ product line/ service including the defect liability period, wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

1.6 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value

Sicagen India Limited

measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e.) based on the lowest level input that is significant to the fair value measurement as a whole.

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

Investments

The fair value of investments in equity is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

Trade Receivables

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets and for others difference of carrying amount and fair value is not material for disclosure.

1.7 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimals places.

1.8 Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is

measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115, Revenue from Contracts with Customers requires identification of performance obligations for the transfer of goods and services in each contract with customers. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from contracts for sale of products or services

Revenue from contracts with customers for the sale of products is recognised at a point in time when the control of the asset is transferred to the customer which is usually upon shipment or delivery of goods as per the terms of the each contract and where there is no uncertainty as to measurement or collectability of consideration.

Revenue from contracts with customers for the sale of services is recognised when a customer obtains control of the services, which is upon completion of service.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset (Receivables) based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability (referred as deferred revenue).

1.8.1 Other operational revenue

This represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract upon satisfaction of performance obligations.

1.8.2 Other income

- i) Interest income is accrued on a time basis by reference to the principal outstanding and recognised using the effective interest rate method. (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- ii) Dividend income is accounted in the period in which the right to receive the same is established. (Provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- iii) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

1.8.3 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

1.9 Property, plant and equipment (PPE)

1.9.1 Tangible Assets

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

1.9.2 Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group is classified as investment property. Investment Property is measured initially at its cost and including related transaction cost where applicable, borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item is measured reliably.

1.9.3 Depreciation and amortization

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Serial Number	Category of the Assets	Useful Life
1	Factory Building	30 years
2	Office Building	60 years
3	Plant & Machinery	15 years
4	Electrical Equipments	10-15 years
5	Computer & Accessories	3 years
6	Office Equipments	5 years
7	Furniture & Fixtures	10 years
8	Motor Car	8 years

*For few assets useful life is determined by technical evaluation.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Freehold land is not depreciated.

1.9.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, less accumulated amortisation and cumulative impairment.

1.9.5 Research and development expenditure on new products:

Expenditure on research is expensed under respective heads of account in the period in which it is incurred. Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life is reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

1.9.6 Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, intangible assets and investments in subsidiary, associate and joint venture companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use;
- (ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably

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adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

1.10 Employee Benefits

1.10.1 Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

1.10.2 Post-employment benefits:

- i) Defined contribution plans: The state governed provident fund scheme, employee state insurance scheme and the company's superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- ii) Defined benefit plans: The employees' gratuity fund scheme managed by board of trustees established by the company represents the defined benefit plan. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost

implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost.

Gains or losses on settlement of any defined benefit plan are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits

1.11 Leases

Initial Recognition

Company As a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset.
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual

asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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

1. Applied a single discount rate to a portfolio of leases of similar assets.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases.

1.12 Financial instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. In case of interest free or concession loans given to subsidiary companies, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

1.12.1 Financial assets:

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

1. Investments in debt instruments – at amortised cost, subject to following conditions:
 - i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - ii) The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - a. Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
 - b. Investment in preference shares of associate companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
 - c. Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income. The Company has chosen the option to measure the fair value changes in the equity Instruments through FVOCI on initial recognition and all subsequent measurement.
 - d. For financial assets that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such

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cumulative gain or loss is not reclassified to profit or loss on disposal of investments

Derecognition

A financial asset is primarily derecognised when:

1. The right to receive cash flows from the asset has expired, or
2. The company has transferred its rights to receive cash flows from the asset or

has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and

- (a) the company has transferred substantially all the risks and rewards of the asset, or
- (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

Impairment of financial assets:

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

1.12.2 Financial liabilities:

- i) Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

- ii) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.
- iii) The company designates certain hedging instruments, such as derivatives, embedded derivatives and in respect of foreign currency risk, certain non- derivatives, as either fair value hedges or cash flow hedges or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

- A. Fair value hedges: Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

- B. Cash flow hedges: In case of transaction related hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item. The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

In case of time period related hedges, the forward element and the spot element of a forward contract is separated and only the change in the value of the spot element of the forward contract is designated as the hedging instrument. Similarly, wherever applicable, the foreign currency basis spread is separated from the financial instrument and is excluded from the designation of that financial instrument as the hedging instrument in case of time period related hedges. The changes in the fair value of the forward element of the forward contract or the foreign currency basis spread of the financial instrument are accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such forward element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight line basis over the period of the forward contract or the financial instrument.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1.13 Inventories

Inventories are valued after providing for obsolescence, as under:

- a) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- b) Manufacturing work-in-progress at lower of weighted average cost including related overheads or net realisable value. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.
- c) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

1.14 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.15 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings,

that are attributable to the acquisition, construction or production of a qualifying asset, are capitalised/ inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.16 Foreign currencies

Functional and presentation currency

The financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

The management believes that the adoption of amendment to Ind AS 21, Foreign currency transactions and advance consideration does not have any significant impact on the standalone financial statements.

1.17 Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

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Segment accounting policies are in line with the accounting policies of the company. In addition, the following specific accounting policies have been followed for segment reporting:

- i) Segment revenue includes sales and other operational revenue directly identifiable with/ allocable to the segment including inter segment revenue.
- ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result.
- iii) Most of the centrally incurred costs are allocated to segments mainly on the basis of their respective expected segment revenue estimated at the beginning of the reported period.
- iv) Income which relates to the company as a whole and not allocable to segments is included in "unallocable corporate income".
- v) Segment result includes margins on inter-segment capital jobs, which are reduced in arriving at the profit before tax of the company.
- vi) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole.
- vii) Segment non-cash expenses forming part of segment expenses includes the fair value of the employee stock options which is accounted as employee compensation cost and is allocated to the segment.
- viii) Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer prices which are either determined to yield a desired margin or agreed on a negotiated basis.

1.18 Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are generally recognised for all taxable temporary differences including the temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except

where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/business losses/ losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- a) the company has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of :

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.20 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid ;
- c) funding related commitment to subsidiary, associate and joint venture companies;
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.21 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.22 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.23 Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.24 Related Party Transaction

Terms and conditions of transactions with the related parties

- (1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- (2) The Company is seconding its personnel to Subsidiary Companies as per the terms and conditions agreed between the Companies. The cost incurred by the group towards superannuation and employee benefits are recovered from these Companies.
- (3) Outstanding balances (other than loan) of Subsidiaries and Associate at the year-end, are unsecured and interest free.

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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2. Property Plant & Equipment as at 31.03.2021											
Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance as at 1 st April 2020	Additions	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 1 st April 2020	Depreciation charged for the year	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 31 st March 2020
a Tangible Assets											
Land - Free hold	8853				8853	-				-	8853
- Lease hold	1				1	-				-	1
Buildings	1408	83			1491	219	63			282	1189
Under Lease	2985		485		3470	546	185			731	2439
Plant and Equipment	2125	97	230	345	2107	679	200	327		552	1446
Furniture and Fixtures	265	8	5	77	201	89	25	57		57	176
Vehicles	169	17	10	27	169	62	14	43		105	107
Office Equipment	362	9	238	248	361	165	37	227		182	197
Trucks	5			4	1	4		3		1	1
Lease hold improvements	150	7		1	156	99	14	1		112	51
Electrical Equipments	145	8			153	21	7			28	124
Total	16468	229	968	702	16963	1884	545	270	649	2050	14913
b Capital Work In Progress											
	61	12		41	32	-	-	-	-	-	61
Total	61	12	-	41	32	-	-	-	-	-	61
c Investment Property											
	332				332	17	6			23	315
Total	332	-	-	-	332	17	6	-	-	23	315
d Intangible Assets											
Computer software	200	4			204	102	37			139	98
Total	200	4	-	-	204	102	37	-	-	139	98
Grand Total	17061	245	968	743	17531	2003	588	270	649	2212	15319

(₹ In Lakhs)

2 Right of Use Asset as at 31.03.2021

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 st April 2020	Additions	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 1 st April 2020	Depreciation charged for the year	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31 st March 2021	Balance as at 31 st March 2020
e Right of Use Asset											
Office Building	2192	149	(36)	3	2302	415	404	(60)	1	758	1777
Furniture	8	-	-	-	8	2	2	-	-	4	6
Total	2200	149	(36)	3	2310	417	406	(60)	1	762	1783

2.1 Rental Income derived from Investment Property recognised in Statement of Profit & Loss is ₹ 1.08 lakhs (FY 2019-20- ₹12.76 lakhs)

2.2 Rental Expenditure related to short-term leases and leases of low-value assets amounts to ₹44 lakhs

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Property Plant & Equipment as at 31.03.2020

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 st April 2019	Additions	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 1 st April 2019	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 31 st March 2019
a Tangible Assets									
Land - Free hold	8868	-	15	8853	-	-	-	8853	8868
- Lease hold	1	-	-	1	-	-	-	1	1
Buildings	1191	220	3	1408	157	62	-	1189	1034
Under Lease	2978	8	1	2985	370	176	-	2439	2608
Plant and Equipment	2010	119	4	2125	475	208	4	1446	1535
Furniture and Fixtures	266	8	9	265	65	27	3	176	201
Vehicles	163	8	2	169	48	15	1	107	115
Office Equipment	342	21	1	362	120	45	-	197	222
Trucks	5	-	-	5	4	-	-	4	1
Lease hold improvements	150	1	1	150	84	16	1	99	51
Electrical Equipments	68	77		145	15	6	-	21	53
Total	16042	462	36	16488	1338	555	9	1884	14704
b Capital Work In Progress	19	96	54	61	-	-	-	-	19
Total	19	96	54	61	-	-	-	61	19
c Investment Property	332	-	-	332	11	6	-	17	321
Total	332	-	-	332	11	6	-	17	321
d Intangible Assets									
Computer software	182	18	-	200	66	36	-	102	98
Total	182	18	-	200	66	36	-	102	98
Grand Total	16575	576	90	17061	1415	597	9	2003	15160

Right to use asset as at 31.03.2020

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 st April 2019	Balance as at 31 st March 2020	Disposals / Adjustments	Balance as at 1 st April 2019	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31 st March 2020	Balance as at 31 st March 2019
e Right of Use Asset								
Office Building	1075	2192	-	-	415	-	415	1777
Furniture	8	8	-	-	2	-	2	6
Total	1083	2200	-	-	417	-	417	1783

3. Non Current Investments

(₹ in lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Trade Investments		
(a) Investment in Equity Instruments	2562	819
(b) Investment in Preference Shares	1180	1180
Total	3742	1999
Aggregate amount of quoted investments	2562	819
Aggregate amount of unquoted investments	1180	1180
	3742	1999

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3.1 Details of Trade Investments

Sl. No	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Fair Value	
			2021	2020			2021	2020	2021	2020
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
SUBSIDIARY COMPANY'S INVESTMENTS										
a)	Investment in Equity Instruments									
	Southern Petrochemicals Industries Corpn.Ltd	Others	1636900	1636900	Quoted	Fully Paid	0.80	0.80	480	192
	First Leasing Company of India Ltd	Others	121718	121718	Quoted	Fully Paid	0.53	0.53	-	-
	Heidelberg Cements India Ltd	Others	700	700	Quoted	Fully Paid	-	-	2	1
	Mercantile Ventures Ltd	Others	3714800	3714800	Quoted	Fully Paid	3.29	3.29	481	129
	Lakshmi Finance & Ind. Corporation Ltd	Others	900	900	Quoted	Fully Paid	0.03	0.03	-	-
	Synthetics & Chemicals Ltd	Others	1125	1125	Quoted	Fully Paid	-	-	-	-
	Birla Power Solutions Ltd	Others	3600	3600	Quoted	Fully Paid	-	-	-	-
	South India Travels Private Ltd	Others	5000000	5000000	Unquoted	Fully Paid	18.74	18.74	-	-
	Corn Industries & General Enterprises Ltd	Others	79606	79606	Unquoted	Fully Paid	17.08	17.08	-	-
	Sai Business & Consultancy Systems P Ltd	Others	70350	70350	Unquoted	Fully Paid	17.40	17.40	-	-
	India Radiators Ltd	Others	47188	47188	Unquoted	Fully Paid	5.24	5.24	-	-
	Sri Balajee Leasing Services Ltd	Others	541	541	Unquoted	Fully Paid	-	-	-	-
	Harrington Investments Ltd	Others	3900	3900	Unquoted	Fully Paid	-	-	-	-
	Everest Investments Ltd	Others	10000	10000	Unquoted	Fully Paid	-	-	-	-
	Navia Markets Ltd	Others	10000	10000	Unquoted	Fully Paid	-	-	-	-
	Mac Packaging Ltd	Others	220012	220012	Unquoted	Fully Paid	-	-	-	-
	Profad Ltd	Others	100150	100150	Unquoted	Fully Paid	-	-	-	-
b)	Investments in Preference shares									
	South India Travels Private Ltd	Others	11175646	11175646	Unquoted	Fully paid	100	100	-	-
c)	Investments in Government or Trust Securities									
	National Savings Certificate (NSC)	Others			Unquoted	Fully Paid	-	-	-	-
d)	Investments in Partnership Firms									
	South India Investments & Associates	Others			Unquoted	Fully Paid	-	-	-	-

3.1 Details of Trade Investments

Sl. No	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Fair Value	
			2021	2020			2021	2020	2021	2020
			(4)	(5)			(6)	(7)	(8)	(9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
HOLDING COMPANY'S INVESTMENTS										
(a)	Investment in Equity Instruments (Holding Company)									
	Southern Petrochemicals Industries Corporation Ltd	Others	3676424	3017349	Quoted	Fully Paid	1.80	1.48	1079	357
	EDAC Engineering Ltd	Others	9461	9461	Unquoted	Fully Paid			1	1
	First Leasing company of India Ltd (includes bonus shares)	Others	2153649	2153649	Quoted	Fully Paid	9	9	-	-
	Mercantile Ventures Ltd	Others	4008205	4008205	Quoted	Fully Paid	3.58	3.58	519	139
	Mitsuba Sical India Pvt Ltd	Others	300000	300000	Unquoted	Fully Paid	-	-	-	-
	AM Foundation	Others	1600	1600	Unquoted	Fully Paid	16	16	-	-
(b)	Investments in Preference Shares									
	EDAC Engineering Ltd	Others	11800000	11800000	Unquoted	Fully Paid	35	35	1180	1180
Total									3742	1999

3.2 During the year, 659075 equity shares of Southern Petrochemicals Industries Corporation Ltd was purchased at the market price@ 24.60 per share.

3.3 During the Financial year 2019-20, South India Travels Pvt Ltd has issued 111,75,646 preference shares to subsidiary company- South India House Estates & Properties Ltd amounting to ₹ 1118 lakhs and 50,00,000 equity shares amounting to ₹ 254 lakhs against the outstanding debts.Provision for Impairment of Investments amounting to ₹1372 lakhs has been provided for South India Travels Pvt Ltd shares based on the estimates of the management.(Refer Note 36.2)

3.4 All Quoted Investments have been fair valued at the prevailing Market Price as per IND AS.

3.5 All Investments are fully paid up.

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4 Trade Receivables		(₹ in lakhs)	
Particulars	As at 31st Mar 2021	As at 31 st Mar 2020	
Unsecured, considered good	423	423	
Less: Provision for Doubtful receivables	423	423	
Total	-	-	

4.1 During the previous year 2019-20, South India Travels Pvt Ltd had issued 111,75,646 preference shares amounting to ₹ 1118 lakhs against the outstanding debts. Provision for debts created during the transition to IND As was reversed. (Refer Note-3.3 & 36.2)

4.2 The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on trade receivables where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

5 Loans			
a. Security Deposits			
Unsecured, considered good	269	301	
b. Loans and advances to related parties			
Unsecured, considered good	1026	1033	
Less: Provision for Doubtful Loans & Advances	1026	1029	
Net Loans & Advances	-	4	
c. Other loans and advances			
Unsecured, considered good	1546	1546	
Total	1815	1851	

5.1 The Company has a detailed review mechanism of overdue Loans and Advances at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on Loans and Advances where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

6 Other Non-Current Assets			
a. Capital Advances	-	20	
b. Other Advances	6596	6553	
Less: Provision for Advances- ECL Model	(6335)	(6335)	
c. Provision for Gratuity -LIC	17	-	
Total	278	238	

6.1 The Company has a detailed review mechanism of overdue loans and advances at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on Loans & advances where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

7 Inventories			
a. Raw Materials and components	2048	2173	
b. Work-in-progress	906	943	
c. Finished goods	4343	6054	
d. Stock-in-trade	3135	4046	
e. Stores and spares	33	43	
Total	10465	13259	

- 7.1 In subsidiary company Danish steel, due to COVID-19 related lock-down restrictions, the management was not able to provide valuation report of NRV of the existing stocks lying as at the year end. However, the management based on their market enquiries, has stated that all the existing stocks will be sold at a price higher than cost with a margin and NRV are nevertheless below the cost price. This representation of the management has been relied upon and stock has been valued accordingly at cost.

8 Trade Receivables (₹ in lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Unsecured, considered good	17349	20950
Less: Provision for trade receivables	291	343
Total	17058	20607

- 8.1 The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on trade receivables where the probability of default is high and the counter party's capacity to meet the obligations is not strong.

9 Cash and Cash Equivalents

Balances with banks		
Current Accounts	799	493
Cheques, drafts on hand	-	-
Cash on hand	5	6
Bank Deposits with maturity of less than 3 months	-	45
Total	804	544

10 Bank balance and Others

Others		
Margin Money	43	148
Balance with bank (for unpaid dividend)	46	50
Bank Deposits with maturity for more than 3 months but less than 12 months	2607	930
Total	2696	1128

- 10.1 Bank Balance and others as at March 31, 2021 and March 31, 2020 include restricted bank balances of ₹89 lakhs and ₹198 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and Unpaid Dividend Account balances.

- 10.2 Fixed Deposits of ₹543 lakhs are pledged in relation to security granted for Working Capital Facilities.

- 10.3 Fixed Deposits of foreign subsidiary amounting to ₹109 lakhs (2 lakhs Singapore Dollars) are pledged in relation to security granted for Term Loan.

11 Loans

Security Deposits		
Unsecured, considered good	1	1
Total	1	1

12 Current tax Assets (Net)

Advance Income tax	2470	2563
Less:		
Provision for Tax	1955	1900
Total	515	663

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13 Other Current Assets (₹ in lakhs)

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
a. Advances other than capital advances				
Security Deposit		88		175
Other advances		830		711
b. Prepaid expense-unsecured considered good		197		144
c. Balance with govt authorities - unsecured considered good				
GST Credit receivable		210		243
d. Debit Balance with creditors				
Unsecured, considered good		430		2001
e. Others		167		95
Total		1922		3369

14 Share Capital

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Issued				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
Subscribed & Paid up				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

14.1 Number of shares and the amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st Mar 2021		As at 31 st Mar 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	39571684	3957	39571684	3957
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39571684	3957	39571684	3957

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

Name of Shareholder	As at 31 st Mar 2021		As at 31 st Mar 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s.Ranford Investments Ltd.	7400649	18.70	7400649	18.70
M/s.Darnolly Investments Ltd.	7276102	18.39	7276102	18.39
M/s.Twinshield Consultants Pvt.Ltd.	3713919	9.39	2948810	7.45

14.3 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

15. Other Equity		(₹ in lakhs)	
Particulars	As at 31st Mar 2021	As at 31st Mar 2020	
Capital Reserve	7432	7213	
Securities Premium Reserves	29443	29443	
General Reserve	200	200	
Retained Earnings	(4907)	(4450)	
Foreign Currency Translation Reserve	-	(588)	
Other Comprehensive Income Reserve	3346	1747	
	35514	33565	
16 Borrowings			
Term Loans			
From Banks	580	697	
Total	580	697	
16.1 The term loan availed by foreign subsidiary is secured by first legal mortgage over the property at 142 Gul Circle, Jurong Industrial Estate, Singapore and the fixed deposits of ₹ 109 lakhs (2 lakhs Singapore Dollars).			
17 Trade Payable			
Trade Payable	27	-	
Total	27	-	
18 Lease Liabilities			
Lease Liabilities*	1174	1389	
	1174	1389	
*On Account of Adoption of Ind As 116.			
19 Other Financial Liabilities			
Advance from customers	3	13	
Total	3	13	
20 Provisions			
<u>Provision for employee benefits</u>			
Leave Encashment	32	56	
Provision for Loans and Advances	1549	1546	
Total	1581	1602	
20.1 The Company has a detailed review mechanism of overdue loans and advances at various levels within organisation to ensure proper attention and focus for realisation. The company is making provisions on loans and advances where the probability of default is high and the counter party's capacity to meet the obligations is not strong.			
20.2 Provision for debts created during the transition to IND As by the subsidiary company was reversed. (Refer Note-3.3 & 35.2)			
21 Deferred Tax Liability			
Deferred Tax Liability	289	290	
Closing Balance	289	290	

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21.1 No deferred tax assets are recognised by subsidiary company- Danish Steel on the carry forward losses and unabsorbed depreciation, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

21.2 The deferred tax on disallowances made under section 43B of the Income Tax Act , 1961 are not provided during the year on an assumption that the statutory liabilities outstanding as at 31.03.2021 will be paid by the company on or before due date of filing income tax return.

22 Borrowings

(₹ in lakhs)

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
Secured		
Working Capital Facility	911	562
Term Loans from Banks	2886	4003
Unsecured		
From Banks	1457	1471
From Other Parties	558	1167
Deposits	-	2
Total	5812	7205

22.1 Working capital facilities availed were secured by hypothecation of stocks and receivables of all divisions and creation of equitable mortgage by way of deposit of title deeds of certain immovable assets of the company and the wholly owned subsidiary as collateral security.

22.2 During the Year, Term loan availed under the scheme of Covid Emergency Line of Credit from Union Bank of India amounting to ₹ 150 lakhs @ 8% payable in 18 monthly installments. Outstanding amount as on 31.03.2021 is ₹100 lakhs.

22.3 The term loan availed by foreign subsidiary is secured by first legal mortgage over the property at 142 Gul Circle, Jurong Industrial Estate, Singapore and the fixed deposits of ₹109 lakhs (2 lakhs Singapore dollars).

23 Trade payables

Dues to Micro, Small and Medium Enterprises *	402	542
Dues to enterprises other than Micro, Small and Medium Enterprises	4882	9645
Total	5284	10187

23.1 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

23.2 Dues to Micro, Small and Medium Enterprises *

Particulars	As at 31 st Mar 2021	As at 31 st Mar 2020
I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	402	542
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		11
III) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-

IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and		-
V) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

24 Other Financial Liabilities		(₹ in lakhs)	
Particulars	As at 31st Mar 2021	As at 31st Mar 2020	
Interest accrued and due on borrowings	266	266	
Unpaid Dividend	46	50	
Other payables	-	16	
Liability for Expenses	363	180	
Statutory remittances	68	45	
Advance from customers	-	-	
Security Deposit	2	1	
Deferred Revenue	-	-	
Total	745	558	
25 Lease Liabilities			
Lease Liabilities*	339	353	
	339	353	
*On Account of Adoption of Ind As 116.			
26 Other Current Liabilities			
Advance from Customers	238	313	
Others	323	167	
Total	561	480	
27 Provisions			
Provision for employee benefits			
Gratuity	-	35	
Leave encashment	-	3	
Bonus/Performance pay	128	166	
Total	128	204	
28 Current Tax Liabilities (Net)			
Provision for Tax	416	-	
Less:			
Advance Income tax -unsecured considered good	247	-	
Total	169	-	

28.1 The subsidiary company- South India House Estates and Properties Ltd has applied for Vivad se vishwas scheme, 2020 for the AY 2013-14 and the provision for Tax include Tax demand of ₹ 219 lakhs created during the current year.

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29 Revenue From Operations

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Sale of products		
Traded Goods	35983	45117
Manufactured Goods	16653	23598
Sub-Total	52636	68715
Sale of services	972	958
Other operating revenues		
Scrap Sales	554	206
Others	1	7
Total	54163	69886

29.1 Details of Products Sold

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Traded Goods		
Steel Pipes	21579	26930
Steel	1993	5873
PVC Pipes	281	212
Cables	8025	9817
Power & Control Equipment	1412	1411
Spares and Others	2693	874
Sub-Total - (A)	35983	45117
Manufactured Goods		
Drums	3451	3544
Power & Control Equipment	163	584
Others	969	2213
Cables	11510	16420
Chemicals	560	837
Sub-Total - (B)	16653	23598
Total	52636	68715

29.2 Impact of COVID-19

a) While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from:

- the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.
- prolonged lock-down situation resulting in its inability to deploy resources due to restrictions in mobility.
- customers postponing their discretionary spend due to change in priorities.

The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

b) The Company was able to revive its operations towards the end of the year due to cost optimisation and price increase in the Quarter 3 & 4 of the FY 2020-21.

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
30 Other Income		
Interest Income	259	185
Dividend Income	106	-
Other non-operating income	472	919
Total	837	1104
31 Cost of Raw Materials Consumed		
Inventory at the beginning of the year	1793	2368
Add : Purchases	19267	28854
Less : Inventory at the end of the year	1837	1733
Cost of Raw Materials consumed	19223	29489
31.1 Details of Raw Materials Consumed		
CRCA Coils	2643	2472
Others	1636	3114
Cables	14944	23903
Cost of Raw Materials consumed	19223	29489
32 Purchases of Stock-in-Trade		
Steel Pipes	18709	24604
Steel	1866	5514
PVC Pipes	259	206
Cables	935	1832
Power & Control Equipment	1597	1422
Spares and Others	2292	566
Total	25658	34144
33 (Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade		
Inventory at the end of the year		
Finished Goods	4326	5894
WIP	904	929
Stock in Trade	3135	4046
Sub-Total - (A)	8365	10869
Inventory at the beginning of the year		
Finished Goods	6187	4159
WIP	954	487
Stock in Trade	4046	4609
Sub-Total - (B)	11187	9255
(Increase)/Decrease - (B-A)	2822	(1614)

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(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
34 Employee benefit expense		
Salaries, Wages and Bonus	2791	3029
Contribution to Provident Fund and Others	239	277
Staff Welfare Expense	115	213
Total	3145	3519
34.1 In Subsidiary Company-Danish Steel Salaries and wages include termination costs of ₹ 5.16 crores paid to employees in the form of compensation for lay off.		
35 Finance Cost		
Interest	498	807
Bank Charges	48	74
Total	546	881
36 Other Expenses		
Rent	44	76
Rates & Taxes	209	184
Insurance	129	137
Power & Fuel	293	392
Office Maintenance	262	299
Vehicle Operating Expenses	-	1
<u>Repairs & maintenance</u>		
Plant & Machinery	13	23
Building	1	11
Vehicles	25	19
Others	154	218
Travelling & Conveyance	62	216
Printing & Stationery	17	33
Postage, Telegram & Telephone	53	72
Subscription / Donation/ CSR	15	13
Advertisement, Publicity & Sales Promotion	77	97
Payment to Auditors (Details given below)	40	41
Legal & Professional Fees	112	130
Freight & Forwarding charges	291	491
Director's Sitting Fee	18	16
Brokerage & Commission	71	13
Foreign Exchange Fluctuation	58	48
Other Selling Expenses	3	2
Consumable Stores & Tools	28	26
Bad Debts written off	-	12
Security Service Charges	83	89
Loss on sale of Fixed Assets	32	3
Entertainment Expenses	2	9

(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
Consultancy Fees	29	34
Miscellaneous Expenses	9	13
Testing Fees	57	55
Foreign Workers Levy	74	101
Factory Miscellaneous Expenses	28	34
Provision for Doubtful Debts	171	264
Share of loss from guest house	8	-
Impairment of Investments	-	44
Total	2468	3216

36.1 Payment to Auditor

Statutory Audit Fee	29	32
Taxation matters	2	3
Other services	9	6
Total	40	41

36.2 In FY 2019-20, South India Travels Pvt Ltd has issued 111,75,646 preference shares amounting to ₹ 1118 lakhs and 50 lakhs equity shares amounting to ₹ 254 lakhs against the outstanding debts as per the books of accounts. During the transition to IND AS, the outstanding debts were provided for under the ECL model and the same were reversed in FY 2019-20. Further Provision for Impairment of the Investments were provided for based on the estimates of the management in FY 2019-20. Extracts of the same are as follows:

Reversal of Provision for Debts	-	1372
Less: Provision for Impairment of Investments	-	1372
Total	-	-

37 Other Comprehensive Income

(A) Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	19	(31)
Equity Instruments through Other comprehensive Income	1580	(750)
Total	1599	(781)
(B) Items that will be reclassified to profit or loss:		
Others	-	-
Total	-	-

38 Earning Per Share [EPS]

Profit after Tax	(320)	36
No. of Shares used in computing EPS-Basic	39571684	39571684
Face value per share (₹)	10	10
Weighted Average number of equity shares	39571684	39571684
Basic & diluted earning per share	(0.81)	0.09

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(₹ in lakhs)

Particulars	For the year ended 31 st Mar 2021	For the year ended 31 st Mar 2020
39 Expenditure in Foreign Currency during the Financial year:		
Travelling Expenses	-	2
Reimbursement of Expenses	119	59
Others		
Total	119	61
40 Earnings in Foreign Exchange (Received during the year)		
Export of goods	942	407
Others	-	2
	942	409

41 Related Party Transaction

a. List of related parties where control exists

Name of the Related Party

Wholly owned Subsidiary

Wilson Cables Private Limited

South India House Estates & Properties Limited

Danish Steel Cluster Private Limited

Enterprise over which a Director is able to exercise significant influence

Firstgen Distribution Private Limited

SIDD Life Sciences Private Limited

Medihub Sciencetec Private Ltd

Enterprise over which a Director's Relative is a partner and is able to exercise significant influence

South India Investments & Associates

Post-Employment Benefit Plan Entity

Sicagen India Limited Employees Gratuity Fund

Sicagen India Limited Executives Superannuation Fund

Name of the related parties & relationship

R.Chandrasekar, Whole Time Director

M.O.Ayyappan, Chief Financial Officer

G.Arunmozhi, Company Secretary (upto 03.07.2020)

R.Srikrishna, Company Secretary (w.e.f 04.07.2020)

B. Narendran, Director (w.e.f 13.06.2020)

M. Rajamani, Director (w.e.f 13.06.2020)

c. The following transactions were carried out with the related parties during the year 2020-21

Sale of Goods/Income from Services Rendered	Amount
Firstgen Distribution Private Limited	451.15
Purchase of Goods	
SIDD Life Sciences Private Limited	390.76
Firstgen Distribution Private Limited	1.10
Danish Steel Cluster Private Limited	1.88

(₹ In Lakhs)

(₹ in Lakhs)

Managerial Remuneration

R.Chandrasekar	58.02
M.O.Ayyappan	19.48
G.Arunmozhi (upto 03.07.2020)	5.91
R.Srikrishna (w.e.f 04.07.2020)	4.67

IT Support Charges

Wilson Cables Private Limited	37.59
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Rent Received

Medihub Sciencetec Private Ltd	1.95
Firstgen Distribution Private Limited	2.53

Reimbursement of Expenses-Payable

Wilson Cables Private Limited	163.89
Danish Steel Cluster Private Limited	0.85

Reimbursement of Expenses-Receivable

Wilson Cables Private Limited	6.04
South India House Estates & Properties Limited	15.85

Advances given

Danish Steel Cluster Private Limited	556.00
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Post-Employment Benefit Plan Entity

Sicagen India Limited Employees Gratuity Fund	27.76
Sicagen India Limited Executives Superannuation Fund	4.57

42 Contingent Liability

- Appeals pending at High Court for the Assessment year 2009-10 for a demand of ₹200 lakhs. Appeal filed with CIT (A) for a demand of ₹ 39 lakhs for the Assessment year 2015-16.
- CST Appeal pending at Appellate Deputy Commissioner for Financial year 2016-17 & 2017-18 for a demand of ₹ 14 lakhs & ₹ 2 lakhs respectively.
- Service Tax appeal pending at CESTAT for FY 2012-13 & 2013-14 for ₹ 3 lakhs.
- Guarantees given by the bankers for performance of Contracts and others ₹238.41 Lakhs (₹298.14 Lakhs).

Subsidiary Company

- Appeals pending with High Court for a demand of ₹25.08 Lakhs & ₹34.10 lakhs (Assessment year 2006-07 & 2009-10 respectively).
- Guarantees given by the bankers for performance of Contracts and others ₹2.84 Lakhs (₹2.84 Lakhs).

43 DISCLOSURE OF FAIR VALUE MEASUREMENT:

43.1 The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Sicagen India Limited

The carrying value and fair value of financial instruments by category as at 31st March, 2021 & 31st March 2020 are as follows :

Particulars	(₹ in Lakhs)			
	As at 31 st March 2021		As at 31 st March 2020	
	Amortised Cost	FVOCI	Amortised Cost	FVOCI
Financial Assets				
Investments				
- Equity Instruments	1	2561	1	818
- Preference Shares	1180		1180	
Loans	1815		1851	
Trade Receivables	17058		20607	
Cash and cash equivalents	804		544	
Bank Balances other than Cash Equivalents	2696		1128	
Other Financial Assets-Loans	1		1	
Financial Liabilities				
Borrowings	580		697	
Borrowings- Current	5812		7205	
Trade Payables- Current & Non Current	5311		10187	
Other Financial Liabilities- Current & Non Current	748		571	

43.2 Valuation Techniques used for Fair Valuation is as follows:

Particulars	(₹ in Lakhs)							
	As at 31 st March 2021				As at 31 st March 2020			
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets								
Investments								
- Equity Instruments	1	2561		2562	1	818		819
- Preference Shares	1180			1180	1180			1180
Loans	1815			1815	1851			1851
Trade Receivables	17058			17058	20607			20607
Cash and cash equivalents	804			804	544			544
Bank Balances other than Cash Equivalents	2696			2696	1128			1128
Other Financial Assets-Loans	1			1	1			1
Financial Liabilities								
Borrowings	580			580	697			697
Borrowings- Current	5812			5812	7205			7205
Trade Payables	5311			5311	10187			10187
Other Financial Liabilities- Current & Non Current	748			748	571			571

Valuation techniques used to determine the fair value

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

44 Segment Information for the year ended 31st March 2021
Information about Primary Business Segments

(₹In Lakhs)

	2021			2020				
	Trading	Manufacturing	Eliminations	Total	Trading	Manufacturing	Eliminations	Total
REVENUE								
External Sales	36958	17205	-	54163	46074	23812	-	69886
Inter Segment Sales	5	2	(7)	-	36	2	(38)	-
Total Revenue	36963	17207	(7)	54163	46110	23814	(38)	69886
RESULT								
Segment Result	1193	(60)	-	1133	1052	492	-	1544
Unallocated Corporate Expenses net of Unallocated Income				(491)				(396)
Operating Profit				642				1148
Interest Expense				498				807
Income Taxes(net of def.tax)				464				305
Profit from ordinary activities				(320)				36
Exceptional items				-				-
Net Profit				(320)				36
OTHER INFORMATION								
Segment Assets	22809	13438	-	36247	23732	17945	-	41677
Unallocated Corporate Assets				19916				18823
Total Assets	22809	13438	-	56163	23732	17945	-	60500
Segment Liabilities	5318	9788	-	15106	7179	14597	-	21776
Unallocated Corporate Liabilities				1586				1202
Total Liabilities	5318	9788	-	16692	7179	14597	-	22978
Capital Expenditure	118	87		205	359	164		523
Depreciation	397	597		994	395	619		1014

Information about Secondary Business Segments

	India	Rest of the World	Total	India	Rest of the World	Total
Revenue by Geographical Market	34314	19849	54163	43308	26578	69886
Segment Assets	36247	-	36247	41677	-	41677
Capital Expenditure	205	-	205	523	-	523

Notes:

- The Company has identified Business Segment as the Primary Segment and Geographic Segment as the Secondary Segment disclosure. The Company's Primary segment identified as business segment based on nature of products, returns and Internal Business Reporting System as per Ind As 108.
- The Business Segments identified are Trading, Manufacturing and Discontinuing.
- The Geographical Segment considered for disclosure are India and Rest of the World. All sales facilities are located in India. Geographical segments are based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.
- Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets.

Sicagen India Limited

45. Financial risk management

The treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

Trade receivables

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is moderate. The Company's average project execution cycle is around 12 months.

General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

Impact of Covid-19

Trade receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various verticals and the financial strength of customers. The Company is closely monitoring the developments across various business verticals. Basis this assessment, provision made towards ECL is considered adequate.

Loans and advances

Cash and cash equivalents and deposits with banks

The Company has banking operations with highly rated banks including scheduled banks which are owned by Government of India and Private Sector Banks. The risk of default with government controlled entities is considered to be insignificant.

Provision for expected credit losses

Loss Allowance is measured using the expected credit loss model on assets where the probability of default is high and the counter party's capacity to meet the obligations is not strong using the expected credit loss model.

The Company has assets where the counter - parties have sufficient capacity to meet the obligations and where the risk of default is very low.

Assets are written off when there is no reasonable expectation of recovery, such as debtor declaring bankruptcy or failing to engage in a repayment plan with the Company.

Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

- (i) The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model.

The reconciliation of ECL is as follows: (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Opening Balance	343	238
Loss Allowance based on ECL	196	304
Reversal of ECL Loss Allowance	(92)	(39)
Write off as Bad Debts	(159)	(164)
Translation Exchange Difference	3	4
Provision for Doubtful Debts (as per Note 8)	291	343

- (a) (a) Category-wise classification for applicable financial assets:

I. Measured at amortised cost: : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Loans	1815	1851
Trade receivables	17058	20607
Cash and cash equivalents	804	544
Bank Balance Other than Cash Equivalents	2696	1128
Other Financial Assets-Loans	1	1

- II. Measured at fair value through Other Comprehensive Income (FVTOCI):

(i) Investment in Equity Instruments (Quoted) : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Investment in Equity Instruments	2561	818

Liquidity risk

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

The Company manages liquidity risk through cash credit limits and undrawn borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period: :

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Working Capital Facility	911	562
Channel Financing Facility	2015	2598
Term Loan- Current & Non Current	3466	4740
Total	6392	7900

Sicagen India Limited

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(1) Foreign currency risk management:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by the Management.

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

As at 31-Mar-21	Currency	Gross Exposure	Exposure hedged using derivatives	Net Exposure
Assets	DKK	15,20,225	-	15,20,225
Liabilities	NA	-	-	-

As at 31-Mar-20	Currency	Gross Exposure	Exposure hedged using derivatives	Net Exposure
Assets	DKK	16,35,595	-	16,35,595
Liabilities	NA	-	-	-

Interest rate risk

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

46. The subsidiary company- Danish Steel Cluster Private Limited has incurred huge losses in the current year as well as in the previous years. Though the company has incurred losses for more than three continuous years the net worth of the Company is not eroded. The Turnover of the company has drastically reduced during the year comparatively and as measure of cost cutting the management has terminated major part of the employees of the company. The terminated employees are settled fully along with their agreed compensation and termination benefits during the period. This additional termination cost has surged the losses of the company during the year. Any how the operations of the company are not completely affected as the company had export orders which were taken up with the help of contract labours/ job workers. The management 's evaluation process for relocating the operations to a new place is still continuing and the company is looking for better location with optimised cost. The Holding company- Sicagen India Limited also supports the company financially by providing loans/ advances for carrying out the operations. As per the management's assessment of going concern, the company will have regular monthly export orders in forthcoming months too and hence treating the company as going concern.
47. Previous year's figures have been regrouped and rearranged in line with IND AS wherever necessary.

Additional Information of Subsidiary and Associate Companies
For the Financial year ended 31st March 2021

(₹ in lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	4	5	6	7	8	9
Parent								
Sicagen India Limited	99%	38945	-183%	586	61%	960	121%	1546
Subsidiaries								
Indian								
South India House Estates and Properties Limited	1%	518	80%	(256)	40%	640	30%	384
Danish Steel Cluster Private Limited	-1%	(527)	223%	(714)	0%	(1)	-56%	(715)
Foreign Subsidiary								
Wilson Cables Private Limited*	1%	535	-20%	64	-	-	5%	64
Associates (Investment as per the equity method)								
Indian	NA		NA		NA		NA	
Joint Ventures (as per proportionate consolidation/ investment as per the equity method)								
	NA		NA		NA		NA	
TOTAL	100%	39471	100%	(320)	100%	1599	100%	1279

* The Figures includes the consolidation of its 100% subsidiary Wilson Far East Private Ltd.

As per our Report of even date

For SRSV & ASSOCIATES

Chartered Accountants
F.R.No.015041S

V.RAJESWARAN

Partner
M.No.020881

Place: Chennai

Date: 26th May 2021

For and on behalf of the Board

ASHWIN C MUTHIAH
Chairman

M.O.AYYAPPAN
Chief Financial Officer

B. NARENDRAN
Director

R.SRIKRISHNA
Company Secretary

R.CHANDRASEKAR
Whole Time Director

Sicagen India Limited

Attachment to the Financial Statement

FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules 2014))

Part "A" : Subsidiaries

Sl. No.	Particulars	Indian Subsidiaries		Foreign Subsidiary	
		South India House Estates and Properties Ltd	Danish Steel Cluster Pvt Ltd.	Wilson Cables Pvt Limited*	
		₹ In lakhs	₹ In lakhs	Amount in SGD	₹ In lakhs
1	The date of when subsidiary was acquired	01.10.2006	28.12.2017	31.03.2011	
2	Reporting currency and Exchange rate as on last date of the relevant financial year in the case of foreign subsidiary	INR	INR	INR 54.3925/SGD	
3	Share Capital	1000	708	6886216	3746
4	Reserves and Surplus	518	(377)	13218327	7190
5	Total Assets	7942	2719	36844310	20041
6	Total Liabilities	7942	2719	36844310	20041
7	Investments	963	-	-	-
8	Turnover	7	486	35508173	19238
9	Profit before taxation	(37)	(716)	118978	64
10	Provision for taxation	219	(2)	677	-
11	Profit after taxation	(256)	(714)	118301	64
12	Proposed Dividend	-	-	-	-
13	% of Shareholding	100%	100%	100%	

* The Figures includes the consolidation of its 100% subsidiary Wilson Far East Private Ltd.

Notes : 1 Subsidiaries which are yet to commence operations - NIL

2 Subsidiaries which have been liquidated or sold during the year - NIL

Part "B" : Associates

NA

Notes : 1 Associates which are yet to commence operations - NIL

2 Associates which have been liquidated or sold during the year - NIL

As per our Report of even date

For and on behalf of the Board

For SRSV & ASSOCIATES

Chartered Accountants
F.R.No.015041S

V.RAJESWARAN
Partner
M.No.020881

ASHWIN C MUTHIAH
Chairman

B. NARENDRAN
Director

R.CHANDRASEKAR
Whole Time Director

Place: Chennai
Date: 26th May 2021

M.O.AYYAPPAN
Chief Financial Officer

R.SRIKRISHNA
Company Secretary

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