

03.09.2022

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

Dear Sir/Madam,

**Sub: Submission of Annual Report of the Company for the year 2021-22**

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 2021-22 along with Notice convening the 18<sup>th</sup> Annual General Meeting, which will be sent to the shareholders by email.

A copy of the Annual Report will also be made available on the Company's website at, [www.sicagen.com](http://www.sicagen.com).

The above information may kindly be taken on record.

Thanking You,

Yours faithfully,  
For Sicagen India Limited



Ankita Sharma S  
Company Secretary & Compliance Officer

Encl: a/a

**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](mailto:info@sicagen.com)  
CIN.: L74900TN2004PLC053467 | [www.sicagen.com](http://www.sicagen.com)



# 18<sup>th</sup> ANNUAL REPORT 2021-22

**Sicagen India Limited**  
[www.sicagen.com](http://www.sicagen.com)

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**Board of Directors**

Ashwin C Muthiah	DIN: 00255679
B Narendran	DIN: 01159394
Sashikala Srikanth	DIN: 01678374
Rita Chandrasekar	DIN: 03013549
S Radhakrishnan	DIN: 00061723
M Rajamani	DIN: 00195006
S R Ramakrishnan	DIN: 00120126
R Chandrasekar	DIN: 06374821

Chairman  
 Independent Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Independent Director  
 Non-Executive Non Independent Director  
 Whole Time Director

**Chief Financial Officer**

M.O.Ayyappan

**Company Secretary**

R. Srikrishna (upto 30.07.2021)  
 Ankita Sharma (w.e.f 01.12.2021)

**Statutory Auditors**

SRSV & Associates  
 Chartered Accountants  
 "Madura", No.66, Bazulla Road  
 T. Nagar,  
 Chennai - 600017.

**Registered Office**

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

**Internal Auditors**

Sundar Sridhar & 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**

KRA & Associates  
 Practicing Company Secretaries  
 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 | 28461073  
 Fax: 044-28460129  
 Email: investor@cameoindia.com

**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. 29th July, 2021) BSE : 533014 NSE : SICAGEN
Scrip Code	INE176J01011
Demat ISIN	L74900TN2004PLC053467
CIN	

## 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, APL Apollo, Jindal Pipes, Steel Authority of India, Maharashtra Seamless, Supreme Industries, Aqua Excel, Jain Irrigation Systems, Finolex Cables and L&T Switch Gears.

### 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 Eaton & ABB 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 deep sea fishing boats.

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

Manufacture of premium cables for industrial and other critical applications.

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

Precision fabrication of stainless steel.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

SICAGEN STANDALONE	IND AS						IGAAP			
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17*	2015-16	2014-15	2013-14	2012-13
Revenue	44261	34778	43415	53781	56645	56423	45086	61184	67639	88418
Other Income	622	491	757	993	1174	1033	1458	1387	2497	802
Total Revenue	44883	35269	44172	54774	57819	57456	46544	62571	70136	89220
EBIDTA	2288	1664	1572	1406	1567	1535	1431	1675	3037	3562
Finance Cost	386	366	600	723	688	616	567	689	928	1,091
Depreciation	623	465	461	179	174	160	261	403	391	222
Profit before Tax (PBT)	1,279	833	511	504	705	759	603	583	1718	2249
Less										
Provision for Tax	389	247	299	285	63	9	(117)	67	(9)	751
Add: Exceptional Items	(789)						(213)	(641)	(168)	554
Profit After Tax & Exceptional Items	101	586	212	219	642	750	720	303	1086	1330
OCI	1849	960	(498)	(465)	23	193				
Total Comprehensive Income	1950	1546	(286)	(246)	665	943	720	303	1086	1330
Equity Capital	3957	3957	3957	3957	3957	3957	3957	3957	3957	3957
Reserves & Surplus	36701	34988	33640	34117	34649	34269	38057	37623	37606	36888
Earning Per Share (Excluding Exceptional Items)	0.26	1.48	0.54	0.55	1.62	1.90	1.82	1.30	4.36	3.79
Dividend Declared %	2.5%	6%	5%	4%	6%	6%	6%	6%	8%	10%
EBIDTA/Net Revenue	5.17%	4.78%	3.62%	2.61%	2.77%	2.72%	3.17%	2.74%	4.49%	4.03%
PBT/Net Revenue	2.89%	2.40%	1.18%	0.94%	1.24%	1.35%	1.34%	0.95%	2.54%	2.54%
PAT/Net Revenue	0.23%	1.68%	0.49%	0.41%	1.13%	1.33%	1.60%	0.50%	1.61%	1.50%

\* 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 **18th Annual General Meeting (AGM)** of the Shareholders of **Sicagen India Limited** (the "Company") will be held on **Tuesday, the 27th September 2022 at 2.30 p.m.** through "Video Conferencing" (VC) 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 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To declare equity dividend for the year 2021-22.
3. To appoint a Director in the place of Mr. Ashwin C Muthiah (DIN: 00255679) who retires by rotation and being eligible, offers himself for re-election.
4. Re-appointment of M/s. SRSV and Associates as the Statutory Auditors of the Company and to fix their remuneration

**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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s. SRSV & Associates (Firm Regn.No.015041S), Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company for a further term of 5 years and shall hold office from the conclusion of the 18th Annual General Meeting up to the conclusion of the 23rd Annual General Meeting of the Company on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.

**SPECIAL BUSINESS****5. Re-appointment of Mrs. Rita Chandrasekar (DIN: 03013549) as Independent 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the time being in force, Mrs. Rita Chandrasekar (DIN: 03013549), Independent Director of the Company and whose re-appointment is recommended by Nomination & Remuneration Committee, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for a further consecutive term of 5 (Five) years with effect from 28th June 2022 and she shall not be liable to retire by rotation.

**6. Ratification of the remuneration payable to Cost Auditor for the year 2022-23**

**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 2022-23 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: 25<sup>th</sup> May 2022  
Place: Chennai

**R. Chandrasekar**  
Whole-Time Director

# Sicagen India Limited

## NOTES:

1. Due to the prevailing COVID-19 pandemic situations, the general meetings of the Companies shall be conducted through Video Conferencing (VC) or other audio visual means (OAVM) 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, Circular No. 20/2020 dated May 05, 2020, Circular No. 2/2022 dated 5th May 2022 (MCA Circulars). The forthcoming AGM will also be held through Video Conferencing (VC) or other audio visual means (OAVM).
2. An Explanatory Statement pursuant to Section 102 of the Companies Act 2013, in respect of Item No.4, 5 and 6 of the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed between **21.09.2022** and **27.09.2022** (both days inclusive), the **20.09.2022** shall be the Record date for the purpose of ascertaining the eligible shareholders for payment of equity dividend.
4. 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.
5. 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.
6. 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.
7. 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.
8. Members are informed that the equity dividend amount for the year ended 31st March 2015, remaining unclaimed will become due for transfer on 28.10.2022 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 2014-15 onwards are requested to approach the Company/ RTA for claiming the same as early as possible but before 28.10.2022.
9. 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 28.10.2022.
10. The Company's equity shares are listed with Bombay Stock Exchange Ltd (BSE) and the listing fee for the year 2022-23 has been paid to BSE.
11. 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 separately given in the notice.
12. In line with MCA Circulars, the Notice calling the AGM will be available on the website of the Company at [www.sicagen.com](http://www.sicagen.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice will also be disseminated on the website of CDSL (agency for providing Remote e-Voting facility and Venue e-voting during AGM) at [www.evotingindia.com](http://www.evotingindia.com).

## E-Voting:

13. 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, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 18th AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means. 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.

14. The Members can join the AGM in Video Conferencing 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 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.
15. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
16. Mr. R. Kannan, Practicing Company Secretary (CP No. 3313) of M/s. KRA & Associates has been appointed as the Scrutinizer, to scrutinize the E-voting process in a fair and transparent manner.
17. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.sicagen.com](http://www.sicagen.com) and on the website of

CDSL immediately after the declaration of result by the Chairman or any Director authorized by him. The results shall also be immediately forwarded to the Stock Exchange.

18. Pursuant to MCA Circulars, 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 and cast their votes through e-voting.

**THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **24.09.2022 at 9.00 a.m.** and ends on **26.09.2022 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) of 20.09.2022 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.
- (iii) 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"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service</li> </ol>



# Sicagen India Limited

Type of Shareholders	Login Method
	<p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/ EasiRegistration</a>.</p> <p>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>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 &amp; voting during the meeting.</p>

**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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.:1800 22 55 33.
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**(iv) 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](http://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](http://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"> <li>• 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.</li> </ul>
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"> <li>• 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 (iv).</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) 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 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

# Sicagen India Limited

- (viii) Click on the EVSN for the relevant Company Name "Sicagen India Limited" on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote Voting on your mobile.
- (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](http://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](mailto: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](mailto: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 at [gkrkgram@yahoo.in](mailto:gkrkgram@yahoo.in) and to the Company at [companysecretary@sicagen.com](mailto:companysecretary@sicagen.com) (designated email address by 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 VIDEO CONFERENCING (VC) & 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. 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 no. and their queries to [companysecretary@sicagen.com](mailto: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 no./folio no., email id, mobile no.

to [companysecretary@sicagen.com](mailto:companysecretary@sicagen.com). These queries will be replied 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 facility and have not cast 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 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 ADDRESSES/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) through email to Company at [companysecretary@sicagen.com](mailto:companysecretary@sicagen.com) or RTA at [investor@cameoindia.com](mailto:investor@cameoindia.com)

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 e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no.:1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no.:1800 22 55 33.

# 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

The Members of the Company had approved the appointment of M/s. SRSV & Associates, Chartered Accountants, Chennai as the Statutory Auditors of the Company for consecutive term of 5 (Five) years at the 13th Annual General Meeting (AGM) of the Company and whose term of appointment expires at the conclusion of 18th Annual General Meeting (AGM).

Pursuant to Section 139(2) of the Act, the Company can appoint an audit firm for a second term of five consecutive years. Accordingly, the Members of the Audit Committee and the Board of Directors in their respective meetings held on 25th May 2022, in accordance with the Act and in the best interest of the Company recommended the proposed re-appointment of M/s. SRSV & Associates (Firm Regn.No.015041S), Chartered Accountants, Chennai as the Statutory Auditors of the Company for further consecutive term of 5 (Five) years from the conclusion of 18th AGM until the conclusion of 23rd AGM.

M/s. SRSV & Associates have consented for re-appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The proposed remuneration to be paid to M/s. SRSV & Associates, Chartered Accountants LLP, for the financial year 2022-23 is ₹16 Lakhs plus out of pocket expenses and applicable taxes. For the subsequent years, the Board of Directors will decide the remuneration based on recommendations of Audit Committee.

### Brief Profile of M/s. SRSV & Associates:

M/s. SRSV & Associates (SRSV) having Firm Regn.No. 015041S established in the year 2014, is an audit firm registered with the Institute of Chartered Accountants of India and the registered office of the firm is situated at "Madura", No.66, Bazulla Road, T. Nagar, Chennai - 600017.

The Firm is primarily engaged in providing Assurance, Tax and Advisory services. The Firm has 3 partners with over 25 plus years of experience and have offices in multi-locations in South India.

The Board recommends the re-appointment of M/s. SRSV & Associates, Chartered Accountants, Chennai as the Statutory Auditors of the Company as set out at Item No.4

for shareholders' approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned in the resolution at Item No.4 of the Notice.

### Item No. 5

The Members of the Company, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act, appointed Mrs. Rita Chandrasekar, as Independent Director, for a period of five consecutive years with effect from 28.06.2017. Her initial term of appointment expires on 27.06.2022 and she is eligible for re-appointment for another term upto 5 consecutive years.

Considering her expertise and experience in various functional areas and contributions in the meetings of Board and Sub-committees of the Board, and based on the performance evaluation, the members of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 25th May, 2022, recommended the proposal of re-appointment of Mrs. Rita Chandrasekar, as Independent Director for a second term of five consecutive years effective from 28th June, 2022 subject to shareholder's approval.

The re-appointment proposed is in accordance with the provisions of Section 149 read with Schedule IV to the Act. The office of the Director shall not be liable to retire by rotation as provided under Section 152(6) of the Act. The Company has received consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time and declaration confirming the criteria of Independence as prescribed under Regulation 25(8) of the Listing Regulations and sub-section (7) of Section 149 of the Act. Further, the Director is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Statement setting out material facts.

Accordingly, the Board of Directors recommends the Special resolution as set in the item no. 5 of the Notice for the approval of the shareholders. None of the Directors, Key Managerial Personnel and their relatives except Mrs. Rita Chandrasekar are concerned or interested in this Resolution.

### Item No. 6

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 25th May, 2022, the Board has approved the appointment of Mr. J. Karthikeyan, Cost Accountant as the Cost Auditor of the Company for the financial year 2022-23 at a remuneration of ₹ 90,000/- (Rupees Ninety Thousand Only) 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 the Resolution as set out in the item no. 6 of the Notice 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: 25th May 2022  
Place: Chennai

**R. Chandrasekar**  
Whole-Time Director

# Sicagen India Limited

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

The particulars of Directors to be appointed/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. Ashwin C Muthiah, aged 56, a resident of Singapore, holds a Master's degree in Commerce and MBA from Philadelphia University. He is a commerce graduate from Loyola College, Chennai. After completing his post-graduation in management studies in the US, he joined the Group in India. He is a third generation business leader and serves as the Founder and Chairman of AM International since 2001. He has more than 32 years of rich experience in the field of general management, new business development strategies, manufacturing facility management, financial management and human resources.

Mr. Ashwin C Muthiah is a Non-Executive and Non-Independent Director of the Company and also heads the Boards of the various companies. He holds 41,838 equity shares in the Company and not related to any of its directors. He is also entitled to receive sitting fees for attending the meetings of the Board of Directors.

<b>Date of First appointment on the Board</b>	10 <sup>th</sup> December 2012		
<b>No. of meetings of the Board attended during the financial year 2021-22</b>	5		
<b>Other Directorships held</b>	<b>Name of the Company</b>	<b>Position</b>	
	Southern Petrochemical Industries Corporation Limited	Non-Executive Non-Independent Director and Chairman	
	Manali Petrochemicals Limited	Non-Executive Non-Independent Director and Chairman	
	Tamilnadu Petroproducts Limited	Non-Executive Non Independent Director and Vice-Chairman	
<b>Other Committee Membership / Chairmanships held</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position</b>
	Nil	Nil	Nil

2. Mrs. Rita Chandrasekar, aged 66 years, resident of India holds a Bachelor of Law degree. She is a senior partner in the leading Advocate Firm M/s. Aiyar and Dolia, since 1984. The firm was established by her father late B.R.Dolia, in the year 1957 and it has been retained by several public Sector Banks and Corporates. They are also advisers to many multinational companies, resident NRI clients regarding investment of funds, establishment of industries, purchase of immovable properties etc. She is the standing Counsel for the Tamil Nadu Pollution Control Board and Chennai Metro Rail Ltd. She has over 40 years of rich experience in Civil and Industrial laws, Consumer disputes, Banking laws, Environmental laws and Property Laws.

Mrs. Rita Chandrasekar is an Independent Director in the Company and also acting as Director on the Board of various other entities. She does not hold any shares in the Company and there is no relationship between the Directors inter-se.

<b>Date of First appointment on the Board</b>	28 <sup>th</sup> June 2017		
<b>No. of meetings of the Board attended during the financial year 2021-22</b>	5		
<b>Other Directorships held</b>	<b>Name of the Company</b>	<b>Position</b>	
	Tuticorin Alkali Chemicals and Fertilisers Limited	Independent Director	
	India Radiators Limited	Independent Director	
	Southern Petrochemical Industries Corporation Limited	Independent Director	
<b>Other Committee Membership / Chairmanships held</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Position</b>
	Tuticorin Alkali Chemicals and Fertilizers Limited	Audit Committee	Member
	India Radiators Limited	Audit Committee	Chairperson
		Stakeholder Relationship Committee	Member

An Independent Director is also entitled to receive sitting fees for attending the meetings of the Board of Directors and of the Committees thereof of which she is a Member.



# Sicagen India Limited

## DIRECTORS' REPORT

Your Directors are pleased to present the 18th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March 2022.

### FINANCIAL RESULTS

Financial performance of the Company for the year ended 31st March 2022 is summarized below: (₹ in Lakhs)

	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations	44,261	34,778
Other Income	622	491
<b>Total Revenue</b>	<b>44,883</b>	<b>35,269</b>
Profit before Finance Cost, Depreciation and Tax	2288	1,664
Finance Cost	386	366
Depreciation	623	465
<b>Profit Before Tax Exceptional Items</b>	<b>1,279</b>	<b>833</b>
Exceptional Items	789	-
Profit Before Tax	490	833
Provision for Tax	389	247
<b>Profit After Tax</b>	<b>101</b>	<b>586</b>
Other Comprehensive Income	1,849	960
Total Comprehensive Income for the year	1,950	1,546
Opening Balance in Other Equity	34,988	33,640
<b>Appropriations</b>		
General Reserve	--	--
Dividend on Equity shares	99	237
Earnings per share (EPS) in ₹	0.26	1.48

### STATE OF COMPANY'S AFFAIRS

#### Review of Operations

During the year under review the total revenue of the Company was ₹ 44,883 Lakhs as compared to ₹ 35,269 Lakhs in 2020-21. Profit before tax was ₹ 490 Lakhs as against ₹ 833 Lakhs in the previous year.

Building Materials division has posted a total turnover of ₹ 35,382 Lakhs and a net profit of ₹ 938 Lakhs in the current year as against ₹ 27,306 Lakhs and ₹ 453 Lakhs respectively in previous year.

Power & Control Systems division has posted a total turnover of ₹ 2,650 Lakhs as compared to ₹ 2,481 Lakhs in the previous year. The net profit was ₹ 413 Lakhs when compared to ₹ 408 Lakhs in the previous year.

Speciality Chemicals division has posted a total turnover of ₹ 852 Lakhs and net profit of ₹ 168 Lakhs as compared to ₹ 901 Lakhs and ₹ 201 Lakhs respectively in 2020-21.

Industrial Packaging division has posted total revenue of

₹ 4,946 Lakhs this year as compared to ₹ 3,686 Lakhs in 2020-21. The net profit of this division for the current year was ₹ 489 Lakhs as compared to ₹ 224 lakhs previous year.

#### Dividend

Your directors are pleased to recommend a dividend of 25 paise per equity share (2.50% on equity capital of the Company) for the financial year 2021-22. Total dividend payout for the year is ₹99 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

During the year, the Company's equity shares was delisted from National Stock Exchange (NSE) w.e.f. 29th July 2021.

#### Amalgamation/Merger of Subsidiary Company

Due to administrative convenience and for ease of operations, the Board of Directors have proposed to amalgamate the Wholly Owned Subsidiary Danish Steel

Cluster Private Ltd with your Company and the proposed amalgamation would result in various benefits such as rationalization, streamlining the management structure of the merged business for both Companies.

#### **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 2021-22. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance 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 the Listing Regulations.

##### **6. 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.

# Sicagen India Limited

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.

## **7. Explanation of Board on qualification of statutory auditors & secretarial auditor, if any**

The Auditors' Report for the financial year 2021-22 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 2021-22 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 2021-22 does not contain any qualification, reservation or adverse remark. However, his observations are enclosed as Annexure to this Annual report.

## **8. 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.

## **9. 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 (LODR) 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.

## **10. 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.

## **11. 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, 2022 and the date of this report.

## **12. Transfer of unclaimed dividend/shares to the IEPF account**

As required under the provisions of Section 124 and other applicable provisions of 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 ₹8,05,849.60 pertaining to the financial year 2013-14 to IEPF account and also transferred 5,27,935 equity shares belonging to 10,676 shareholders underlying the unclaimed dividend amount & unclaimed suspense account to IEPF. The dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Rules.

As on 31st March 2022, an amount of ₹6,76,818.60 is lying in the unclaimed dividend account of the Company pertaining to the financial year 2014-15 and it would be transferred to the IEPF account on or before 28th October 2022. The members who have not claimed their dividends pertaining to the financial year 2014-15, may write to the Company/RTA for claiming the same before transfer to the IEPF account.

The Company is also in the process of transfer of shares in respect of which dividends remain unclaimed for last 7 years or more to IEPF account. Members may after completing the necessary formalities, claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF.

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 <https://sicagen.com/unpaid-dividends-share-transfer-to-iepf-2/>

### **13. 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.

### **14. 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.

### **15. 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, Not-For-Profit Organisation. A report in prescribed format detailing the CSR expenditure for the year 2021-22 forming part of this report is attached herewith as separate Annexure II.

### **16. 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 25.03.2022 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 29.03.2022 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.

### **17. Directors and Key Managerial Personnel (KMP)**

As on the date of the Report, the 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 Regulations. 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. 156(6) of the Companies Act, 2013 and the Articles of Association of the Company Mr. Ashwin C Muthiah, Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

During the year, Mr. R. Chandrasekar was re-appointed as Whole-Time Director of the Company for a further period of 3 years w.e.f 28th November 2021.

Due to personal reasons, Mr. R. Srikrishna, Company Secretary submitted resignation on 29.06.2021 and he was relieved from the services of the Company w.e.f. 30.07.2021. Ms. Ankita Sharma was appointed as Company Secretary & Compliance Officer on 10.11.2021 effective from 01.12.2021.

### **18. Composition of Committees**

As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company had constituted Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, 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 the Company's website at <https://sicagen.com/wp-content/uploads/2022/04/Committee-Positions.pdf>

# Sicagen India Limited

## 19. 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 (the Act) during the year 2021-22, the details of which are required to be furnished.

## 20. 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.

## 21. 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.

## 22. 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.

## 23. 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 <https://sicagen.com/wp-content/uploads/sicagen-docs/Policies/Whistle-Blower-Policy.pdf>

## 24. 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.

## 25. 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.

## 26. Particulars of Employees

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

## 27. 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 Regulation is attached to this Report.

## 28. 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 attached along with this report.

## 29. 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 up to the conclusion of the ensuing 18th AGM.

The Board has re-appointed M/s. SRSV & Associates, Chartered Accountants, Chennai for another period of 5 years and subject to approval of shareholders at the ensuing 18th AGM, they will hold office until the conclusion of 23rd AGM (FY 2022-23 to 2026-27). The above auditors have also confirmed that the appointment is within the limits as specified under the Companies Act 2013.

**(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 2021-22 as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report issued by Secretarial Auditor for the year ended 31st March 2022 is given in the Annexure V. The Board of Directors has appointed M/s. KRA & Associates as Secretarial Auditors for the financial year 2022-23.

**(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 2022-23 to carry out necessary cost audit in respect of manufacturing activities of the Company such as specialty chemicals, drums manufacturing, governor services and boat building. The Board has recommended the remuneration payable to the above Cost Auditor for ratification of shareholders at the ensuing AGM.

**30. Share Capital**

During the year, the Authorised Share Capital of the Company has been increased from ₹50,00,00,000 to ₹75,00,00,000 divided into 5,00,00,000 Equity Shares of ₹10 each and ₹25,00,00,000 divided into 2,50,00,000 Redeemable Preference Shares of ₹10 each respectively. The paid-up share capital of the Company as on 31st March, 2022 remains unchanged at ₹39,57,16,840 consisting of 3,95,71,684 equity shares of ₹10 each.

**31. Dematerialization of Equity Shares**

As at 31st March 2022, 3,88,63,825 equity shares representing 98.21% 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.

**32. 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 (Wholly Owned Subsidiaries), Wilson Far East Private Ltd, Singapore (a 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 <https://sicagen.com/financials-for-subsidiaries/>

Pursuant to Section 129(3) of the Act 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 2022, forming part of this report is attached herewith as separate Annexure in Form AOC-1.

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

**33. 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 2022 are attached 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: Chennai  
Date: 25.05.2022

**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	₹208 Lakhs
Outgo	₹130 Lakhs

## Annexure – II to Directors' Report

### Annual 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.

- a) To provide basic amenities such as sanitation, safe drinking water, etc. to the less privileged and also to provide an impetus to rural development.
- b) To promote education through improving the infrastructure in the schools run by the government, local bodies and not-for-profit organizations.
- c) 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.
- d) 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.
- e) To undertake projects in the area of health care and to eradicate hunger, malnutrition, poverty.
- f) To ensure environment sustainability, ecological balance and preservation of the quality of soil, air and water.
- g) To provide financial support to technology incubators of academic institutions approved by the Central Government.
- h) To implement Infrastructure development in areas where the less privileged live.

**2) Composition of the CSR Committee**

During the year, Mr. Ashwin C Muthiah ceased to be the Member and Chairman of the CSR Committee w.e.f 11.02.2022 and Mrs. Sashikala Srikanth, Member was appointed as Chairperson and Mr. M. Rajamani was appointed as member of the CSR Committee.

Sl. 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.	Mrs. Sashikala Srikanth	Chairperson	1	1
2.	Mr. M. Rajamani	Member	1	1
3.	Mr. R Chandrasekar	Member	1	1

- 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: [www.sicagen.com](http://www.sicagen.com).
- 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: **(Amount in ₹)**

S. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2020-21	21,244.93	21,244.93
2	2019-20	-	-
3	2018-19	-	-
	<b>Total</b>	<b>21,244.93</b>	<b>21,244.93</b>

- 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	2018-19	5,04,21,643.50	6,21,16,863.72
2	2019-20	5,25,70,799.35	
3	2020-21	8,33,58,148.30	
	<b>Total</b>	<b>18,63,50,591.15</b>	

- 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)	12,42,337.27
(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	21,244.93
(d)	Total CSR obligation for the financial year (7a+7b-7c)	12,21,092.34

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

Total Amount Spent for the Financial Year. (in ₹)	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
12,22,014	Not Applicable		Not Applicable		



# Sicagen India Limited

(b) Details of CSR amount spent against 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		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (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)	(j)	(k)
1.	Contribution towards 25 Grosan toilets belonging to Phase-I and Phase-II, Puducherry	Promoting Sanitation	Yes	Puducherry		2 years	21,00,000	11,25,000	Indirect	AM Foundation	CSR00001066

Note: 1. Amount transferred to unspent CSR account for the project as per Section 135(6) is Nil.

2. Amount spent towards aforesaid ongoing project during the FY 2020-21 was ₹ 4.5 lakhs and ₹ 11.25 lakhs during the FY 2021-22. Balance amount allocated for the project shall be spent in the next FY.

(c) Details of CSR amount spent 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.	Donation to Lions Club-Old age home	Promoting gender equality -Setting up old age homes	Yes	Tuticorin		40,000	Direct	-	-

(d) Amount spent in Administrative Overheads:

5% of amount spent on CSR as mentioned in 8(b)(h) & 8(c)(f) above : ₹ 57,014/-

(e.) Amount spent on Impact Assessment : Not applicable

(f.) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 12,22,014/-

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

Sl. No	Particulars	Amount (In ₹)
(i)	Total CSR obligation for the Financial Year 2021-22	12,21,092.34
(ii)	Total amount spent for the Financial Year 2021-22	12,22,014.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	921.66
(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)]	921.66

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	2018-19	Nil	Nil	Not Applicable			Not Applicable
2	2019-20	Nil	Nil	Not Applicable			Not Applicable
3	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):

Operational expenses for Phase I of the Inner City Sanitation Expansion Project (ICS) at Puducherry of ₹ 3,75,000 and ₹ 7,50,000 for Phase II has been spent for ongoing projects of the preceding financial year.

Administrative expenses of ₹ 57,014 has been spent for the aforesaid ongoing project.

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: 25.05.2022

**Sashikala Srikanth**  
Chairperson

**M Rajamani**  
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 2022.

Sl. No	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	33	28-Nov-18	57	EDAC Engineering Ltd CFO & Whole Time Director	59.71
2	Prasanna Joshi	General Manager	Sales	MBA	15	04-Jun-13	38	AMIH Pvt Ltd, Sr. Manager - Strategic Management	34.21
3	Nandakumar Varma	Vice President	Operation	B. Tech, MBA	29	05-Apr-93	53	Mekel Corporation, Design Engineer	31.49
4	D Aditya Kiran	Regional Sales Manager	Sales	MBA	20	01-Jul-13	52	Egwood Boards & Panels Pvt Ltd, Branch Manager	22.81
5	M O Ayyappan	Chief Financial Officer	Finance & Accounts	M.Com, MBA, PGDPM	28	02-Aug-93	54	Agro Cargo Transport Ltd Management Trainee	22.20
6	N Anishkumar	Regional Sales Manager	Sales	BA	20	02-Nov-09	41	H Rajesh & Co, BDP of Tata Steel, Manager	20.16
7	K Ramesh	Branch Sales Manager	Sales	B.Com	24	01-Apr-96	49	Sical Logistics Ltd Marketing Executive	17.71
8	Kotashane Kedar Dinesh	Manager	Sales	B.Sc, MMM	14	16-July-18	37	Fugro Survey India Pvt Ltd, Sales Engineer	16.01
9	S Chockalingam	Regional Sales Manager	Sales	B.Com	28	15-Apr-93	54	Sical Logistics Ltd Sales Executive	14.12
10	P Muthiah	Manager-Purchase	Purchase	MBA, PDGMM	22	22-Feb-19	46	Coramandel Engineering Ltd Deputy Manager-Purchase	13.69

### 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.

### 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 2022.

1	The ratio of the remuneration of each Director to the median remuneration of the employees.	₹3.86 Lakhs per annum to ₹63.78 Lakhs per annum Ratio of remuneration is 1:17
2	% increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) in the financial year.	29.31% increase in remuneration to WTD w.e.f. 28.11.2021 21.12% increase in remuneration to CFO w.e.f. 01.07.2021 No increase in remuneration to CS.
3	% increase in the median remuneration of employees in the financial year.	7.77% w.e.f. 01.07.2021
4	The number of permanent employees on the rolls of company;	268
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 5.79% and for managerial employees is at 7.94%.

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: 25.05.2022

Place: Chennai

**R Chandrasekar**  
Whole Time Director

# Sicagen India Limited

## ANNEXURE-V TO THE DIRECTORS REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration 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, 2022 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 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) 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;
- (vi) 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period of under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

#### **Under the Companies Act, 2013:**

1. The Company has declared dividend on AGM dated 28th September 2021 and transferred the dividend on 4th October 2021 and 6th October 2021, due to calculation of deduction of TDS portion.

#### **Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

2. The Company needs to improve and update the system for certain disclosure requirements under SEBI (LODR) Regulations, 2015;

3. BSE and NSE have imposed fine of ₹11,800/- on 14th June 2021 for non-compliance w.r.t regulation 29 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE imposed fine of ₹3,540/- on 22nd November 2021 for non-compliance w.r.t regulation 6 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has paid both the penalties imposed by NSE & BSE as stated above.

**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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

**We further report that during the audit period, the Company has**

- i. Passed resolution for issue of Redeemable Non-Convertible Preference Shares under private placement with decision to inform certain disclosure at the time of issue.
- ii. The Board of Directors have approved a draft scheme of Amalgamation of Wholly Owned Subsidiary M/s. Danish Steel Cluster Private Ltd with M/s. Sicagen India Ltd.

**For KRA & ASSOCIATES**  
Practicing Company Secretaries  
**R. KANNAN**  
Sr. PARTNER  
FCS No. 6718 / CP No. 3363  
Peer Review Certificate No. 1847/2022  
UDIN: F006718D000390783

Place: Chennai  
Date: 25.05.2022

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**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**  
Sr. PARTNER  
FCS No. 6718 / CP No. 3363  
UDIN: F006718D000390783

Place: Chennai  
Date: 25.05.2022

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2021-22

### INDIAN ECONOMY

The Indian economy has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April -June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Overall economic activity has recovered past the pre-pandemic levels and the economy is expected to witness real GDP expansion of 9.2% in 2021-22 after contracting in 2020-21. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21. Despite all the disruptions caused by the global pandemic, the Indian economy is well placed to take on the challenges of 2022-23 because of its unique response strategy.

The Government has taken significant steps not only to deal with the Covid-19 crisis but also improve the economic situation. The government successfully rolled out the world's largest vaccination program and this, combined with continuing monetary and fiscal support, helped the economy bounce back with an estimated real GDP growth this year compared to a contraction of 6.6% in the previous year. The government has targeted a further improvement to 6.4% of GDP for the fiscal 2022-23. The announcement made by the Government during November 2021 allocating ₹ 2.65 lakh crore to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, housing etc., and the production-linked incentives (PLI) scheme providing ₹2 Trillion over five years to create jobs and boost production in the country are positive sign to achieve the estimated GDP growth.

The Make in India initiative launched by the Government with an aim to boost the country's manufacturing sectors and increase the purchasing power of an average Indian consumer, is also expected to further drive demand and spur development. Under its Make in India initiative, the Government is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative shall also focus on creation of digital infrastructure, delivering services digitally and increasing digital literacy.

### INDUSTRY OUTLOOK AND OPPORTUNITIES

India's real estate sector is witnessing a healthy increase in demand in 2022 and this momentum is expected to hold for the rest of the year. From commercial spaces to the residential market, the overall market outlook is a

bright one for the real estate sector. Despite pandemic exigencies, the construction sector has continued to show resilience and steady growth in 2021. However, the market has begun to pick pace, particularly owing to an increase in demand for residential spaces. A number of initiatives have been undertaken by the central government with the hope of incentivizing real estate purchases. The Government's initiatives on infrastructure development has created more demand and increased opportunities in the real estate segment and the rural demand for affordable housing remains the major drivers for construction materials consumption. The announcements made in the Union Budget 2022-23 will help in creating a thriving atmosphere in the real estate sector. The Government continues to prioritize the affordable housing segment and parallelly looking at ways to strengthen the existing financing systems to provide liquidity to stuck real estate projects. During the month of December, the government has extended the deadline to build and provide 2.95 crore pucca houses to Rural India under the flagship rural scheme “Pradhan Mantri Awas Yojana-Gramin” and decided to allocate ₹2.17 lakh crore in additional central and state funding to achieve the above target.

Steel drum has been the most preferred rigid packaging solution for shipping, storing and warehousing hazardous as well as a non-hazardous material. The steel drum has dynamic market growth due to its demand in various industries like chemicals, petroleum & lubricants, paints, inks, & dyes and others. The market growth for steel drum seems to remain sizable in the forecast period considering the benefits provided by steel drum for storing and shipping hazardous & non-hazardous materials. The properties such as durability, high sustainability, eco-friendliness and excellent strength, make steel drums a preferred choice in the packaging industries. Furthermore, the key benefits such as recyclability, ease of handling & transport and protection against spilling make the steel drum attractive among other rigid packaging solutions. Also, the rising concern for the safety of products and sustainability raises the popularity of steel drum among the end-users. Considering all the benefits of a cost-effective steel drum, the overall market growth is estimated to uplift in future and witness at a prominent growth rate of 5% to 8% in 2022-25. Hence need of steel drums for oil and chemical industries enormously increased in India and it creates more opportunities to improve the steel drum market in the next five years.

Water treatment chemicals are widely used in the various end-user industries such as chemicals, petrochemicals, power generation and others. These end-user industries generate

wastewater from their facilities as a byproduct, which needs to be treated before reuse or disposing of, considering the longer shelf life of the equipment and government regulations to protect the environment. The India water treatment chemicals market is segmented by product type and end-user industry. By product type, the market is segmented into biocides and disinfectants, coagulants and flocculants, corrosion and scale inhibitors, defoamers and defoaming Agents and by end-user industry, the market is segmented into power generation, oil and gas, chemical, food and beverage, pulp and paper. The India water treatment chemicals market size was valued at over USD 600 million in 2020 and the market is projected to register a CAGR of over 9.5% in terms of revenue during the forecast period 2021-2026. Although the market was negatively impacted various end-user industries by COVID-19 in 2020, the demand for supply of water treatment chemicals within the country has improved.

Power & Control System is highly required now for various industries in a fully automated environment as it plays a crucial role in the energy generation, manufacturing and process industries and it maximizes the efficiency of turbine equipment and thereby enhancing its productivity. Considering the current market trend, the power plant control system market is expected to grow at a CAGR of 6.35% over the period of 2021-25. Factors such as an increase in power consumption, rise of an influx of renewable sources in the energy mix, and renovation, modernization, and upgradation of aging power plants are expected to drive the market in the forecast period. The rise in dependency on distributed energy development is likely to restrain the growth of the power plant control system market in the coming years. The renewables sector is expected to be the fastest-growing market during the forecast period, owing to factors like increasing investment in utility size renewable power plants. Globally, the focus has increased on the adoption of automation technologies in the power sector to increase productivity and efficiency. As a result, the up-gradation of existing facilities is likely to create an excellent opportunity for the power plant control systems market in the future. Asia-Pacific has dominated the power plant control system market in recent years and is expected to witness significant market growth in the forecast period.

## OPERATIONAL AND FINANCIAL PERFORMANCE

### Standalone

During the year under review, the Company has reported a total revenue of the Company was ₹ 44,883 Lakhs as compared to ₹ 35,269 Lakhs in 2020-21. Profit before tax was ₹ 490 Lakhs as against ₹ 833 Lakhs in the previous year.

Building Materials division has posted a total turnover of ₹ 35,382 Lakhs and a net profit of ₹938 Lakhs in the

current year as against ₹ 27,306 Lakhs and ₹ 453 Lakhs respectively in previous year.

Power & Control Systems division has posted a total turnover of ₹ 2,650 Lakhs as compared to ₹ 2,481 Lakhs in the previous year. The net profit was ₹ 413 Lakhs when compared to ₹ 408 Lakhs in the previous year.

Speciality Chemicals division has posted a total turnover of ₹ 852 Lakhs and net profit of ₹168 Lakhs as compared to ₹ 901 Lakhs and ₹ 201 Lakhs respectively in 2020-21. Due to administrative reasons, this division has shifted its operations from Pondicherry to Tuticorin during the year.

Industrial Packaging division has posted total revenue of ₹ 4,946 Lakhs this year as compared to ₹ 3,686 Lakhs in 2020-21. The net profit of this division for the current year was ₹ 489 Lakhs as compared to ₹ 224 lakhs previous year.

Engineering division has posted revenue of total revenue of ₹ 518 Lakhs this year as compared to ₹ 498 lakhs last year and posted a net loss ₹ 42 Lakhs as against a net loss of ₹ 4 Lakhs.

### 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
Inventory Turnover	-31%	Faster rotation of goods
Debt Service Coverage Ratio	--	Change is less than 25%
Current Ratio	--	Change is less than 25%
Debt Equity Ratio	--	Change is less than 25%
Return on Equity Ratio	-84%	Due to exceptional Loss in the current year.
Operating Profit Margin	--	Change is less than 25%
Trade receivables turnover	-25%	Collection of receivables is better and efficient.
Trade payables turnover	-36%	Credit purchase increased due to increase in sales
Net Profit Margin	-86%	Due to exceptional loss in the current year.
Return on Capital Employed	-30%	Due to exceptional loss in the current year.
Return on investments	-85%	Due to exceptional loss in the current year.

### Consolidated

During the year under review, total Revenue of the Company on a consolidated basis for the year 2021-22 amounted to



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₹ 84,474 lakhs as against ₹ 55,000 lakhs in the previous year and the profit before tax was ₹501 lakhs as against ₹144 lakhs in the previous financial year. The operational performance of Wholly Owned Subsidiary Companies are given below:

The total revenue of M/s.Danish Steel Cluster Private Ltd for the year 2021-22 was ₹607 Lakhs as against the total revenue of ₹ 486 Lakhs for the previous year. During the year under review, the above Wholly Owned Subsidiary Company has recorded a total loss on sale of land & building and plant and machinery to the extent of ₹ 871 Lakhs.

The total revenue of M/s.Wilson Cables Private Ltd for the year 2021-22 was ₹ 39,300 lakhs as against the total revenue of ₹ 19,238 Lakhs for the previous year and the profit before tax was ₹ 115 lakhs as against ₹ 64 lakhs in the previous financial year.

The total revenue of M/s.South India House Estates & Properties Ltd for the year 2021-22 was ₹13 Lakhs as against the total revenue of ₹ 7 Lakhs for the previous year. The total loss before tax for the year was ₹29 Lakhs as against the loss of ₹37 Lakhs for the previous year.

## HUMAN RESOURCE DEVELOPMENT

The Company is determined in creating strong and long term relationship with all employees. The Company takes every care of its employees for development by providing ample opportunities to prove their talent and efficiency and grow with the Company. The work culture created by the management provides safety, good health, development of talent, quality of life of all the employees. Periodical meet with the employees of all branches are conducted focusing on aspects relating to employee productivity, talent management, capability development to enhance employee morale.

As on 31st March 2022, 268 employees are in permanent rolls of the Company out of which, 18 are women employees. Apart from the permanent employees, 85 employees are on contractual/casual basis.

## INTERNAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business. The Company maintains an adequate internal control system designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with all applicable laws, rules and regulations. The internal financial controls and risk management system are in place and a proper audit trail in ERP is built into derive quicker and better results and restrict and control deviations.

Periodical audit is being conducted by the Internal Auditors and their reports are placed before the Audit Committee and the Board. Audit involves performing procedures, finding out the areas of weaknesses which are being identified during internal audit. Effective control mechanism and the follow-up actions were taken wherever necessary pursuant to the audit observations. The Audit Committee reviews internal audit reports, operational, financial and risk management system and policies followed by the Company and give advice to the management for maintaining an effective internal control systems. The Audit Committee formulates procedures and guidelines for or as triggered by process owners or management based on internal or external risk factors.

During the year, the Company has upgraded Oracle EBS suit from 12.1.3 to 12.2.10 with latest data base 19c version so as to ensure the effective security process over accounting and financial data and to prepare timely and reliable financial reports. Detailed Management reviews are being carried out periodically with all functional heads and business heads to analyze the market conditions, business risks and government policies and to design strategies as well to meet the changing operational requirements.

## RISK AND CONCERNS

The Management has also put in place effective measures to monitor the Risk Management System and appropriate steps are taken to strengthen the existing business practices and policies to the overcome the challenges. The Company, being a major player in trading and distribution of all kinds of building/construction materials with high level of efficiency, is continuously watching all key risk factors which may impact the profit margins and would take all possible steps to maintain and enhance the competitive edge.

Purchase, Inventory and sales management processes are reviewed strictly and continuously to mitigate the risk of price changes in the volatile market. Efforts are also made by the management to increase the sales and profitability in core products, strict credit policy measures are initiated to lower the market exposure and robust plan is in place improve the customer service by offering value added services to its customers across the branches.

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 2021-22

### 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 2022, 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 of Board meetings: 26.05.2021, 11.08.2021, 10.11.2021, 11.02.2022 and 29.03.2022.

(ii) Attendance of Directors at the meeting of the Board of Directors held during 2021-22 and the last Annual General Meeting (AGM) held on 28.09.2021 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	As Director	As Member of Committee	As Chairman of Committee	
Ashwin C Muthiah Chairman	Non-Executive Non Independent (Promoter)	5	Yes	3(2)	-	1	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	As Director	As Member of Committee	As 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 Chadrasekar 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 (except Sicagen India Ltd) 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 of Public Limited Companies (except Sicagen India Ltd) 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 Ltd.
- 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 2022

Name of the Director	Category	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.	Ashwin C Muthiah B. Narendran
	Technical	Technical/professional skills and specialist knowledge about the Company, its market, process, operations, etc. (For Executive Directors)	R. Chandrasekar M. Rajamani 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	Ashwin C Muthiah S.Radhakrishnan
	Policies	Guidance for development of policies and other parameters within which the Company should operate for better control and management	Sashikala Srikanth S.R. Ramakrishnan
	Crisis Management	Ability to guide crisis management and provide leadership in hours of need.	Ashwin C Muthiah
Risk & Compliance	Operational	Identification of risks related to each area of operation	S.Radhakrishnan R.Chandrasekar
	Legal	Monitor the risks and compliances and knowledge of regulatory requirements	B.Narendran 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.	Sashikala Srikanth S.Radhakrishnan R.Chandrasekar
Management & Leadership	Executive Management	Handling senior management and monitoring its performance, strategic human resources planning. Experience in industrial relations and organizational change management programmes.	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	S.Radhakrishnan B. Narendran S.R.Ramakrishnan M.Rajamani

Major Classification	Sub Classification	Remarks	Directors having the skills
Board Conduct	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 on 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.
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.

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## (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 2022.

Sl. No.	Name of 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 2021-22, Five Audit Committee meetings were held respectively on 26.05.2021, 11.08.2021, 10.11.2021, 11.02.2022, 29.03.2022. 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	5
2	B Narendran	5
3	S Radhakrishnan	5
4	R Chandrasekar	5

## 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 operational 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 2022. During the year, the Committee met 2 times on 11.08.2021 and 10.11.2021.

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

### (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:

- (a.) None of the non-executive directors had any pecuniary relationship with the Company other than receipt of sitting fees.
- (b.) 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/RemunerationPolicyforDirectors.pdf>
- (c.) The details of remuneration paid to Whole Time Director of the Company for the financial year 2021-22 are as follows:  
(₹ in Lakhs)

Name	Gross Salary & Perquisites	Performance Incentive	Others	Total
R Chandrasekar Whole Time Director	42.57	8.00	9.14	59.71

Whole-time Director is under contract employment with the Company which stipulates a Notice period of three months from either side for early separation or no severance fee is payable.

- (d.) Details of sitting fee paid to the Non-executive Directors for the financial year 2021-22.

The Non-Executive Directors were paid sitting fees of ₹ 50,000/- per meeting for attending Board meetings and the details are given below:

Sl. No	Name of the Director	Gross Amount (₹)	Tax deducted (₹)	Net amount Paid (₹)
1	Ashwin C Muthiah	2,50,000	78,000	1,72,000
2	B Narendran	2,50,000	25,000	2,25,000
3	Sashikala Srikanth	2,50,000	25,000	2,25,000
4	S Radhakrishnan	2,50,000	25,000	2,25,000
5	Rita Chandrasekar	2,50,000	25,000	2,25,000
6	M Rajamani	2,50,000	25,000	2,25,000
7	S R Ramakrishnan	2,50,000	25,000	2,25,000
<b>Total</b>		<b>17,50,000</b>	<b>2,28,000</b>	<b>15,22,000</b>

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

## 6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consisting of three members as on 31st March 2022 is as follows.

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

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

During the year, the Committee met 1 time on 25.03.2022 and all the members were present at the meeting. During the year, the Company has received Two (2) compliant which has been resolved immediately. As on 31st March 2022, 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	Location
2019	31 <sup>st</sup> July 2019 at 3.30 p.m.	Raja Annamalai Mandram, Esplanade, Chennai-600 108
2020	17 <sup>th</sup> September 2020 at 02.00 p.m.	Through Video Conferencing
2021	28 <sup>th</sup> September 2021 at 04.30 p.m.	Through Video Conferencing



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(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
31 <sup>st</sup> July 2019	<ul style="list-style-type: none"> <li>a) Re-appointment of Mr.M.Rajamani (DIN: 00195006) as Independent Director for a period of 5 years w.e.f 28.11.2018, who attained the age of 75 years in the month of February 2020.</li> <li>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 attained the age of 75 years in the month of June 2020.</li> <li>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.</li> <li>d) Appointment of Mr.R. Chandrasekar (DIN: 06374821) as Whole Time Director and payment of Managerial Remuneration for a period of 3 years w.e.f 28.11.2018.</li> </ul>
17 <sup>th</sup> September 2020	To authorize 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
28 <sup>th</sup> September 2021	<ul style="list-style-type: none"> <li>a) Increase in the authorized share capital of the Company from ₹50,00,00,000 divided into 5,00,00,000 equity shares of ₹10 each to ₹75,00,00,000 divided into 5,00,00,000 equity shares of ₹10 and ₹25,00,00,000 divided into 2,50,00,000 Redeemable Cumulative Preference Shares of ₹10 each and consequent alteration to capital clause V of the Memorandum of Association of the Company.</li> <li>b) Alteration of capital clause 5 of the Articles of Association of the Company consequent to increase of authorised share capital.</li> <li>c) Issue of 2,50,00,000 Redeemable Non-Convertible Preference Shares of ₹10 each aggregating ₹25,00,00,000 under private placement.</li> <li>d) Authorization for giving loan, guarantee and/or providing security in connection with any loan taken by EDAC Engineering Ltd in which any of the Directors are interested/deemed to be interested as per Section 185 of the Companies Act, 2013.</li> <li>e) Reappointment and payment of remuneration to Mr.R. Chandrasekar (DIN: 06374821) as Whole Time Director of the Company for a further period of 3 years w.e.f 28.11.2021.</li> </ul>

The Company has not convened any Extra-Ordinary General Meeting during the financial year 2021-22.

(c.) No item was transacted through Postal Ballot during the financial year 2021-22. 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 viz., [www.sicagen.com](http://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 Shareholder Information

- (a) Annual General Meeting - Date, Time and Venue 27th day of September, 2022 at 2.30 p.m. (IST) through Video Conferencing
- (b) Financial year From 01st April 2021 to 31st March 2022
- (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

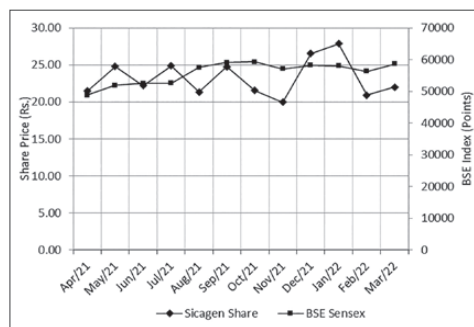
The equity shares of the Company are listed on BSE Limited (BSE). Annual listing fee for the financial year up to 2022-23 was paid to BSE.

Sl. No	Name of the Stock Exchange	Scrip Code
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	533014

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

Month	BSE					
	Share Price (₹)			Sensex		
	High	Low	Close	High	Low	Close
Apr-21	26.21	14.45	21.46	50375.77	47204.50	48782.36
May-21	24.80	19.05	24.80	52013.22	48028.07	51937.44
Jun-21	25.70	21.20	22.20	53126.73	51450.58	52482.71
Jul-21	27.50	21.75	24.85	53290.81	51802.73	52586.84
Aug-21	25.50	20.00	21.35	57625.26	52804.08	57552.39
Sep-21	28.60	21.20	24.75	60412.32	57263.90	59126.36
Oct-21	28.30	21.50	21.55	62245.43	58551.14	59306.93
Nov-21	23.60	19.20	19.95	61036.56	56382.93	57064.87
Dec-21	27.65	19.50	26.55	59203.37	55132.68	58253.82
Jan-22	33.85	26.15	27.85	61475.15	56409.63	58014.17
Feb-22	29.00	20.45	20.90	59618.51	54383.20	56247.28
Mar-22	25.35	19.90	22.00	58890.92	52260.82	58568.51

### (f.) Performance of Sicagen's share price in comparison with BSE Sensex Index



### (g.) Registrars and Share Transfer Agent:

The Company has appointed M/s. Cameo Corporate Services Ltd, Unit: Sicagen India Ltd 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 Share Transfer Agent (RTA) for both electronic and physical transactions of the shares. The shareholders are therefore requested to send all documents, correspondences, queries, intimations on any matters relating to transfer/

# Sicagen India Limited

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 2022

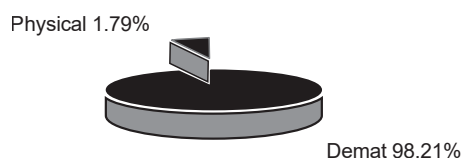
No. of shares Category	No. of holders	% of total	No. of shares	% of total
1 - 500	28,552	89.96	21,07,692	5.32
501 - 1000	1,561	4.92	12,94,283	3.27
1001 - 2000	740	2.33	11,60,716	2.93
2001 - 3000	284	0.89	7,35,672	1.86
3001 - 4000	121	0.38	4,39,798	1.11
4001 - 5000	131	0.41	6,24,971	1.56
5001 - 10000	190	0.60	14,00,640	3.53
10001 and Above	160	0.50	3,18,07,912	80.38
<b>Total</b>	<b>31,739</b>	<b>100.00</b>	<b>3,95,71,684</b>	<b>100.00</b>

## (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.

3,88,63,825 equity shares representing 98.21% of the paid-up share capital of the Company stood dematerialised as on 31st March 2022. Trading in equity shares of the Company is permitted only in dematerialized form. The shares are traded regularly on BSE.



(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.

**Plant Locations**

Speciality Chemicals	:	Tuticorin
Drums Manufacturing	:	Minjur, Chennai
Boat Building	:	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

**(m.) 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](http://www.cameoindia.com)  
E-mail: [investor@cameoindia.com](mailto:investor@cameoindia.com), [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

For other general matters or in case of any difficulties/grievances investors may contact Ms. Ankita Sharma, 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](http://www.sicagen.com)  
E-mail: [companysecretary@sicagen.com](mailto:companysecretary@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. During the financial year 2020-21, the Stock Exchanges have imposed fine for delay in submission of shareholding pattern for the quarter ended 30th June 2019 and during the year 2021-22, the Stock Exchanges have imposed fine Non-compliance under Regulation 29 of LODR Regulations with regard to prior intimation about fund raising proposal and delayed compliance under Regulation 6(1) of LODR Regulations with regard to appointment of qualified Company Secretary of the quarter September 2021. 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/2022/02/Policy-on-Related-Party-Transactions.pdf>

# Sicagen India Limited

- (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.
- (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 fees of ₹14 lakhs and other payments of ₹11 lakhs 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) There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.
- (ii) 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 Regulations.**

## **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**

As per the information provided by the Registrars and Transfer Agent, 3,07,179 equity shares which remained unclaimed suspense account by 5,195 shareholders have been transferred to IEPF account during the year. As at the end of the year 31,515 equity shares are under unclaimed suspense account. As specified under the Regulations, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. Reminders to the shareholders are sent for claiming returned undelivered shares certificates.

## **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  
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, 2022 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 2022 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 2022;
  - 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: 25th May 2022  
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 the conditions of Corporate Governance by Sicagen India Limited for the year ended 31st March 2022 as stipulated Under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance 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 our information and according to the explanations given to us 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, subject to the points mentioned in the Annual Secretarial Compliance Report submitted to the Stock Exchange.

We also state that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continued as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

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

For KRA & Associates  
Practicing Company Secretaries

**R Kannan**

Sr. Partner

FCS No.6718 / CP No.3363

UDIN : F006718D000758920

Place: Chennai

Date: 08.08.2022

## 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 2022.

Place: Chennai

Date: 25th May 2022

**R Chandrasekar**

Whole Time Director

## Certificate of Non-Disqualification of Directors

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members of Sicagen India Limited,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sicagen India Limited having CIN L74900TN2004PLC053467 and having Registered Office at 4th Floor, Spic House, No.88, Mount Road, Guindy, Chennai-600032 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers,

We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S No	Name of the Director	DIN	Date of initial appointment in the Company
1	Mr. Ashwin C Muthiah	00255679	10.12.2012
2	Mr. B Narendran	01159394	29.01.2008
3	Mrs. Sashikala Srikanth	01678374	11.08.2014
4	Mrs. Rita Chandrasekar	03013549	28.06.2017
5	Mr. S Radhakrishnan	00061723	09.08.2018
6	Mr. M Rajamani	00195006	28.11.2018
7	Mr. S R Ramakrishnan	00120126	01.12.2018
8	Mr. R Chandrasekar	06374821	09.08.2018

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the 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**

Sr. Partner

FCS No.6718 / CP No.3363

UDIN : F006718D000758953

Place: Chennai  
Date: 08.08.2022



Sicagen India Limited

**Annual Report 2021-22**

# **Standalone Financial Statements**



## 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 accompanying Standalone Financial Statements of **SICAGEN INDIA LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, 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 then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, 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 & 25.2 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

Independent Auditors of Danish Steel Cluster Private Limited, one of the wholly owned subsidiaries of the Company, have reported that, the management has applied for merger with the holding company but not as a going concern. Hence, the accounts of that subsidiary have been prepared on the basis of "Not a going concern". All the existing assets are restated at realisable value as at 31.03.2022 and all the assets are classified as current assets considering the inability of the company to continue as going concern as per Ind-AS-1.

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.

# Sicagen India Limited

<p style="text-align: center;"><b>Revenue Recognition (IND AS 115)</b></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"> <li>• Identification of performance obligations contained in contracts.</li> <li>• Determination of the most appropriate method for recognition of revenue relating to the identified performance obligations.</li> <li>• Assessment of transaction price.</li> <li>• Allocation of the assessed price to the individual performance obligations</li> </ul>	<p style="text-align: center;"><b>Audit Procedure</b></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;"><b>Existence and impairment of Trade Receivables</b></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;"><b>Audit Procedure</b></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 8 &amp; Note 45 to the financial statements.</p> <p>Our procedures did not identify any material exceptions.</p>
<p style="text-align: center;"><b>Inventory</b></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;"><b>Audit Procedure</b></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>

<p style="text-align: center;"><b>Contingent Liability</b></p> <p>On assessment of Provisions for taxation, litigations and claims as at March 31, 2022 the Company had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 1,943 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 style="text-align: center;"><b>Audit Procedure</b></p> <p>The Audit addressed this Key Audit Matter by:</p> <ul style="list-style-type: none"> <li>Assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities.</li> <li>Discussing significant litigations and claims with the Company's Internal Legal Counsel.</li> <li>Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors &amp;</li> <li>Assessing the reliability of the past estimates of the management.</li> </ul> <p>Our Audit Procedures did not identify any material exceptions</p>
<p style="text-align: center;"><b>IND AS 116 – Leases</b></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;"><b>Audit Procedure</b></p> <p><b>Our audit procedures on adoption of Ind AS 116 include:</b></p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116).</li> <li>Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>Evaluated the reasonableness of the discount rates applied in determining the lease liabilities.</li> </ul> <p><b>On a statistical sample, we performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> <li>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.</li> </ul>

### 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

# Sicagen India Limited

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 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (here in after referred to as the "Order"), we give in the "Annexure A", 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 Companies Act, 2013, 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 the Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us,

the 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, as amended, in our opinion and to the best of our information and according to the explanations given to us.
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note No.41 to the Standalone Financial Statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2022;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) (a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 44 (d))
    - (b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.

# Sicagen India Limited

(v) As stated in Note 46 to the financial statements:

- (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Director of the Company have proposed final dividend for the year, which is subject the approval of the members at the

ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

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

**V. Rajeswaran**  
Partner

Place: Chennai  
Dated: May 25,2022

Membership .No. 020881  
UDIN : 22020881AJNXGZ6192

## Annexure A to Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **SICAGEN INDIA LIMITED** on the Standalone Financial Statements for the year ended March 31, 2022, we report that:

- (i) In respect of the Property, Plant & Equipment:
- (a) (A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Intangible Assets.
- (b) The Company has a regular program of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this program, certain Property, Plant & Equipment were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause (i)(d) of Para 3 of the Order is not applicable.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the records of the Company and information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ Five crores, in aggregate from banks or financial institutions on the basis of security of current assets during the year. The quarterly returns or statements filed by the company with the banks or financial institutions are not in agreement with the unaudited books of accounts of the Company.

(₹ in Lakhs)

(iii)

Quarter Ending	Value as per Books of accounts	Value as per quarterly return/Statement filed with lenders	Difference	Reason for discrepancies
June 30,2021	4,115.84	4,099.51	16.33	As explained by the management, the variance is mainly on account of submission of provisional value.
September 30,2021	4,477.54	4,085.23	392.30	
December 31,2021	4,273.27	4267.26	6.02	
March 31, 2022	3,798.43	3795.81	2.63	

- (a) In our opinion and according to the explanations given to us, during the year the Company has made investments provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entities as detailed below:



# Sicagen India Limited

## (A) To Subsidiaries

Name of the Entity	Type (Loan/advance/ guarantee/ security)	Aggregate Amount (₹ in Lakhs)	Balance outstanding at Balance sheet date (₹ in Lakhs)
South India House Estates & Properties Ltd.	Loan	181	4842
Danish Steel Cluster Private Limited	Loan	5.70	400

## (B) To others not mentioned under (A) :

Name of the Parties	Type (Loan/advance/ guarantee /security)	Aggregate Amount (₹ in Lakhs)	Balance outstanding at Balance sheet date (₹ in Lakhs)
EDAC Engineering Limited	ICD	1650	1550
Greenstar Fertilizers Limited	ICD	1500	1500

- (b) In our opinion and according to the explanations given to us, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the Company's interest.
- (c) In our opinion and according to the explanations given to us in respect of loans and advances in the nature of loans given to entities as detailed in clause iii (a) (B) above, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and interest are regular.
- (d) In our opinion and according to the explanations given to us, in respect of loans and advances in the nature of loans, no amounts are overdue for a period of more than 90 days.
- (e) In our opinion and according to the explanations given to us, loans or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans have been granted to settle the overdue of existing loans given to the same parties, as mentioned below

Name of the parties	Aggregate amount of overdues of existing loans renewed or extended or settled by fresh loans (₹ in Lakhs)	Percentage* of the aggregate to the total loans or advances in the nature of loans granted during the year
Greenstar Fertilizers Limited	1500	45%

- (f) In our opinion and according to the explanations given to us, the Company has granted loans or advances in the nature of loans given to entities as details in clause iii (a) (A) are either repayable on demand or without specifying any terms or period of repayment.

(₹ in Lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans	-	Nil	-
- Repayable on demand (A)			
- Agreement does not specify any terms or period of repayment (B)	5242	Nil	5242
Total (A+B)	5242	Nil	5242
Percentage of loans/advances in nature of loans to the total loans	63%		63%

- (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 or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, and hence reporting under clause (v) of the Order are not applicable
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the products/ services manufactured/rendered by the Company.
- (vii) In respect of statutory dues:

- (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and service tax, cess and any other statutory dues with the appropriate authorities, though there has been a slight delay in a few cases. There are no undisputed statutory dues outstanding for more than six months.
- (b) As at March 31, 2022 according to the records of the Company, the following are the particulars of the statutory dues referred in sub-clause (a) 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 2011-12	Income Tax	1699	High Court
3	AY 2015-16	Income Tax	39	CIT(A)
4	FY 2017-18	CST	2	Appellate Deputy Commissioner
5	FY 2012-13 & 2013-14	Service Tax	3	Commissioner (Appeals)

- (viii) According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the Company has no transactions that has not been recorded in the books of account and no unrecorded income was disclosed or surrendered as income during the year in the Tax assessments under the Income Tax, 1961. Accordingly, clause (viii) of Para 3 of the Order is not applicable.
- (ix) (a) 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 any lenders.
- (b) According to the records of the Company and information and explanations given to us, the Company is not declared as Wilful Defaulter by any bank or financial institution or Government or any Government Authority.
- (c) According to the records of the Company and information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. (Also refer Note 19).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause ix(f) of Para 3 of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

# Sicagen India Limited

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii (a), xii(b) and xii(c) of Para 3 of the Order are not applicable.
- (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)(a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (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 the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanation provided by the Management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year. Accordingly, clause (xvii) of Para 3 of the Order 2020 is not applicable.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) of Para 3 of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 8 to 10 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state

that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

- (xx) (a) In our opinion, in respect of other than ongoing projects, as per the limits specified u/s 135 of the Companies Act 2013, the Company is not liable to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly reporting under clause (xx)(a) of the Order is not applicable.
- (b) In our opinion, there is no amount remaining unspent under sub-section (6) of section 135 of the Companies Act, pursuant to any ongoing project. Accordingly reporting under clause (xx)(b) of the Order is not applicable.
- (xxi) The reporting under clause 3(xx) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**V. Rajeswaran**

Partner

Membership .No. 020881

UDIN : 22020881AJNXGZ6192

Place: Chennai  
Dated: May 25, 2022

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of the Independent Auditor’s Report of even date)

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

We have audited the internal financial controls over financial reporting of **SICAGEN INDIA LIMITED** (“the Company”) as of March 31, 2022 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 (“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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**V. Rajeswaran**

Partner

Membership.No. 020881

UDIN : 22020881AJNXGZ6192

Place: Chennai

Dated: May 25, 2022

# Sicagen India Limited

## Balance Sheet as at 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	As at		As at	
		31st Mar 2022		31st Mar 2021	
<b>I. ASSETS</b>					
<b>1 Non Current Assets</b>					
(a) Property, Plant and Equipment	2a	3175		3479	
(b) Capital work-in-progress	2b	-		-	
(c) Investment Property	2c	303		309	
(d) Other Intangible assets	2d	38		61	
(e) Right of Use Asset	2e	501		470	
(f) <b>Financial Assets</b>					
(i) Investments	3	16989		15381	
(ii) Loans	4	400		1805	
(iii) Other Financial Assets	5	194		208	
(g) Other non-current assets	6	5237	26837	4940	26653
<b>2 Current assets</b>					
(a) Inventories	7	3817		3882	
(b) <b>Financial Assets</b>					
(i) Trade receivables	8	9555		9754	
(ii) Cash and cash equivalents	9	11		260	
(iii) Bank Balance other than (ii) above	10	2053		2584	
(c) Current Tax Assets (Net)	11	390		482	
(d) Other Current Assets	12	4574	20400	914	17876
<b>TOTAL</b>			<b>47237</b>		<b>44529</b>
<b>II. Equity and Liabilities</b>					
<b>1 Equity</b>					
(a) Share capital	13	3957		3957	
(b) Other equity	14	36701	40658	34988	38945
<b>2 Liabilities</b>					
<b>Non-current liabilities</b>					
(a) <b>Financial Liabilities</b>					
(i) Lease Liabilities	15	265		280	
(ii) Other financial liabilities	16	3		-	
(b) Provisions	17	39		32	
(c) Deferred Tax Liabilities	18	82	389	46	358
<b>3 Current liabilities</b>					
(a) <b>Financial Liabilities</b>					
(i) Borrowings	19	3128		3025	
(ii) Trade Payables	20	1841		941	
(iii) Other financial liabilities	21	335		410	
(iv) Lease Liabilities	22	264		193	
(b) Other current liabilities	23	453		530	
(c) Provisions	24	169	6190	127	5226
<b>TOTAL</b>			<b>47237</b>		<b>44529</b>
Significant Accounting Policies	1				
Notes on Financial Statements	1 to 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: 25th May 2022

**M.O. AYYAPPAN**

Chief Financial Officer

**ANKITA SHARMA S**

Company Secretary

**Statement of Profit and Loss for the year ended 31st March 2022**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
<b>I. INCOME</b>			
Revenue from operations	25	44261	34778
Other income	26	622	491
<b>Total Income</b>		<b>44883</b>	<b>35269</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	27	5054	4163
Purchases of Stock-in-Trade	28	34396	25658
(Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade	29	(40)	932
Employee benefit expense	30	1491	1557
Finance costs	31	386	366
Depreciation and amortization expense		623	465
Other expenses	32	1694	1295
<b>Total expenses</b>		<b>43604</b>	<b>34436</b>
<b>III. Profit before exceptional items and tax</b>		<b>1279</b>	<b>833</b>
Exceptional items (Net)	33	(789)	-
<b>IV. Profit before tax</b>		<b>490</b>	<b>833</b>
Tax expense:			
(1) Current tax		353	252
(2) Deferred tax		36	(5)
<b>V. Profit / (Loss) for the period</b>		<b>101</b>	<b>586</b>
<b>VI. Other Comprehensive Income</b>	34	<b>1849</b>	<b>960</b>
A. (i) Item that will not be reclassified to profit or loss			
(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		-	-
<b>VII. Total Comprehensive Income for the period (Comprising Profit/ (Loss) and other Comprehensive Income for the Period)</b>		<b>1950</b>	<b>1546</b>
<b>VIII. Earnings per equity share:</b>	35		
Basic and diluted EPS (₹)		0.26	1.48
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 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: 25th May 2022

**M.O. AYYAPPAN**  
 Chief Financial Officer

**ANKITA SHARMA S**  
 Company Secretary



# Sicagen India Limited

## Statement of Changes in Equity

### Share Capital

( ₹ in Lakhs)

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Redeemable Preference Shares ₹10 each	25000000	2500	-	-
<b>Issued</b>				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
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		
<b>Balance as per 1st April 2020</b>	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 paid during the year	-	-	-	(198)	-	(198)
<b>Balance at 31st March 2021</b>	2856	29443	200	(1966)	4455	34988
Profit for the year 2021-22				101		101
Other Comprehensive Income for the year 2021-22				(60)	1909	1849
Dividend paid during the year	-	-	-	(237)	-	(237)
<b>Balance at 31st March 2022</b>	2856	29443	200	(2162)	6364	36701

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: 25th May 2022

**M.O. AYYAPPAN**  
Chief Financial Officer

**ANKITA SHARMA S**  
Company Secretary

**Statement of Cash Flow for the year ended 31st March 2022**

(₹ in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021	
<b>A Cash Flow from Operating Activities</b>			
Profit before tax		490	833
<b>Adjustments for</b>			
Depreciation	623		465
(Profit)/Loss on Disposal of Fixed Assets(net)	(263)		10
Interest Income	(280)		(256)
Dividend Income	-		(106)
Provision for Impairment of Investment	789		-
Provision for Trade Receivables Under ECL Model	100		101
Interest Expenditure	339	1308	336
<b>Operating Profit before Working Capital Changes</b>		<b>1798</b>	<b>1383</b>
<b>Adjustments for</b>			
Trade and Other Receivables	100		568
Other Current & Non Current Assets	(2580)		1396
Inventories	65		1006
Trade Payables and Other Liabilities	1003	(1412)	(1607)
<b>Cash Generated from Operations</b>		<b>386</b>	<b>2746</b>
Less: Tax Paid		<b>266</b>	<b>232</b>
<b>Net Cash from Operating Activities</b>		<b>120</b>	<b>2514</b>
<b>B Cash Flow from Investing Activities</b>			
Purchase of Property Plant & Equipment including Change in WIP	(46)		(190)
Proceeds from Sale of Property Plant & Equipment	295		17
Investment in Shares	(488)		(162)
Movement in Fixed Deposits	514		(1674)
Interest Income Received	292		241
Dividend Income Received	-		94
<b>Net Cash used in Investing Activities</b>		<b>567</b>	<b>(1674)</b>
<b>C Cash Flow from Financing Activities</b>			
Payment of lease liabilities	(260)		(255)
Term Loan Availed/(Repaid)	(100)		60
Interest Paid	(339)		(336)
Dividend paid	(237)		(198)
<b>Net Cash used in Financing Activities</b>		<b>(936)</b>	<b>(729)</b>
<b>D Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(249)</b>	<b>111</b>
Cash and Cash Equivalents as at 1st April 2021		<b>260</b>	<b>149</b>
Cash and Cash Equivalents as at 31st March 2022		<b>11</b>	<b>260</b>

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

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 Director

**R.CHANDRASEKAR**  
 Whole Time Director

 Place: Chennai  
 Date: 25th May 2022

**M.O. AYYAPPAN**  
 Chief Financial Officer

**ANKITA SHARMA S**  
 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, 2022 were authorized and approved for issue by the Board of Directors at their meeting held on 25th May 2022.

### 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 39 )
- (ii) Estimation of useful life of Property, Plant and Equipment - Refer Note 1.9.3
- (iii) Estimation and evaluation of provisions and contingencies relating to tax litigations – (Refer Note- 41)

### 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.

# Sicagen India Limited

## 1.8 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". (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	S.No.	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

S.No.	Category of the Assets	S.No.	Life
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:

- in the case of an individual asset, at the higher of the net selling price and the value in use;
- 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.

# Sicagen India Limited

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.
2. Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
3. 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.
4. 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.

5. 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.
6. 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.

- (ii) All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.
- (iii) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.
- (iv) 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.



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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.

## 1.13 Inventories

Inventories are valued after providing for obsolescence, as under:

- (i) 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.
- (ii) 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.
- (iii) 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

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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 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) 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) 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

- (a) Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
  - (b) estimated amount of contracts remaining to be executed on capital account and not provided for;
  - (c) uncalled liability on shares and other investments partly paid;
  - (d) funding related commitment to subsidiary, associate and joint venture companies; and
  - (e) 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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(₹ in Lakhs)

## 2. Property, Plant & Equipment, Right of Use and Intangible Assets as at 31.03.2022

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2021	Additions	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>a Property, Plant &amp; Equipment</b>									
Land - Free hold	1833	-	-	1833	-	-	-	1833	1833
- Lease hold	1	-	-	1	-	-	-	1	1
Buildings	1005	-	14	991	199	196	7	603	806
Plant and Equipment	629	25	24	630	183	53	14	408	446
Furniture and Fixtures	169	4	1	172	68	16	1	83	101
Vehicles	57	1	7	51	19	6	4	30	38
Office Equipment	192	15	12	195	106	25	11	120	86
Trucks	2	-	-	2	1	-	-	1	1
Lease hold improvements	156	2	-	158	114	12	-	126	42
Electrical Equipments	154	-	17	137	29	10	5	103	125
<b>Total</b>	<b>4198</b>	<b>47</b>	<b>75</b>	<b>4170</b>	<b>719</b>	<b>318</b>	<b>42</b>	<b>995</b>	<b>3479</b>
<b>b Capital Work In Progress</b>									
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>c Investment Property</b>									
<b>Total</b>	332	-	-	332	23	6	-	29	309
<b>d Intangible Assets</b>									
Computer software	170	-	-	170	109	23	-	132	61
<b>Total</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>109</b>	<b>23</b>	<b>-</b>	<b>132</b>	<b>61</b>
<b>Grand Total</b>	<b>4700</b>	<b>47</b>	<b>75</b>	<b>4672</b>	<b>851</b>	<b>347</b>	<b>42</b>	<b>1156</b>	<b>3849</b>

**(b) CWIP aging schedule as at 31st March 2022**

(i) CWIP	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

**(ii) CWIP Completion schedule as at 31st March 2022**

CWIP	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

**(c) Intangible assets under development aging schedule as at 31st March 2022**

Intangible assets under development	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

Intangible assets under development	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

(₹ in Lakhs)

## 2. Right of Use Asset as at 31.03.2022.

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2021	Additions	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>e Right of Use Asset</b>									
Office Building	1001	311	4	1308	535	276	-	811	466
Furniture	8	-	-	8	4	-	-	4	4
<b>Total</b>	<b>1009</b>	<b>311</b>	<b>4</b>	<b>1316</b>	<b>539</b>	<b>276</b>	<b>-</b>	<b>815</b>	<b>470</b>

2.1 Rental Expenditure related to short-term leases and leases of low-value assets amounts to ₹73 lakhs

2.2 Rental Income derived from Investment Property recognised in Statement of Profit & Loss is NIL (FY 2020-21- ₹1.08 lakhs)

## 2.3 Reconciliation of the gross and net carrying amount of each class of assets.

(₹ in Lakhs)

S.NO	Particulars	Gross Block	Accumulated Depreciation	Net Amount
1	Freehold Land	1834	-	1834
2	Buildings	991	388	603
3	Plant & Equipment	630	222	408
4	Furniture&Fixtures	172	83	89
5	Vehicles	51	21	30
6	Office Equipments	195	120	75
7	Trucks	2	1	1
8	Electrical Equipments	137	34	103
9	Leasehold Improvements	158	126	32
10	Investment Property	332	29	303
11	Right to Use Asset	1316	815	501
12	Intangible Assets	170	132	38
	<b>TOTAL</b>	<b>5988</b>	<b>1971</b>	<b>4017</b>

**Property, Plant & Equipment, Right of Use and Intangible Assets as at 31.03.2021** (₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1st April 2020	Additions	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>a Property, Plant &amp; Equipment</b>										
Land - Free hold	1833	-	-	1833	-	-	-	-	1833	1833
- Lease hold	1	-	-	1	-	-	-	-	1	1
Buildings	923	82	-	1005	154	45	-	199	806	769
Plant and Equipment	545	84	-	629	137	46	-	183	446	408
Furniture and Fixtures	188	8	27	169	58	17	7	68	101	130
Vehicles	50	17	10	57	16	6	3	19	38	34
Office Equipment	186	7	1	192	84	22	-	106	86	102
Trucks	5	-	3	2	4	-	3	1	1	1
Lease hold improvements	149	8	1	156	100	15	1	114	42	49
Electrical Equipments	145	9	-	154	22	7	-	29	125	123
<b>Total</b>	<b>4025</b>	<b>215</b>	<b>42</b>	<b>4198</b>	<b>575</b>	<b>158</b>	<b>14</b>	<b>719</b>	<b>3479</b>	<b>3450</b>
<b>b Capital Work In Progress</b>	28	12	40	-	-	-	-	-	-	28
<b>Total</b>	<b>28</b>	<b>12</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>c Investment Property</b>	332	-	-	332	17	6	-	23	309	315
<b>Total</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>17</b>	<b>6</b>	<b>-</b>	<b>23</b>	<b>309</b>	<b>315</b>
<b>d Intangible Assets</b>										
Computer software	167	3	-	170	78	31	-	109	61	89
<b>Total</b>	<b>167</b>	<b>3</b>	<b>-</b>	<b>170</b>	<b>78</b>	<b>31</b>	<b>-</b>	<b>109</b>	<b>61</b>	<b>89</b>
<b>Grand Total</b>	<b>4552</b>	<b>230</b>	<b>82</b>	<b>4700</b>	<b>670</b>	<b>195</b>	<b>14</b>	<b>851</b>	<b>3849</b>	<b>3882</b>



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## (b) CWIP aging schedule as at 31st March 2021

(i) CWIP	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

## (ii) CWIP Completion schedule as at 31st March 2021

CWIP	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

## (c) Intangible assets under development aging schedule as at 31st March 2021

Intangible assets under development	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

Intangible assets under development	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

**Right of Use Asset as at 31.03.2021** (₹ In Lakhs)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2021	Additions	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charged for the year	Disposals / Adjustments	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>Right of Use Asset</b>									
Office Building	855	149	3	1001	267	268	-	535	466
Furniture	8	-	-	8	2	2	-	4	4
<b>Total</b>	<b>863</b>	<b>149</b>	<b>3</b>	<b>1009</b>	<b>269</b>	<b>270</b>	<b>-</b>	<b>539</b>	<b>470</b>

**Reconciliation of the gross and net carrying amounts of each class of assets**

SI.NO	Particulars	Gross Block	Accumulated Depreciation	Net Amount
1	Freehold Land	1834	-	1834
2	Buildings	1005	199	806
3	Plant & Equipment	629	183	446
4	Furniture&Fixtures	169	68	101
5	Vehicles	57	19	38
6	Office Equipments	192	106	86
7	Trucks	2	1	1
8	Electrical Equipments	154	29	125
9	Leasehold Improvements	156	114	42
10	Investment Property	332	23	309
11	Right to Use Asset	1009	539	470
12	Intangible Assets	170	109	61
	<b>TOTAL</b>	<b>5709</b>	<b>1390</b>	<b>4319</b>

3 Non Current Investments		(₹ in Lakhs)	
Particulars	As at 31st Mar 2022	As at 31st Mar 2021	
<b>Trade Investments</b>			
(a) Investment in Equity Instruments	15809	14201	
(b) Investment in Preference Shares	1180	1180	
<b>Total</b>	<b>16989</b>	<b>15381</b>	
Aggregate amount of quoted investments	3995	1598	
Aggregate amount of unquoted investments	12994	13783	
	<b>16989</b>	<b>15381</b>	

### 3.1 Details of Trade Investments

SI 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	
			2022	2021			2022	2021	2022	2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>(a) Investment in Equity Instruments</b>										
	Southern Petrochemicals Industries Corporation Ltd	Others	4576424	3676424	Quoted	Fully Paid	2.25	1.80	3277	1079
	Mercantile Ventures Ltd	Others	4008205	4008205	Quoted	Fully Paid	3.58	3.58	718	519
	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 (Net of Prov. ₹ 789 lakhs)	Subsidiary	7084703	7084703	Unquoted	Fully Paid	100	100	412	1201
	EDAC Engineering Ltd	Others	9461	9461	Unquoted	Fully Paid	-	-	1	1
	AM Foundation	Others	1600	1600	Unquoted	Fully Paid	16	16	-	-
<b>(b) Investments in Preference Shares</b>										
	EDAC Engineering Ltd	Others	11800000	11800000	Unquoted	Fully Paid	35	35	1180	1180
<b>Total</b>							<b>16989</b>		<b>15381</b>	

**3.2** During the year equity shares of Southern Petrochemicals Industries Corporation Ltd were purchased - 400000 at the market price of ₹51.85 per share, 400000 at the market price of ₹56.17 per share and 100000 equity shares at the market price of ₹55.45 per share.

**3.3** During the year, provision for impairment on Investment held in Subsidiary company - Danish Steel Cluster Pvt. Ltd. has been created for ₹ 789 lakhs.

**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.

		( ₹ in Lakhs)	
Particulars	As at 31st Mar 2022	As at 31st Mar 2021	
<b>4 Loans</b>			
<b>Loans and advances to related parties</b>			
Unsecured, considered good	400	1805	
<b>Total</b>	<b>400</b>	<b>1805</b>	
<b>5 Other Financial Assets</b>			
<b>Security Deposits</b>			
Unsecured, considered good	194	208	
<b>Total</b>	<b>194</b>	<b>208</b>	
<b>6 Other Non-Current Assets</b>			
Capital Advances	12	-	
Provision for Gratuity	-	17	
Other advances	11560	11258	
Less: Provision for Advances- ECL Model	6335	6335	
<b>Total</b>	<b>5237</b>	<b>4940</b>	
<b>6.1</b> 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.			
<b>7 Inventories</b>			
a. Raw Materials and components	213	297	
b. Work-in-progress	71	393	
c. Finished goods	11	24	
d. Stock-in-trade	3511	3135	
e. Stores and spares	11	33	
<b>Total</b>	<b>3817</b>	<b>3882</b>	
<b>8 Trade Receivables</b>			
Unsecured, considered good	9894	9993	
Less : Allowance for credit losses	339	239	
<b>Total</b>	<b>9555</b>	<b>9754</b>	

# Sicagen India Limited

- 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.

## Trade Receivables ageing schedule

As at 31st Mar 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	6941	263	239	588	1863	9894
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>6941</b>	<b>263</b>	<b>239</b>	<b>588</b>	<b>1863</b>	<b>9894</b>
Less : Allowance for credit losses						339
<b>Total Trade Receivables</b>						<b>9555</b>

As at 31st Mar 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	6775	318	747	802	1351	9993
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>6775</b>	<b>318</b>	<b>747</b>	<b>802</b>	<b>1351</b>	<b>9993</b>
Less : Allowance for credit losses						239
<b>Total Trade Receivables</b>						<b>9754</b>

## 9 Cash and Cash Equivalents

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
<b>Balances with banks</b>		
Current Accounts	9	256
Cash on hand	2	4
<b>Total</b>	<b>11</b>	<b>260</b>

( ₹ in Lakhs)

**10 Bank balance and Others**

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Margin Money	25	40
Balance with bank (for unpaid dividend)	44	46
Bank Deposits with maturity for more than 3 months but less than 12 months	1984	2498
<b>Total</b>	<b>2053</b>	<b>2584</b>

**10.1** Bank Balance and others as at March 31, 2022 and March 31, 2021 include restricted bank balances of ₹69 lakhs and ₹86 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 ₹549 lakhs (including Interest) are pledged in relation to security granted for Working Capital Facilities from Banks and NBFC.

**11 Current tax Assets (Net)**

Advance Income tax	2697	2437
Less:		
Provision for Tax	2307	1955
<b>Total</b>	<b>390</b>	<b>482</b>

**12 Other Current Assets**

Security Deposit	41	39
Other Advances	26	81
Prepaid expense-unsecured considered good	145	102
Balance with government authorities -		
GST Credit Receivable	177	142
Debit Balance with creditors		
Unsecured, considered good	603	384
Inter Corporate Deposits (ICD)*	3050	-
Others	532	166
<b>Total</b>	<b>4574</b>	<b>914</b>

\* Details of ICD disclosed pursuant section 186 (4) of the Companies Act, 2013.

Greenstar Fertilisers Limited	1500	-
EDAC Engineering Limited	1550	-
<b>Total</b>	<b>3050</b>	<b>-</b>

The above inter corporate deposits are given for the business purposes of the recipient entities.

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## 13 Share Capital

Share Capital	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Redeemable Preference Shares ₹10 each	25000000	2500	-	-
<b>Issued</b>				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

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

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	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

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

Name of Shareholder	As at 31st Mar 2022		As at 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% 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.	4137619	10.46	3713919	9.39

### 13.3 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

### 13.4 Disclosure of Shareholding of Promoters

Shares held by promoters as at 31st Mar 2022				
S. No	Promoter name	No. of Shares**	%of total shares**	% Change during the year***
1	Ranford Investments Ltd	7400649	18.70	-
2	Darnolly Investments Ltd	7276102	18.39	-
3	Southern Petrochemical Industries Corpn Ltd	577681	1.46	-
4	A C Muthiah (HUF)	-	-	1.07
5	The Express Carriers Ltd	44200	0.11	-
6	Ashwin C Muthiah	41838	0.10	-
7	Valli Ashwin Muthiah	7000	0.02	-
8	South India Travels Pvt Ltd	113	0.00	-
	<b>Total</b>	<b>15347583</b>	<b>38.78</b>	

**Shares held by promoters as at 31st Mar 2021**

S. No	Promoter name	No. of Shares**	% of total shares**	% Change during the year***
1	Ranford Investments Ltd	7400649	18.70	-
2	Darnolly Investments Ltd	7276102	18.39	-
3	Southern Petrochemical Industries Corpn Ltd	577681	1.46	-
4	A C Muthiah (HUF)	423700	1.07	-
5	The Express Carriers Ltd	44200	0.11	-
6	Ashwin C Muthiah	41838	0.10	-
7	Valli Ashwin Muthiah	7000	0.02	-
8	South India Travels Pvt Ltd	113	0.00	-
	<b>Total</b>	<b>15771283</b>	<b>39.84</b>	

\*\* Details shall be given separately for each class of shares

\*\*\* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue. "

**14 Other Equity** (₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Capital Reserve	2856	2856
Securities Premium Reserves	29443	29443
General Reserve	200	200
Retained Earnings	(2162)	(1966)
Other Comprehensive Income Reserve	6364	4455
<b>Total</b>	<b>36701</b>	<b>34988</b>

**15 Lease Liabilities**

Lease Liabilities	265	280
<b>Total</b>	<b>265</b>	<b>280</b>

**16 Other Financial Liabilities**

Advance from Customers	3	-
<b>Total</b>	<b>3</b>	<b>-</b>

**17 Provisions - Non current**

Provision for employee benefits	39	32
<b>Total</b>	<b>39</b>	<b>32</b>

**18 Deferred Tax Liability**

Opening Balance	46	51
Provided in Profit & Loss A/c during the year	36	(5)
<b>Closing Balance</b>	<b>82</b>	<b>46</b>



# Sicagen India Limited

## 19 Borrowings ( ₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
<b>Secured</b>		
Working Capital Facility	356	911
Term Loan	-	100
<b>Unsecured</b>		
From Banks	1798	1456
From Other Parties	974	558
<b>Total</b>	<b>3128</b>	<b>3025</b>

19.1 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 ₹549 lakhs (including Interest).

19.2 Term loan availed during the year 2020 - 21 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 31.03.2022 is NIL.

## 20 Trade payables

Dues to Micro, Small and Medium Enterprises *	453	402
Dues to enterprises other than Micro, Small and Medium Enterprises	1388	539
<b>Total</b>	<b>1841</b>	<b>941</b>

20.1 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.

20.2 Dues to Micro, Small and Medium Enterprises \*

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	453	402
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	-	-

**20.3 Trade Payables ageing schedule**
**As at 31st Mar 2022**

( ₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	453	-	-	-	453
(ii) Others	1369	14	2	3	1388
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>1822</b>	<b>14</b>	<b>2</b>	<b>3</b>	<b>1841</b>

**Trade Payables ageing schedule**
**As at 31st Mar 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	402	-	-	-	402
(ii) Others	510	19	6	4	539
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>912</b>	<b>19</b>	<b>6</b>	<b>4</b>	<b>941</b>

**21 Other Financial Liabilities**

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Unpaid Dividend	44	46
Liability for Expenses	289	362
Trade/Security Deposit	2	2
<b>Total</b>	<b>335</b>	<b>410</b>

**22 Lease Liabilities**

Current Maturities of Lease Liability	264	193
<b>Total</b>	<b>264</b>	<b>193</b>

**23 Other Current Liabilities**

Advance from Customers	192	238
Others	261	292
<b>Total</b>	<b>453</b>	<b>530</b>

# Sicagen India Limited

## 24 Provisions ( ₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Provision for employee benefits		
Gratuity	48	-
Bonus/Performance pay	121	127
<b>Total</b>	<b>169</b>	<b>127</b>

## 25. Revenue From Operations

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
<b>Sale of products</b>		
Traded Goods	36884	28957
Manufactured Goods	6014	4672
<b>Sub-Total</b>	<b>42898</b>	<b>33629</b>
<b>Sale of services</b>	<b>1016</b>	<b>972</b>
<b>Other operating revenues</b>		
Scrap Sales	347	176
Others	-	1
<b>Total</b>	<b>44261</b>	<b>34778</b>

### 25.1 Details of Products Sold

<b>Traded Goods</b>		
Steel Pipes	27646	21579
Steel	3690	1993
PVC Pipes	229	281
Cables	1039	999
Power & Control Equipment	1357	1412
Spares and Others	2923	2693
<b>Sub-Total - (A)</b>	<b>36884</b>	<b>28957</b>
<b>Manufactured Goods</b>		
Drums	4573	3451
Power & Control Equipment	342	163
Chemicals	592	560
Others	507	498
<b>Sub-Total - (B)</b>	<b>6014</b>	<b>4672</b>
<b>Total</b>	<b>42898</b>	<b>33629</b>

### 25.2 Impact of COVID-19

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.

**26. Other Income**

(₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Interest Income	280	256
Dividend Income	-	106
Other non-operating income		
Profit on Sale of Assets	253	6
Rent Received	25	28
Insurance Claim -IPD	23	-
Others	41	95
<b>Total</b>	<b>622</b>	<b>491</b>

**27. Cost of Raw Materials Consumed**

Inventory at the beginning of the year	330	404
Add : Purchases	4948	4089
Less : Inventory at the end of the year	224	330
<b>Cost of Raw Materials consumed</b>	<b>5054</b>	<b>4163</b>

**27.1 Details of Raw Material Consumed**

CRCA Coils	3760	2643
Others	1294	1520
<b>Cost of Raw Materials consumed</b>	<b>5054</b>	<b>4163</b>

**28. Purchases of Stock-in-Trade**

Steel Pipes	25680	18709
Steel	3474	1866
PVC Pipes	201	259
Cables	967	935
Power & Control Equipment	1519	1597
Spares and Others	2555	2292
<b>Total</b>	<b>34396</b>	<b>25658</b>

**29. (Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade**

<b>Inventory at the end of the year</b>		
Finished Goods	10	24
WIP	71	393
Stock in Trade	3511	3135
<b>Sub-Total - (A)</b>	<b>3592</b>	<b>3552</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	24	18
WIP	393	420
Stock in Trade	3135	4046
<b>Sub-Total - (B)</b>	<b>3552</b>	<b>4484</b>
<b>(Increase)/Decrease - (B-A)</b>	<b>(40)</b>	<b>932</b>

# Sicagen India Limited

## 30. Employee benefit expense

(₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Salaries, Wages and Bonus	1353	1402
Contribution to Provident Fund and Others	92	85
Staff Welfare Expense	46	70
<b>Total</b>	<b>1491</b>	<b>1557</b>

## 31. Finance Cost

Interest	339	336
Bank Charges	47	30
<b>Total</b>	<b>386</b>	<b>366</b>

## 32. Other Expenses

Rent	73	44
Rates & Taxes	92	51
Insurance	50	31
Power & Fuel	129	128
Office Maintenance	277	258
<b>Repairs &amp; maintenance</b>		
Plant & Machinery	2	5
Vehicles	20	14
Others	85	78
Travelling & Conveyance	99	57
Printing & Stationery	14	13
Postage, Telegram & Telephone	31	36
Subscription / Donation/ CSR Expense	40	7
Advertisement, Publicity & Sales Promotion	106	65
Payment to Auditors ( Details given below)	25	23
Legal & Professional Fees	3	14
Freight & Forwarding charges	222	157
Director's Sitting Fee	18	18
Foreign Exchange Fluctuation	4	-
Other Selling Expenses	3	3
Consumable Stores & Tools	6	5
Security Service Charges	60	61
Brokerage & Commission	32	71
Loss on sale of Fixed Assets	13	17
Consultancy Fees	31	29
Miscellaneous Expenses	56	9
Provision for Doubtful Debtors	100	101
Bad Debts written off	103	-
<b>Total</b>	<b>1694</b>	<b>1295</b>

**32.1 Payment to Auditor**

(₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Statutory Audit Fee	12	12
Taxation matters	2	2
Other services	9	9
Reimbursement of expenses	2	-
<b>Total</b>	<b>25</b>	<b>23</b>
<b>33. Exceptional Items</b>		
Provision for Impairment in value of Investment in Subsidiary- Danish Steel Cluster Private Limited	(789)	-
<b>Total</b>	<b>(789)</b>	<b>-</b>
<b>34. Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	(60)	20
Equity Instruments through other comprehensive Income	1909	940
<b>Total</b>	<b>1849</b>	<b>960</b>
<b>35. Earning Per Share [EPS]</b>		
Profit after Tax	101	586
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	0.26	1.48
<b>36. Expenditure in Foreign Currency during the Financial year:</b>		
Travelling Expenses	3	-
Reimbursement of Expenses	127	119
<b>Total</b>	<b>130</b>	<b>119</b>
<b>37. Earnings in Foreign Exchange (Received during the year)</b>		
Export of goods	208	477
<b>Total</b>	<b>208</b>	<b>477</b>
<b>38. Income Tax Expense</b>		
Tax Expenses		
Current Tax on profits for the year	353	252
Adjustments for tax of prior periods	-	-
Deferred tax charge	36	(5)
Income tax expense reported in the statement of profit or loss	389	247

# Sicagen India Limited

## 38.1 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Accounting profit before tax	490	833
Corporate Tax Rate	25.17%	25.17%
Tax on Accounting Profit	123	210
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non - Deductible Expenses	270	66
Deferred Tax Liability	36	(5)
Other Adjustments	(41)	(24)
<b>Income tax expense</b>	<b>389</b>	<b>247</b>

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.

## 39. 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-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Discount Rate	5.65% p.a	5.20% p.a	5.65% p.a	5.20% 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	5.65% p.a	5.20% 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	20	21	7	8
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	-	-	3	(8)
<b>Total Charge to P&amp;L</b>	<b>19</b>	<b>22</b>	<b>12</b>	<b>2</b>

**3 Other Comprehensive Income for the Current Period**

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	(4)	2	-	-
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	65	(22)	-	-
Return on plan assets excluding amounts included in interest income	(1)	-	-	-
	<b>60</b>	<b>(20)</b>	<b>-</b>	<b>-</b>

**4 Funded Status of the Plan**

Present value of unfunded obligations	-	-	<b>39</b>	35
Present value of funded obligations	<b>312</b>	261	-	-
Fair value of plan assets	<b>(265)</b>	(277)	-	-
<b>Net Liability (Asset)</b>	<b>47</b>	<b>(16)</b>	<b>39</b>	<b>35</b>

**5 Funded Status of the Plan**

Opening Defined Benefit Obligation	<b>260</b>	274	<b>32</b>	35
Transfer in/(out) obligation	-	-	-	-
Current service cost	<b>20</b>	21	<b>7</b>	8
Interest cost	<b>12</b>	13	<b>2</b>	2
Components of actuarial gain/losses on obligations:	-	-	-	-
Due to Change in financial assumptions	<b>(5)</b>	2	<b>(1)</b>	-
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	<b>65</b>	(22)	<b>4</b>	(8)
Past service cost	-	-	-	-
Loss/(gain) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-	-	-
Benefits paid	<b>(40)</b>	(28)	<b>(5)</b>	(5)
<b>Closing Defined Benefit Obligation</b>	<b>312</b>	260	<b>39</b>	32



# Sicagen India Limited

## 6 Reconciliation of Plan Assets

(₹ in Lakhs)

Particulars	GRATUITY		COMPENSATED ABSENCE	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
Opening value of plan assets	277	253	-	-
Transfer in/(out) plan assets	-	-	-	-
Interest Income	13	13	-	-
Return on plan assets excluding amounts included in interest income	1	-	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer	14	39	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-	-	-
Exchange differences on foreign plans	-	-	-	-
Benefits paid	(40)	(28)	-	-
<b>Closing value of plan assets</b>	<b>265</b>	<b>277</b>	<b>-</b>	<b>-</b>

## 7 Reconciliation of Net Defined Benefit Liability

Net opening provision in books of accounts	(16)	21	32	35
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	18	22	12	2
Amounts recognized in Other Comprehensive Income	60	(20)	-	-
	62	23	44	37
Benefits paid by the Company	-	-	(5)	(5)
Contributions to plan assets	(14)	(39)	-	-
<b>Closing Provision in Books of Accounts</b>	<b>48</b>	<b>(16)</b>	<b>39</b>	<b>32</b>

## 8 Sensitivity to key Assumptions

### Discount rate Sensitivity

Increase by 0.5%	307	257	38	31
(% change)	-1.57%	-1.56%	-1.52%	-1.58%
Decrease by 0.5%	318	265	40	32
(% change)	1.66%	1.62%	1.58%	1.64%

### Salary growth rate Sensitivity

Increase by 0.5%	317	265	40	32
(% change)	1.57%	1.60%	1.57%	1.62%
Decrease by 0.5%	308	257	38	31
(% change)	-1.52%	-1.56%	-1.53%	-1.58%

### Withdrawal rate (W.R.) Sensitivity

W.R. x 110%	312	260	39	32
(% change)	-0.09%	-0.23%	-0.70%	-1.10%
W.R. x 90%	313	261	39	32
(% change)	0.05%	0.24%	0.81%	1.26%

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 ₹ 23.21 lakhs.

The Average Outstanding Term of the Obligation (gratuity) as at the Valuation date is 3.42 years.

The Weighted Average Duration (leave benefits) as at valuation date is 3.47 years.

#### 40 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

i3 Securities Pvt Ltd

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

South India Investments & Associates

###### **Key Management Personnel**

R.Chandrasekar, Whole Time Director

M.O.Ayyappan, Chief Financial Officer

R.Srikrishna, Company Secretary (upto 30.07.2021)

S Ankita Sharma, Company Secretary (w.e.f. 01.12.2021)

##### b. The following transactions were carried out with the related parties during the year 2021-22 (₹ in Lakhs)

<b>Sale of Goods/Income from Services Rendered</b>	<b>Amount</b>
Firstgen Distribution Private Limited	532.20
South India House Estates & Properties Limited	3.00
i3 Securities Pvt Ltd	9.76
<b>Purchase of Goods</b>	
SIDD Life Sciences Private Limited	813.35
Danish Steel Cluster Private Limited	333.61

# Sicagen India Limited

(₹ in Lakhs)

## Managerial Remuneration

R. Chandrasekar	59.71
M.O. Ayyappan	22.20
R. Srikrishna, Company Secretary (upto 30.07.2021)	2.50
S. Ankita Sharma, Company Secretary (w.e.f. 01.12.2021)	1.67

## IT Support Charges

Wilson Cables Private Limited	40.00
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## Security Services

i3 Securities Pvt Ltd	45.74
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## Rent Received

Medihub Sciencetec Private Ltd	0.55
Firstgen Distribution Private Limited	2.46
South India Investments & Associates	2.70

## Reimbursement of Expenses-Payable

Wilson Cables Private Limited	166.20
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## Reimbursement of Expenses-Receivable

South India House Estates & Properties Limited	179.75
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## Advances Recovered

Danish Steel Cluster Private Limited	1,392.77
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## Post-Employment Benefit Plan Entity

Sicagen India Ltd - Employees Gratuity Fund	13.83
Sicagen India Ltd - Executives Superannuation Fund	3.47

## 41 Contingent Liability

- Appeals pending at High Court for (i) the Assessment year 2009-10 for a demand of ₹200 lakhs and (ii) for the AY 2011-12 for a demand of ₹ 1699 lakhs. Appeal filed with CIT(A) against a demand of ₹ 39 lakhs for the Assessment year 2015-16.
- CST Appeal pending at Appellate Deputy Commissioner for Financial year 2017-18 for a demand of ₹ 2 lakhs.
- 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 ₹92.11 Lakhs (₹ 238.41 Lakhs).

**42 Segment Information for the year ended 31st March 2022**  
**Information about Primary Business Segments**

( ₹ In Lakhs )

Business Segments	2022				2021			
	Trading	Manufacturing	Eliminations	Total	Trading	Manufacturing	Eliminations	Total
<b>REVENUE</b>								
External Sales	37900	6361		44261	29932	4846		34778
Inter Segment Sales	11		(11)	-	5	2	(7)	-
<b>Total Revenue</b>	<b>37911</b>	<b>6361</b>	<b>(11)</b>	<b>44261</b>	<b>29937</b>	<b>4848</b>	<b>(7)</b>	<b>34778</b>
<b>RESULT</b>								
Segment Result	1720	623		2343	1230	430		1660
Unallocated Corporate Expenses net of Unallocated Income				(725)				(491)
Operating Profit				1618				1169
Interest Expense				339				336
Income Taxes(net of def.tax)				389				247
Profit from ordinary activities				890				586
Exceptional items				(789)				-
<b>Net Profit</b>				<b>101</b>				<b>586</b>
<b>OTHER INFORMATION</b>								
Segment Assets	16325	1881		18206	15867	2280		18147
Unallocated Corporate Assets				29031				26382
<b>Total Assets</b>	<b>16325</b>	<b>1881</b>		<b>47237</b>	<b>15867</b>	<b>2280</b>		<b>44529</b>
Segment Liabilities	5295	349		5644	3555	443		3998
Unallocated Corporate Liabilities				935				1586
<b>Total Liabilities</b>	<b>5295</b>	<b>349</b>		<b>6579</b>	<b>3555</b>	<b>443</b>		<b>5584</b>
Capital Expenditure	35	12		47	118	72		190
Depreciation	547	76		623	391	74		465

**Information about Secondary Business Segments**

	2022		2021	
	India	Rest of the World	India	Rest of the World
Revenue by Geographical Market	44002	259	34301	477
Segment Assets	18206	-	18147	-
Capital Expenditure	47	-	190	-
<b>Total</b>	<b>44261</b>	<b>259</b>	<b>34301</b>	<b>477</b>

**Notes:**

- A) 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
- B) The Business Segments identified are Trading and Manufacturing
- C) 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.
- D) 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

## 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.

The carrying value and fair value of financial instruments by category as at 31st March, 2022 & 31st March 2021 are as follows :

Particulars	As at 31st March 2022		As at 31st March 2021	
	Amortised Cost	FVOCI	Amortised Cost	FVOCI
<b>Financial Assets</b>				
Investments				
- Equity Instruments	1	3995	1	1598
- Preference Shares	1180		1180	
Investments in Subsidiaries	11813		12602	
Loans	400		2013	
Trade Receivables	9555		9754	
Cash and cash equivalents	11		260	
Bank Balances other than Cash Equivalents	2053		2584	
<b>Financial Liabilities</b>				
Borrowings	3128		3025	
Trade Payables	1841		941	
Other Financial Liabilities (Current & Non Current)	338		410	

## 43.2 Valuation Techniques used for Fair Valuation is as follows:

Particulars	As at 31st March 2022				Total	As at 31st March 2021			
	Carrying Amount	Level of Input used in				Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
<b>Financial Assets</b>									
Investments									
- Equity Instruments	1	3995			3996	1	1598		1599
- Preference Shares	1180				1180	1180			1180
Investments in Subsidiaries	11813				11813	12602			12602
Loans	400				400	2013			2013
Trade Receivables	9555				9555	9754			9754
Cash and cash equivalents	11				11	260			260
Bank Balances other than Cash Equivalents	2053				2053	2584			2584
<b>Financial Liabilities</b>									
Borrowings	3128				3128	3025			3025
Trade Payables	1841				1841	941			941
Other Financial Liabilities	338				338	410			410

### 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 ADDITIONAL REGULATORY INFORMATION**
**(a) Title deeds of Immovable Property not held in name of the Company.**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE	Land buildings					
Investment Property	Land Buildings			<b>NOT APPLICABLE</b>		
PPE retired from active use and held for Disposal	Land Buildings					

(b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries**

(i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except as stated in s.no. (ii) & (iii).

**(ii) Loans or Advances granted to Promoters, Directors, KMPs and the related parties**

(₹ in Lakhs)

Type of Borrower	Amount of loan or advance in the nature of Loan outstandings	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	5242	63%

# Sicagen India Limited

(iii) Details of Inter corporate deposits to entities are as follows:

(₹ in Lakhs)

Name of the Parties	Type (Loan/advance/ guarantee /security)	Aggregate Amount	Balance outstanding at Balance sheet date
EDAC Engineering Ltd	ICD	1650	1550
Greenstar Fertilizers Limited	ICD	1500	1500

(iv) The company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (e) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (f) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (g) There is a minor variance in quarterly statements submitted to bank and books of accounts. Details are as follows:

Quarter Ending	Value as per Books of accounts	Value as per quarterly return/ Statement filed with lenders	Difference	Reason for discrepancies
June 30,2021	4,115.84	4,099.51	16.33	The variance is mainly on account of submission of provisional value.
September 30,2021	4,477.54	4,085.23	392.3	
December 31,2021	4,273.27	4267.26	6.02	
31-Mar-22	3,798.43	3795.81	2.63	

- (h) There are no pending registration of charges or satisfaction with Registrar of Companies
- (i) Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Jets Multimedia Private Ltd	Receivables	142	From Demerger
Mowa Foods Private Ltd	Receivables	20	From Demerger
Mac Packaging Ltd	Receivables	119	From Demerger
Pear Birth Management Ltd	Receivables	1	From Demerger
Zenith Marketing & Sales Services Private Ltd	Receivables	95	From Demerger

(j) Compliance with number of layers of companies

SI.NO	Name of subsidiary	CIN of subsidiary company	Name of holding company	CIN of holding company	Percentage of shares held by holding company
Layer -1	South India House Estates And Properties Ltd	U65993TN1981PLC009029	Sicagen India Limited	L74900TN2004PLC053467	100%
Layer -2	Danish Steel Cluster Private Ltd	U02710KA2004PTC033200	Sicagen India Limited	L74900TN2004PLC053467	100%
Layer -3	Wilson Cables Private Ltd	NA	Sicagen India Limited	L74900TN2004PLC053467	100%
	Wilson Far East Private Ltd	NA	Wilson Cables Private Ltd	NA	100%

(k) Utilisation of Borrowed funds and share premium

Details of Borrowed Funds

(₹ in Lakhs)

SI.NO	Bank/Institutions	Nature	Borrowing Limit	2021 - 2022	2020 - 2021
1	Union Bank of India	OCC	1500	356	911
2	Union Bank of India	COVID Term Loan	150	-	100
3	Axis Bank -Tata Steel	Channel Finance	1500	1469	1242
4	Axis Bank -Finolex	Channel Finance	500	329	214
5	Tata Capital Ltd	Channel Finance	1000	974	558
		<b>Total</b>	<b>4650</b>	<b>3128</b>	<b>3025</b>

- (l) The Company has applied for merger with its wholly owned subsidiary company named M/s. Danish Steel Cluster Private Limited before the National Company Law Tribunal, Chennai on 05.05.2022 vide application No 3305118009722022. The application for Merger has been admitted at the NCLT Chennai bench.

(₹ in Lakhs)

(m) Disclosure regarding Corporate Social Responsibility	2021-2022	2020 - 2021
(i) amount required to be spent by the company during the year	<b>12.21</b>	5.69
(ii) amount of expenditure incurred	<b>12.22</b>	5.90
(iii) shortfall at the end of the year	<b>(0.01)</b>	(0.21)
(iv) total of previous years shortfall	-	-
(v) reason for shortfall	<b>NA</b>	NA
(vi) nature of CSR activities	<b>Sanitation Projects</b>	Sanitation Projects
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	<b>NA</b>	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	<b>NA</b>	NA



# Sicagen India Limited

(n) Details of change in the Ratio by more than 25% as compared to the preceding year.

Particulars	2021-22	2020-21	% Change	Remarks
Current Ratio (in times)	<b>3.30</b>	3.42	-4%	Change is less than 25%
Debt-Equity Ratio (in times)	<b>0.08</b>	0.08	-	Change is less than 25%
Debt Service Coverage Ratio (in times)	<b>2.97</b>	3.86	-23%	Change is less than 25%
Return on Equity Ratio (in %)	<b>0.25%</b>	1.53%	-84%	Due to exceptional Loss in the current year
Inventory turnover ratio (in days)	<b>32</b>	46	-31%	Faster rotation of goods.
Trade Receivables turnover ratio (in days)	<b>80</b>	106	-25%	Collection of receivables is better and efficient.
Trade payables turnover ratio (in days)	<b>13</b>	20	-36%	Credit Purchase increased due to increase in Sales
Net capital turnover ratio (in days)	<b>117</b>	133	-12%	Change is less than 25%
Net profit ratio (in %)	<b>0.23%</b>	1.68%	-86%	Due to exceptional Loss in the current year
Return on Capital employed (in %)	<b>2.12%</b>	3.04%	-30%	Due to exceptional Loss in the current year
Return on investment (in %)	<b>0.59%</b>	3.81%	-85%	Due to exceptional Loss in the current year

**FORMULAS FOR RATIOS**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>
Current Ratio (in times)	Total Current Assets	Total Current Liabilities
Debt-Equity Ratio (in times)	Borrowings	Total Equity
Debt Service Coverage Ratio (in times)	Profit Before Interest & Depreciation but before Current tax	Total Debt Services
Return on Equity Ratio (in %)	Profit after Tax	Avg Total Equity
Inventory turnover ratio (in days)	Net Sales	Average Inventory * 365
Trade Receivables turnover ratio (in days)	Net Sales	Average Debtors * 365
Trade payables turnover ratio (in days)	Cost of Materials	Average Accounts Payable * 365
Net capital turnover ratio (in days)	Net Sales	Average Working Capital * 365
Net profit ratio (in %)	Net Profit	Net Sales
Return on Capital employed (in %)	Profit before Tax and Interest	Networth + Lease Liability+Deferred Tax
Return on investment (in %)	Net Profit	Cost of Investments

**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.

# Sicagen India Limited

## 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:

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Opening Balance	239	205
Loss Allowance based on ECL created	100	101
Reversal of Excess provision	-	67
Closing Balance (as per Note 8)	339	239

- (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:

Particulars	31.03.2022	31.03.2021
Loans	400	1805
Other Financial Assets	194	208
Trade receivables	9555	9754
Cash and cash equivalents	11	260
Bank Balance Other than Cash Equivalents	2053	2584

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

Investment in Equity Instruments (Quoted)

Particulars	31.03.2022	31.03.2021
Investment in Equity Instruments	3995	1598

### 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	31.03.2022	31.03.2021
Working Capital Facility	356	911
Channel Financing Facility	2772	2014
Term Loan	-	100
Total	3128	3025

### 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.

46. (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Director of the Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
47. Previous year's figures have been regrouped and rearranged wherever necessary.

Sicagen India Limited

**Annual Report 2021-22**

# **Consolidated Financial Statements**



**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, 2022, 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, 2022, 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 & 30.2. 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 49 to the financial statements. Independent Auditors of Danish Steel Cluster Private Limited have reported that, the management has applied for merger with the holding company but not as a going concern. Hence, the accounts are prepared on the basis of "Not as a going concern". All the existing assets are restated at realisable value as at 31.03.2022 and all the assets are classified as current assets considering the inability of the company to continue as Going Concern as per Ind-AS-1.

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><b>Revenue recognition (IND AS 115)</b></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"> <li>• Identification of performance obligations contained in contracts.</li> <li>• Determination of the most appropriate method for recognition of revenue relating to the identified performance obligations.</li> <li>• Assessment of transaction price.</li> <li>• Allocation of the assessed price to the individual performance obligations.</li> </ul>	<p><b>Audit Procedures</b></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 INDAS 115 is appropriate.</p>
<p><b>Existence and Impairment of Trade Receivables</b></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><b>Audit Procedures</b></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 48 to the financial statements.</p> <p>Our procedures did not identify any material exceptions.</p>
<p><b>Inventory</b></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><b>Audit Procedure</b></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><b>Contingent Liability</b></p> <p>On assessment of Provisions for taxation, litigations and claims as at March 31, 2022 the Company had a provision in respect of possible or actual taxation disputes, litigation and claims to the tune of ₹ 2002 lakhs 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><b>Audit Procedures</b></p> <p>The Audit addressed this Key Audit Matter by</p> <ul style="list-style-type: none"> <li>Assessing the adequacy of tax Provisions by reviewing correspondence with tax Authorities.</li> <li>Discussing significant litigations and claims with the Company's Internal Legal Counsel.</li> <li>Reviewing previous judgments made by relevant tax Authorities and opinions given by Company's advisors.</li> <li>Assessing the reliability of the past estimates of the management.</li> </ul> <p>Our Audit Procedures did not identify any material exceptions.</p>
<p><b>IND AS 116 – Leases</b></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><b>Audit Procedure</b></p> <p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116).</li> <li>Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>Evaluated the reasonableness of the discount rates applied in determining the lease liabilities.</li> </ul> <p><b>On a statistical sample, we performed the following procedures:</b></p> <ul style="list-style-type: none"> <li>assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> <p>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures.</p>



# Sicagen India Limited

## **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.

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

We did not audit the financial statements of one subsidiary, whose Financial Statements reflects Group's share of total assets of ₹ 125 lakhs as at March 31, 2022, Group's share of total revenue of Rs 607 lakhs and Group's share of total net loss after tax of ₹ 652 lakhs for the year ended March 31, 2022, and net cash outflows of ₹ 21 lakhs for the year ended March 31, 2022, as considered in the Consolidated Financial Statements.

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.

We did not audit the financial statements of two foreign subsidiaries whose Financial Statements/ Financial information reflect Group's share of total assets of ₹ 28,098 lakhs as at March 31, 2022, Group's share of total revenue of ₹ 39,300 lakhs and Group's share of total net profit after tax of ₹ 71 lakhs for the year ended March 31, 2022, and net cash inflows of ₹ 41 lakhs for the year ended March 31, 2022, 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 Statements, 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 on the Consolidated Financial Statements, and

# Sicagen India Limited

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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, 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, 2022 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, 2022 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 B".
- (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 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 44 to the Consolidated Financial Statements.
  - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
  - (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.
  - (iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) except for in the Note 47 (d) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose

financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations

under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- (v) As stated in Note 50 to the financial statements:
- (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Director of the Holding Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- (c) The subsidiaries have not declared or paid any Dividend during the year.

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

**V. Rajeswaran**  
Partner

Place: Chennai  
Dated: May 25, 2022

Membership .No. 020881  
UDIN : 22020881AJNXNO6279

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of SICAGEN INDIA LIMITED on the Consolidated Financial Statements for the year ended March 31, 2022:

To the best of our information and according to the explanations provided to us by the Company and based on the report of other auditors of the subsidiary companies, we state that:

- The reporting under clauses 3 (i) to (xx) of the Order is not applicable in respect of audit of Consolidated Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.
- In terms of clause (xxi), qualifications or adverse remarks in the CARO reports of companies included in the Consolidated Financial Statements are as follows:

Sl. No	Name of the Company	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause no. of the CARO Report which is qualified or adverse
1	Sicagen India Limited	L74900TN2004PLC053467	Holding Company	NIL
2	South India House Estates And Properties Ltd	U65993TN1981PLC009029	Subsidiary	NIL
3	Danish Steel Clusters Private Limited	U02710KA2004PTC033200	Subsidiary	3 (i), (vii), (xix)

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

**V. Rajeswaran**  
Partner

Place: Chennai  
Dated: May 25, 2022

Membership .No. 020881  
UDIN : 22020881AJNXNO6279

# Sicagen India Limited

## Annexure B 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, 2022, 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to the subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

**V. Rajeswaran**

Partner

Membership .No. 020881

UDIN : 22020881AJNXNO6279

Place: Chennai

Dated: May 25, 2022

# Sicagen India Limited

## Consolidated Balance Sheet as at 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st Mar 2022	As at 31st Mar 2021
<b>I. ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Property, Plant and Equipments	2a	12302	14913
(b) Capital work-in-progress	2b	-	32
(c) Investment Property	2c	304	309
(d) Other Intangible assets	2d	41	65
(e) Right of Use Asset	2e	1479	1548
(f) Financial Assets			
(i) Investments	3	7014	3742
(ii) Trade receivables	4	-	-
(iii) Loans	5	-	-
(iv) Other Financial Assets	6	194	269
(g) Other non-current assets	7	395	278
		<u>21729</u>	<u>21156</u>
<b>2 Current assets</b>			
(a) Inventories	8	10361	10465
(b) Financial Assets			
(i) Trade receivables	9	24620	17058
(ii) Cash and cash equivalents	10	589	804
(iii) Bank Balance other than (ii) above	11	2168	2696
(iv) Loans	12	1	1
(c) Current Tax Assets (Net)	13	409	515
(d) Other Current Assets	14	5769	1922
		<u>43917</u>	<u>33461</u>
<b>TOTAL</b>		<u><b>65646</b></u>	<u><b>54617</b></u>
<b>II. Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Share capital	15	3957	3957
(b) Other equity	16	38277	35514
		<u>42234</u>	<u>39471</u>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	24	580
(ii) Lease Liabilities	18	1088	1174
(iii) Other financial liabilities	19	5	3
(b) Provisions	20	41	35
(c) Deferred Tax Liabilities (Net)	21	376	289
(d) Other non-current liabilities	22	27	27
		<u>1561</u>	<u>2108</u>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	7979	5812
(ii) Trade Payables	24	12459	5284
(iii) Other financial liabilities	25	406	745
(iv) Lease Liabilities	26	363	339
(b) Other current liabilities	27	456	561
(c) Provisions	28	169	128
(d) Current Tax Liabilities (Net)	29	19	169
		<u>21851</u>	<u>13038</u>
<b>TOTAL</b>		<u><b>65646</b></u>	<u><b>54617</b></u>
Significant Accounting Policies	1		
Notes on Financial Statements	1 - 51		

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: 25th May 2022

**M.O. AYYAPPAN**  
Chief Financial Officer

**ANKITA SHARMA S**  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended 31st March 2022**

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
<b>I. INCOME</b>			
Revenue from operations	30	83614	54163
Other income	31	860	837
Total Income		<u>84474</u>	<u>55000</u>
<b>II. EXPENSES</b>			
Cost of materials consumed	32	41855	19223
Purchases of Stock-in-Trade	33	34396	25658
(Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade	34	(105)	2822
Employee benefit expense	35	2360	3145
Finance costs	36	590	546
Depreciation and amortization expense		1093	994
Other expenses	37	2913	2468
<b>Total expenses</b>		<u>83102</u>	<u>54856</u>
<b>III. Profit before exceptional and extraordinary items and tax</b>		1372	144
Exceptional items (Net)	38	(871)	-
<b>IV. Profit before tax</b>		501	144
Tax expense:			
(i) Current tax		483	471
(ii) Deferred tax		79	(7)
<b>V. Profit / (Loss) for the period</b>		(61)	(320)
Other Comprehensive Income			
A. (i) Item that will not be reclassified to profit or loss	39	2725	1599
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
<b>Total Comprehensive Income for the period (Comprising Profit/ (Loss) and other Comprehensive Income for the Period)</b>		<u>2664</u>	<u>1279</u>
<b>VI. Earnings per equity share:</b>			
Basic and diluted EPS (₹)	40	(0.15)	(0.81)
Significant Accounting Policies	1		
Notes on Financial Statements	1 - 51		

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: 25th May 2022

**M.O. AYYAPPAN**  
 Chief Financial Officer

**ANKITA SHARMA S**  
 Company Secretary



# Sicagen India Limited

## Statement of Changes in Equity

### Share Capital

(₹ in Lakhs)

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Redeemable Preference Shares ₹10 each	25000000	2500	-	-
<b>Issued</b>				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
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			
<b>Balance as per 1st April 2020</b>	7213	29443	200	(4450)	(588)	1747	33565
Total Comprehensive Income for the year	-	-	-	(320)	-	1599	1279
Dividend paid during the year	-	-	-	(198)	-	-	(198)
Change in Foreign Currency Translation	219	-	-	61	588	-	868
<b>Balance at 31st March 2021</b>	7432	29443	200	(4907)	-	3346	35514
Total Comprehensive Income for the year	-	-	-	(121)	-	2785	2664
Dividend paid during the year	-	-	-	(237)	-	-	(237)
Change in Foreign Currency Translation	262	-	-	73	1	-	336
<b>Balance at 31st March 2022</b>	7694	29443	200	(5192)	1	6131	38277

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: 25th May 2022

#### M.O. AYYAPPAN

Chief Financial Officer

#### ANKITA SHARMA S

Company Secretary

**Consolidated Statement of Cash Flow the year ended 31st March 2022**

(₹ in Lakhs)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	501	144
<b>Adjustments for</b>		
Depreciation	1093	994
(Profit)/Loss on Disposal of Fixed Assets(net)	658	25
Provision for Expected Credit Loss	142	101
Effect of Exchange Rate Changes	224	168
Interest Income	(283)	(259)
Dividend Income	-	(106)
Interest Expenditure	525	498
<b>Operating Profit before Working Capital Changes</b>	<b>2359</b>	<b>1421</b>
<b>Adjustments for</b>		
Trade and Other Receivables	(7704)	3448
Current and Non Current Assets	(3747)	1,661
Inventories	104	2,794
Trade Payables and Other Liabilities	8845	(6142)
<b>Cash Generated from Operations</b>	<b>358</b>	<b>3326</b>
Tax (Paid)/Refund	(511)	(236)
<b>Net Cash from Operating Activities</b>	<b>(153)</b>	<b>3090</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property,Plant & Equipment	(138)	(205)
Sale of Property, Plant & Equipment	1585	30
Movement in Bank Deposits	511	(1677)
Investment in Shares	(488)	(162)
Interest Income Received	292	244
Dividend Income Received	-	94
<b>Net Cash used in Investing Activities</b>	<b>1762</b>	<b>(1676)</b>
<b>C Cash Flow from Financing Activities</b>		
Long term Borrowings (net of repayment)	(556)	(117)
Interest Paid	(525)	(498)
Term Loan availed (net of repayment)	(100)	60
Payment of lease liabilities	(406)	(401)
Dividend paid	(237)	(198)
<b>Net Cash used in Financing Activities</b>	<b>(1824)</b>	<b>(1154)</b>
<b>D Net Increase /(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>(215)</b>	<b>260</b>
Cash and Cash Equivalents as at 1st April 2021	804	544
<b>Cash and Cash Equivalents as at 31st March 2022</b>	<b>589</b>	<b>804</b>

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**  
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 Place: Chennai  
 Date: 25th May 2022

**M.O. AYYAPPAN**  
 Chief Financial Officer

**ANKITA SHARMA S**  
 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, 2022 were authorized and approved for issue by the Board of Directors at their meeting held on 25th May 2022.

#### 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 Ltd	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 Cable 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.

# Sicagen India Limited

## 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 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.

S.No.	Category of the Assets	S.No.	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

# Sicagen India Limited

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 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:



# Sicagen India Limited

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.
  2. Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
  3. 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.
  4. 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.
  5. 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
3. the company has transferred substantially all the risks and rewards of the asset, or
  4. 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

## **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

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

# Sicagen India Limited

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.

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.

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## 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, Right of Use and Intangible Assets as at 31.03.2022** (₹ In Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1st April 2021	Additions	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charged for the year	Foreign Exchange Fluctuation	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>a Tangible Assets</b>											
Land - Free hold	8853	-	-	1700	7153	-	-	-	-	7153	8853
- Lease hold	1	-	-	-	1	-	-	-	-	1	1
Buildings	1491	18	-	432	1077	282	204	-	88	679	1209
Under Lease	3470	-	1015	-	4485	731	189	934	1854	2631	2739
Plant and Equipment	2107	126	4698	445	6486	552	198	4669	303	5116	1555
Furniture and Fixtures	201	4	60	17	248	57	23	59	11	128	144
Vehicles	169	1	3	8	165	105	10	3	4	114	64
Office Equipment	361	19	4	48	336	182	36	1	44	175	179
Trucks	1	-	-	-	1	1	-	-	-	1	-
Lease hold improvements	156	2	-	-	158	112	12	-	-	124	44
Electrical Equipments	153	-	-	17	136	28	10	-	4	34	125
<b>Total</b>	16963	170	5780	2667	20246	2050	682	5666	454	7944	12302
<b>b Capital Work In Progress</b>	32	-	-	32	-	-	-	-	-	-	32
<b>Total</b>	32	-	-	32	-	-	-	-	-	-	32
<b>c Investment Property</b>	332	-	-	-	332	23	5	-	-	28	309
<b>Total</b>	332	-	-	-	332	23	5	-	-	28	309
<b>d Intangible Assets</b>											
Computer software	204	-	5	-	209	139	24	-	5	168	65
<b>Total</b>	204	-	5	-	209	139	24	-	5	168	65
<b>Grand Total</b>	17531	170	5785	2699	20787	2212	711	5666	459	8140	12647
											15319

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## (b) CWIP aging schedule as at 31st March 2022

(i) CWIP	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

## (ii) CWIP Completion schedule as at 31st March 2022

CWIP	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

## (c) Intangible assets under development aging schedule as at 31st March 2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

Intangible assets under development	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

**2. Right of Use Asset as at 31.03.2022** (₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation			Net Block			
	Balance as at 1st April 2021	Additions	Foreign Exchange / Fluctuation	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation charged for the year	Foreign Exchange / Fluctuation	Disposals / Adjustments	Balance as at 31st March 2022	Balance as at 31st March 2021
<b>Right of Use Asset</b>											
Office Building	2302	355	35	160	2532	758	380	6	89	1055	1544
Furniture	8	-	-	-	8	4	2	-	-	6	4
<b>Total</b>	<b>2310</b>	<b>355</b>	<b>35</b>	<b>160</b>	<b>2540</b>	<b>762</b>	<b>382</b>	<b>6</b>	<b>89</b>	<b>1061</b>	<b>1548</b>

2.1 Rental Income derived from Investment Property recognised in Statement of Profit & Loss is NIL (FY 2020 - 21- ₹ 1.08 lakhs)

2.2 Rental Expenditure related to short-term leases and leases of low-value assets amounts to ₹ 77 lakhs

2.3 Gross Block and Accumulated Depreciation of Foreign subsidiary restated as per the prevailing SGD rate and amount reflected in Foreign Exchange Fluctuation column.No major impact in the Net block because of the adjustment

**2.4 Reconciliation of the gross and net carrying amounts of each class of assets** (₹ in Lakhs)

S.I.NO	Particulars	Gross Block	Accumulated Depreciation	Net Amount
1	Land	7154	-	7154
2	Buildings	4680	1370	3310
3	Plant & Equipment	1965	595	1370
4	Furniture & Fixtures	190	70	120
5	Vehicles	165	114	51
6	Office Equipments	336	175	161
7	Trucks	1	1	-
8	Electrical Equipments	136	34	102
9	Leasehold Improvements	158	124	34
10	Investment Property	332	28	304
11	Right to Use Asset	2540	1061	1479
12	Intangible Assets	204	163	41
	<b>TOTAL</b>	<b>17861</b>	<b>3735</b>	<b>14126</b>



## Property, Plant and equipment as at 31.03.2021

Particulars	Gross Block			Accumulated Depreciation			Net Block				
	Balance as at 1st April 2020	Additions	Foreign Exchange Fluctuation	Disposals	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charged for the year	Foreign Exchange Fluctuation	Disposals	Balance as at 31st March 2021	Balance as at 31st March 2020
<b>a Tangible Assets</b>											
Land - Free hold	8853	-	-	-	8853	-	-	-	-	8853	8853
- Lease hold	1	-	-	-	1	-	-	-	-	1	1
Buildings	1408	83	-	-	1491	219	63	-	-	282	1209
Under Lease	2985	-	485	-	3470	546	185	-	-	731	2739
Plant and Equipment	2125	97	230	345	2107	679	200	327	327	552	1555
Furniture and Fixtures	265	8	5	77	201	89	25	57	57	144	176
Vehicles	169	17	10	27	169	62	14	43	14	105	64
Office Equipment	362	9	238	248	361	165	37	227	247	182	179
Trucks	5	-	-	4	1	4	-	3	3	1	0
Lease hold improvements	150	7	-	1	156	99	14	-	1	112	44
Electrical Equipments	145	8	-	-	153	21	7	-	-	28	125
<b>Total</b>	<b>16468</b>	<b>229</b>	<b>968</b>	<b>702</b>	<b>16963</b>	<b>1884</b>	<b>545</b>	<b>270</b>	<b>649</b>	<b>2050</b>	<b>14913</b>
<b>b Capital Work In Progress</b>	<b>61</b>	<b>12</b>	<b>-</b>	<b>41</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>
<b>Total</b>	<b>61</b>	<b>12</b>	<b>-</b>	<b>41</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>
<b>c Investment Property</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>17</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>309</b>
<b>Total</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>17</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>309</b>
<b>d Intangible Assets</b>											
Computer software	200	4	-	-	204	102	37	-	-	139	65
<b>Total</b>	<b>200</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>102</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>65</b>
<b>Grand Total</b>	<b>17061</b>	<b>245</b>	<b>968</b>	<b>743</b>	<b>17531</b>	<b>2003</b>	<b>588</b>	<b>270</b>	<b>649</b>	<b>2212</b>	<b>15319</b>
<b>e Right of Use Asset</b>											
Office Building	2192	149	(36)	3	2302	415	404	(60)	1	758	1544
Furniture	8	-	-	-	8	2	2	-	-	4	4
<b>Total</b>	<b>2200</b>	<b>149</b>	<b>(36)</b>	<b>3</b>	<b>2310</b>	<b>417</b>	<b>406</b>	<b>(60)</b>	<b>1</b>	<b>762</b>	<b>1548</b>

**(b) CWIP aging schedule as at 31st March 2021**

(i) CWIP	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

**(ii) CWIP Completion schedule as at 31st March 2021**

CWIP	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

**(c) Intangible assets under development aging schedule as at 31st March 2021**

Intangible assets under development	Amount in CWIP for a period of				Total
	Less 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	NIL				
Projects temporarily suspended					

Intangible assets under development	To be Completed in			
	Less 1 year	1-2 years	2-3 years	More than 3 years
Projects -1	NIL			
Projects -2				
Projects -3				

**Reconciliation of the gross and net carrying amounts of each class of assets**

(₹ in Lakhs)

SI.NO	Particulars	Gross Block	Accumulated Depreciation	Net Amount
1	Land	8854	-	8854
2	Buildings	4961	1013	3948
3	Plant & Equipment	2107	552	1555
4	Furniture&Fixtures	201	57	144
5	Vehicles	169	105	64
6	Office Equipments	361	182	179
7	Trucks	1	1	-
8	Electrical Equipments	153	28	125
9	Leasehold Improvements	156	112	44
10	Investment Property	332	23	309
11	Right to Use Asset	2310	762	1548
12	Intangible Assets	204	139	65
13	Capital WIP	32	-	32
	<b>TOTAL</b>	<b>19841</b>	<b>2974</b>	<b>16867</b>

3 Non Current Investments		(₹ in Lakhs)	
Particulars		As at 31st Mar 2022	As at 31st Mar 2021
<b>Trade Investments</b>			
(a) Investment in Equity Instruments	5834	2562	
(b) Investment in Preference Shares	1180	1180	
<b>Total</b>	<b>7014</b>	<b>3742</b>	
Aggregate amount of quoted investments			
Aggregate amount of unquoted investments			

3.1 Details of Trade Investments		(₹ in Lakhs)										
SI 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	
			2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

#### SUBSIDIARY COMPANY'S INVESTMENTS

<b>(a) Investment in Equity Instruments</b>												
	Southern Petrochemicals Industries Corpn.Ltd	Others	1636900	1636900	Quoted	Fully Paid	0.80	0.80	1172	480		
	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	-	-	1	2		
	Mercantile Ventures Ltd	Others	3714800	3714800	Quoted	Fully Paid	3.29	3.29	665	481		
	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	-	-		
	(Net of Prov. Rs. 254 lakhs)											
	Com 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	-	-	-	-		

**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	
			2022	2021			2022	2021	2022	2021
<b>(b)</b>	<b>Investments in Preference shares</b>									
	South India Travels Private Ltd (Net of Prov. ₹ 1118 lakhs)	Others	11175646	11175646	Unquoted	Fully paid	100	100	-	-
<b>(c)</b>	<b>Investments in Government or Trust Securities</b>									
	National Savings Certificate (NSC)	Others			Unquoted	Fully Paid	-	-	-	-
<b>(d)</b>	<b>Investments in Partnership Firms</b>									
	South India Investments & Associates	Others			Unquoted	Fully Paid	-	-	-	-
	<b>HOLDING COMPANY'S INVESTMENTS</b>									
<b>(e)</b>	<b>Investment in Equity Instruments (Holding Company)</b>									
	Southern Petrochemicals Industries Corporation Ltd	Others	4576424	3676424	Quoted	Fully Paid	2.25	1.80	3277	1079
	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	718	519
	Mitsuba Sical India Pvt Ltd	Others	300000	300000	Unquoted	Fully Paid	-	-	-	-
	AM Foundation	Others	1600	1600	Unquoted	Fully Paid	16	16	-	-
<b>(f)</b>	<b>Investments in Preference Shares</b>									
	EDAC Engineering Ltd	Others	11800000	11800000	Unquoted	Fully Paid	35	35	1180	1180
	<b>Total</b>								<b>7014</b>	<b>3742</b>

**3.2** During the year, 400000 equity shares of Southern Petrochemicals Industries Corporation Ltd was purchased at the market price@ 51.85 per share. 400000 equity shares of Southern Petrochemicals Industries Corporation Ltd was purchased at the market price@ 56.17 per share. 100000 equity shares of Southern Petrochemicals Industries Corporation Ltd was purchased at the market price@ 55.45 per share.

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

**3.4** All Investments are fully paid up.

# Sicagen India Limited

<b>4 Trade Receivables</b>		(₹ in Lakhs)	
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	As at 31st Mar 2021	
Unsecured, considered good	423	423	
Less: Provision for Doubtful receivables	423	423	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>4.1</b> 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.			
<b>5 Loans</b>			
<b>a. Loans and advances to related parties</b>			
Unsecured, considered good	1026	1026	
Less: Provision for Doubtful Loans & Advances	1026	1026	
Net Loans & Advances	-	-	
<b>b. Other loans and advances</b>			
Unsecured, considered good	1546	1546	
Less: Provision for Doubtful Loans & Advances	1546	1546	
<b>Total</b>	<b>-</b>	<b>-</b>	
<b>5.1</b> 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.			
<b>6 Other Financial Liabilities</b>			
Security Deposits	194	269	
<b>Total</b>	<b>194</b>	<b>269</b>	
<b>7 Other Non-Current Assets</b>			
Capital Advances	12	-	
Other Advances	6674	6596	
Less: Provision for Advances- ECL Model	(6335)	(6335)	
Provision for Gratuity -LIC	44	17	
<b>Total</b>	<b>395</b>	<b>278</b>	
<b>7.1</b> 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.			
<b>8 Inventories</b>			
a. Raw Materials and components	1712	2048	
b. Work-in-progress	436	906	
c. Finished goods	4691	4343	
d. Stock-in-trade	3511	3135	
e. Stores and spares	11	33	
<b>Total</b>	<b>10361</b>	<b>10465</b>	

- 8.1 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.

**9 Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Unsecured, considered good	25055	17349
Less: Allowance for credit losses	435	291
<b>Total</b>	<b>24620</b>	<b>17058</b>

- 9.1 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.

**Trade Receivables ageing schedule as at 31st Mar 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	22021	342	237	590	1863	25053
(ii) Undisputed Trade Receivables-considered doubtful	-	-	2	-	-	2
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>22021</b>	<b>342</b>	<b>239</b>	<b>590</b>	<b>1863</b>	<b>25055</b>
Less: Allowance for credit losses						435
<b>Total Trade Receivables</b>						<b>24620</b>

**Trade Receivables ageing schedule as at 31st Mar 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	14015	415	767	799	1351	17347
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	2	2
(iii) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>14015</b>	<b>415</b>	<b>767</b>	<b>799</b>	<b>1353</b>	<b>17349</b>
Less: Allowance for credit losses						291
<b>Total Trade Receivables</b>						<b>17058</b>

# Sicagen India Limited

## 10 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
<b>Balances with banks</b>		
Current Accounts	585	799
Cash on hand	4	5
<b>Total</b>	<b>589</b>	<b>804</b>

## 11 Bank balance and Others

Others		
Margin Money	28	43
Balance with bank (for unpaid dividend)	44	46
Bank Deposits with maturity for more than 3 months but less than 12 months	2096	2607
<b>Total</b>	<b>2168</b>	<b>2696</b>

11.1 Bank Balance and others as at March 31, 2022 and March 31, 2021 include restricted bank balances of ₹ 72 lakhs and ₹ 89 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and Unpaid Dividend Account balances.

11.2 Fixed Deposits of ₹ 549 lakhs are pledged in relation to security granted for Working Capital Facilities.

11.3 Fixed Deposits of foreign subsidiary amounting to ₹112 lakhs (2 lakhs Singapore Dollars) are pledged in relation to security granted for Term Loan.

## 12 Loans

Security Deposits		
Unsecured, considered good	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

## 13 Current tax Assets (Net)

Advance Income tax	2716	2470
Less:		
Provision for Tax	2307	1955
<b>Total</b>	<b>409</b>	<b>515</b>

## 14 Other Current Assets

Security Deposit	214	88
Other advances	908	830
Prepaid expense-unsecured considered good	230	197
Balance with govt authorities - unsecured considered good		
GST Credit receivable	231	210
Debit Balance with creditors		
Unsecured, considered good	603	430
Inter Corporate Deposits (ICD)*	3050	-
Others	533	-
<b>Total</b>	<b>5769</b>	<b>1922</b>

\* Details of ICD disclosed pursuant section 186 (4) of the Companies Act, 2013.

(₹ in Lakhs)

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Greenstar Fertilisers Limited	50000000	5000	50000000	5000
EDAC Engineering Limited	25000000	2500	-	-
<b>Total</b>	<b>39571684</b>	<b>3957</b>	<b>39571684</b>	<b>3957</b>

The above inter corporate deposits are given for the business purposes of the recipient entities.

## 15 Share Capital

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹10 each	50000000	5000	50000000	5000
Redeemable Preference Shares ₹10 each	25000000	2500	-	-
<b>Issued</b>				
Equity Shares of ₹10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹10 each fully paid	39571684	3957	39571684	3957

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

Particulars	As at 31st Mar 2022		As at 31st Mar 2021	
	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

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

Name of Shareholder	As at 31st Mar 2022		As at 31st Mar 2021	
	No. of Shares	% of Holding	No. of Shares	% 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.	4137619	10.46	3713919	9.39

### 15.3 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



# Sicagen India Limited

## 15.4 Disclosure of Shareholding of Promoters

Shares held by promoters as at 31st Mar 2022				
S. No	Promoter name	No. of Shares**	% of total shares**	% Change during the year***
1	Ranford Investments Ltd	7400649	18.70	-
2	Darnolly Investments Ltd	7276102	18.39	-
3	Southern Petrochemical Industries Corpn Ltd	577681	1.46	-
4	A C Muthiah (HUF)	-	-	1.07
5	The Express Carriers Ltd	44200	0.11	-
6	Ashwin C Muthiah	41838	0.10	-
7	Valli Ashwin Muthiah	7000	0.02	-
8	South India Travels Pvt Ltd	113	0.00	-
	<b>Total</b>	<b>15347583</b>	<b>38.78</b>	

## 15.5 Disclosure of Shareholding of Promoters

Shares held by promoters as at 31st Mar 2021				
S. No	Promoter name	No. of Shares**	% of total shares**	% Change during the year***
1	Ranford Investments Ltd	7400649	18.70	-
2	Darnolly Investments Ltd	7276102	18.39	-
3	Southern Petrochemical Industries Corpn Ltd	577681	1.45	-
4	A C Muthiah (HUF)	423700	1.07	-
5	The Express Carriers Ltd	44200	0.11	-
6	Ashwin C Muthiah	41838	0.10	-
7	Valli Ashwin Muthiah	7000	0.02	-
8	South India Travels Pvt Ltd	113	0.00	-
	<b>Total</b>	<b>15771283</b>	<b>39.84</b>	

\*\* Details shall be given separately for each class of shares.

\*\*\* Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

## 16 Other Equity

( ₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Capital Reserve	7694	7432
Securities Premium Reserves	29443	29443
General Reserve	200	200
Retained Earnings	(5192)	(4907)
Foreign Currency Translation Reserve	1	-
Other Comprehensive Income Reserve	6131	3346
	<b>38277</b>	<b>35514</b>

**17 Borrowings** (₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Term Loans		
From Banks	24	580
<b>Total</b>	<b>24</b>	<b>580</b>

17.1 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 ₹ 112 lakhs (2 lakhs Singapore Dollars).

**18 Lease Liabilities**

Lease Liabilities	1088	1174
<b>Total</b>	<b>1088</b>	<b>1174</b>

**19 Other Financial Liabilities**

Advance from customers	5	3
<b>Total</b>	<b>5</b>	<b>3</b>

**20 Provisions**

Provision for employee benefits		
Leave Encashment	41	35
<b>Total</b>	<b>41</b>	<b>35</b>

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.

**21 Deferred Tax Liability**

Deferred Tax Liability	376	289
<b>Closing Balance</b>	<b>376</b>	<b>289</b>

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 31.03.2022 will be paid by the company on or before due date of filing income tax return.

**22 Other non-current liabilities**

Others	27	27
<b>Total</b>	<b>27</b>	<b>27</b>

**23 Borrowings**

<b>Secured</b>		
Working Capital Facility	356	911
Term Loans from Banks	4851	2886
<b>Unsecured</b>		
From Banks	1798	1457
From Other Parties	974	558
<b>Total</b>	<b>7979</b>	<b>5812</b>

# Sicagen India Limited

- 23.1** 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.
- 23.2** Term loan availed during the year 2020 - 21 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 31.03.2022 is NIL.
- 23.3** 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 ₹112 lakhs (2 lakhs Singapore dollars).

## 24 Trade payables (₹ in Lakhs)

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Dues to Micro, Small and Medium Enterprises *	453	402
Dues to enterprises other than Micro, Small and Medium Enterprises	12006	4882
<b>Total</b>	<b>12459</b>	<b>5284</b>

- 24.1** 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.

### 24.2 Dues to Micro, Small and Medium Enterprises \*

I) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	453	402
"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	-	-

### Trade Payables ageing schedule as at 31st Mar 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	453	-	-	-	453
(ii) Others	11980	14	2	10	12006
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>12433</b>	<b>14</b>	<b>2</b>	<b>10</b>	<b>12459</b>

Trade Payables ageing schedule as at 31st Mar 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	402	-	-	-	402
(ii) Others	4284	43	146	409	4882
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total</b>	<b>4686</b>	<b>43</b>	<b>146</b>	<b>409</b>	<b>5284</b>

**25 Other Financial Liabilities**

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Interest accrued and due on borrowings	-	266
Unpaid Dividend	44	46
Liability for Expenses	291	363
Statutory remittances	69	68
Security Deposit	2	2
<b>Total</b>	<b>406</b>	<b>745</b>

**26 Lease Liabilities**

Lease Liabilities	363	339
<b>Total</b>	<b>363</b>	<b>339</b>

**27 Other Current Liabilities**

Advance from Customers	192	238
Others	264	323
<b>Total</b>	<b>456</b>	<b>561</b>

**28 Provisions**

Provision for employee benefits		
Gratuity	48	-
Performance Link Pay/Bonus	121	128
<b>Total</b>	<b>169</b>	<b>128</b>

**29 Current Tax Liabilities (Net)**

Provision for Tax	198	416
Less:		
Advance Income tax -unsecured considered good	179	247
<b>Total</b>	<b>19</b>	<b>169</b>

# Sicagen India Limited

## 30. Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
<b>Sale of products</b>		
Traded Goods	55776	35983
Manufactured Goods	26068	16653
<b>Sub-Total</b>	<b>81844</b>	<b>52636</b>
<b>Sale of services</b>	<b>1016</b>	<b>972</b>
<b>Other operating revenues</b>		
Scrap Sales	754	554
Others	-	1
<b>Total</b>	<b>83614</b>	<b>54163</b>

### 30.1 Details of Products Sold

<b>Traded Goods</b>		
Steel Pipes	27646	21579
Steel	3690	1993
PVC Pipes	229	281
Cables	19931	8025
Power & Control Equipment	1357	1412
Spares and Others	2923	2693
<b>Sub-Total - (A)</b>	<b>55776</b>	<b>35983</b>
<b>Manufactured Goods</b>		
Drums	4573	3451
Power & Control Equipment	342	163
Others	716	969
Cables	19845	11510
Chemicals	592	560
<b>Sub-Total - (B)</b>	<b>26068</b>	<b>16653</b>
<b>Total</b>	<b>81844</b>	<b>52636</b>

### 30.2 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 due to cost optimisation and price increase during FY 2021-22.

**31. Other Income** (₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Interest Income	283	259
Dividend Income	-	106
Other non-operating income		
Profit on Sale of Assets	253	7
Rent Received	26	29
Insurance Claim -IPD	23	-
Others	275	436
<b>Total</b>	<b>860</b>	<b>837</b>

**32. Cost of Raw Materials Consumed**

Inventory at the beginning of the year	1975	1793
Add : Purchases	41620	19267
Less : Inventory at the end of the year	1740	1837
<b>Cost of Raw Materials consumed</b>	<b>41855</b>	<b>19223</b>

**32.1 Details of Raw Material Consumed**

CRCA Coils	3760	2643
Others	1555	1636
Cables	36869	14944
<b>Cost of Raw Materials consumed</b>	<b>42184</b>	<b>19223</b>

**33. Purchases of Stock-in-Trade**

Steel Pipes	25680	18709
Steel	3474	1866
PVC Pipes	201	259
Cables	967	935
Power & Control Equipment	1519	1597
Spares and Others	2555	2292
<b>Total</b>	<b>34396</b>	<b>25658</b>

**34. (Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade**

<b>Inventory at the end of the year</b>		
Finished Goods	4614	4326
WIP	430	904
Stock in Trade	3511	3135
<b>Sub-Total - (A)</b>	<b>8555</b>	<b>8365</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	4402	6187
WIP	913	954
Stock in Trade	3135	4046
<b>Sub-Total - (B)</b>	<b>8450</b>	<b>11187</b>
<b>(Increase)/Decrease - (B-A)</b>	<b>(105)</b>	<b>2822</b>

# Sicagen India Limited

## 35. Employee benefit expense

( ₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Salaries, Wages and Bonus	2054	2791
Contribution to Provident Fund and Others	225	239
Staff Welfare Expense	81	115
<b>Total</b>	<b>2360</b>	<b>3145</b>

## 36. Finance Cost

Interest	525	498
Bank Charges	65	48
<b>Total</b>	<b>590</b>	<b>546</b>

## 37. Other Expenses

Rent	77	44
Rates & Taxes	198	209
Insurance	149	129
Power & Fuel	348	293
Office Maintenance	283	262
<b>Repairs &amp; maintenance</b>		
Plant & Machinery	3	13
Building	1	1
Vehicles	36	25
Others	192	154
Travelling & Conveyance	104	62
Printing & Stationery	19	17
Postage, Telegram & Telephone	45	53
Subscription / Donation/ CSR	46	15
Advertisement, Publicity & Sales Promotion	109	77
Payment to Auditors ( Details given below)	42	40
Legal & Professional Fees	110	112
Freight & Forwarding charges	385	291
Director's Sitting Fee	18	18
Brokerage & Commission	32	71
Foreign Exchange Fluctuation	7	58
Other Selling Expenses	3	3
Consumable Stores & Tools	29	28
Bad Debts written off	105	-
Security Service Charges	78	83
Loss on sale of Fixed Assets	30	32
Entertainment Expenses	3	2
Consultancy Fees	31	29
Miscellaneous Expenses	71	9
Testing Fees	80	57
Foreign Workers Levy	70	74
Factory Miscellaneous Expenses	35	28
Provision for Doubtful Debts	142	171
Share of loss from guest house	-	8
Loss on Foreclosure of Lease -TATA Capital	32	-
<b>Total</b>	<b>2913</b>	<b>2468</b>

**37.1 Payment to Auditor**

(₹ in Lakhs)

Particulars	For the year ended 31st Mar 2022	For the year ended 31st Mar 2021
Statutory Audit Fee	28	29
Taxation matters	2	2
Reimbursement of expenses	3	-
Other services	9	9
<b>Total</b>	<b>42</b>	<b>40</b>
<b>38. Exceptional Items</b>		
Profit/(Loss) on Disposal of Property Plant & Equipment	(871)	-
<b>Total</b>	<b>(871)</b>	<b>-</b>
<b>39. Other Comprehensive Income</b>		
(A) Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	(60)	19
Equity Instruments through Other comprehensive Income	2785	1580
<b>Total</b>	<b>2725</b>	<b>1599</b>
<b>40. Earning Per Share [EPS]</b>		
Profit after Tax	(61)	(320)
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	(0.15)	(0.81)
<b>41. Expenditure in Foreign Currency during the Financial year:</b>		
Travelling Expenses	3	-
Reimbursement of Expenses	127	119
<b>Total</b>	<b>130</b>	<b>119</b>
<b>42. Earnings in Foreign Exchange (Received during the year)</b>		
Export of goods	454	942
	<b>454</b>	<b>942</b>



# Sicagen India Limited

## 43 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  
i3 Securities Pvt 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 Ltd - Employees Gratuity Fund  
Sicagen India Ltd - Executives Superannuation Fund

### b. Name of the related parties & relationship

R.Chandrasekar, Whole Time Director  
M.O.Ayyappan, Chief Financial Officer  
R.Srikrishna, Company Secretary (upto 30.07.2021)  
S Ankita Sharma, Company Secretary (w.e.f. 01.12.2021)  
B. Narendran, Director  
M Rajamani, Director

### c. The following transactions were carried out with the related parties during the year 2021-22 (₹ in Lakhs)

<b>Sale of Goods/Income from Services Rendered</b>	<b>Amount</b>
Firstgen Distribution Private Limited	532.20
South India House Estates & Properties Limited	3.00
i3 Securities Pvt Ltd	9.76
<b>Purchase of Goods</b>	
SIDD Life Sciences Private Limited	813.35
Danish Steel Cluster Private Limited	333.61

( ₹ in Lakhs)

**Manergerial Remuneration**

R. Chandrasekar	59.71
M.O. Ayyappan	22.20
R. Srikrishna, Company Secretary (upto 30.07.2021)	2.50
S. Ankita Sharma, Company Secretary (w.e.f. 01.12.2021)	1.67

**IT Support Charges**

Wilson Cables Private Limited	40.00
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**Security Services**

i3 Securities Pvt Ltd	45.74
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**Rent Received**

Medihub Sciencetec Private Ltd	0.55
Firstgen Distribution Private Limited	2.46
South India Investments & Associates	2.70

**Reimbursement of Expenses-Payable**

Wilson Cables Private Limited	166.20
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**Reimbursement of Expenses-Receivable**

South India House Estates & Properties Limited	179.75
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**Advances Recovered**

Danish Steel Cluster Private Limited	1,392.77
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**Post-Employment Benefit Plan Entity**

Sicagen India Ltd - Employees Gratuity Fund	13.83
Sicagen India Ltd - Executives Superannuation Fund	3.47

**44 Contingent Liability**

- Appeals pending at High Court for (i) the Assesment year 2009-10 for a demand of ₹200 lakhs and (ii) for the AY 2011-12 for a demand of ₹ 1699 lakhs. Appeal filed with CIT(A) aganist a demand of ₹ 39 lakhs for the Assesment year 2015-16.
- CST Appeal pending at Appellate Deputy Commissioner for Financial year 2017-18 for a demand of ₹ 2 lakhs.
- Service Tax appeal pending at CESTAT for FY 2012-13 & 2013-14 for Rs 3 lakhs.
- Guarantees given by the bankers for performance of Contracts and others ₹92.11 Lakhs (₹ 238.41 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 ).

# Sicagen India Limited

## 45 DISCLOSURE OF FAIR VALUE MEASUREMENT:

45.1 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, 2022 & 31st March 2021 are as follows :

Particulars	As at 31st March 2022		As at 31st March 2021	
	Amortised Cost	FVOCI	Amortised Cost	FVOCI
<b>Financial Assets</b>				
Investments				
- Equity Instruments	1	5834	1	2561
- Preference Shares	1180		1180	
Loans	-		1815	
Trade Receivables	24620		17058	
Cash and cash equivalents	589		804	
Bank Balances other than Cash Equivalents	2168		2696	
Other Financial Assets-Loans	1		1	
<b>Financial Liabilities</b>				
Borrowings	24		580	
Borrowings- Current	7979		5812	
Trade Payables- Current & Non Current	12459		5311	
Other Financial Liabilities- Current & Non Current	411		748	

## 45.2 Valuation Techniques used for Fair Valuation is as follows:

Particulars	As at 31st March 2022				Total	As at 31st March 2021				
	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	
<b>Financial Assets</b>										
Investments										
- Equity Instruments	1	5834		5835	1	2561		2562		
- Preference Shares	1180			1180	1180			1180		
Loans	-			-	1815			1815		
Trade Receivables	24620			24620	17058			17058		
Cash and cash equivalents	589			589	804			804		
Bank Balances other than Cash Equivalents	2168			2168	2696			2696		
Other Financial Assets-Loans	1			1	1			1		
<b>Financial Liabilities</b>										
Borrowings	24			24	580			580		
Borrowings- Current	7979			7979	5812			5812		
Trade Payables	12459			12459	5311			5311		
Other Financial Liabilities- Current & Non Current	411			411	748			748		

### 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.

**46 Segment Information for the year ended 31st March 2022**  
**Information about Primary Business Segments**

( ₹ In Lakhs )

Business Segments	2022				2021			
	Trading	Manufacturing	Eliminations	Total	Trading	Manufacturing	Eliminations	Total
<b>REVENUE</b>								
External Sales	56792	26822	-	83614	36958	17205	-	54163
Inter Segment Sales	11	329	(340)	-	5	2	(7)	-
Total Revenue	56803	27151	(340)	83614	36963	17207	(7)	54163
<b>RESULT</b>								
Segment Result	1691	932	-	2623	1193	(60)	-	1133
Unallocated Corporate Expenses net of Unallocated Income				(725)				(491)
Operating Profit				1898				642
Interest Expense				526				498
Income Taxes(net of def.tax)				562				464
Profit from ordinary activities				810				(320)
Exceptional items				(871)				-
Net Profit				(61)				(320)
<b>OTHER INFORMATION</b>								
Segment Assets	22597	19290	-	41887	21263	13438	-	34701
Unallocated Corporate Assets				23759				19916
Total Assets	22597	19290	-	65646	21263	13438	-	54617
Segment Liabilities	5360	17116	-	22476	3772	9788	-	13560
Unallocated Corporate Liabilities				936				1586
Total Liabilities	5360	17116	-	23412	3772	9788	-	15146
Capital Expenditure	37	101		138	118	87		205
Depreciation	560	533		1093	397	597		994

**Information about Secondary Business Segments**

	2022		2021	
	India	Rest of the World	India	Rest of the World
Revenue by Geographical Market	44071	39543	34314	19849
Segment Assets	41887	-	34701	-
Capital Expenditure	138	-	205	-

**Notes:**

- A) 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
- B) The Business Segments identified are Trading and Manufacturing
- C) 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.
- D) 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

## 47 ADDITIONAL REGULATORY INFORMATION

### (a) Title deeds of Immovable Property not held in name of the Company.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
PPE	Land buildings					
Investment Property	Land Buildings			<b>NOT APPLICABLE</b>		
PPE retired from active use and held for Disposal	Land Buildings					

(b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### (d) Advance or loan or investment to intermediaries and receipt of funds from intermediaries

- (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except as stated in s.no. (ii) & (iii).

### (ii) Loans or Advances granted to promoters, directors, KMPs and the related parties

(₹ in Lakhs)

Type of Borrower	Amount of loan or advance in the nature of Loan outstandings	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	5242	63%

### (iii) Details of Inter corporate deposits to entities are as follows:

(₹ in Lakhs)

Name of the Parties	Type (Loan/advance/ guarantee /security)	Aggregate Amount	Balance outstanding at Balance sheet date
EDAC Engineering Ltd	ICD	1650	1550
Greenstar Fertilizers Limited	ICD	1500	1500

- (iv) The company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(e) Relationship with Struck off Companies**

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off Company, if any, to be disclosed
Jets Multimedia Pvt Ltd	Receivables	142.32	From Demerger
Mowa Foods Private Ltd	Receivables	19.93	From Demerger
Mac Packaging Ltd	Receivables	119.11	From Demerger
Pear Birth Management Ltd	Receivables	0.34	From Demerger
Zenith Marketing & Sales Services P Ltd	Receivables	94.62	From Demerger

**(f) Compliance with number of layers of companies**

Sl.NO	Name of subsidiary	CIN of subsidiary company	Name of holding company	CIN of holding company	Percentage of shares held by holding company
Layer -1	South India House Estates And Properties Ltd	U65993TN1981PLC009029	Sicagen India Limited	L74900TN2004PLC053467	100%
Layer -2	Danish Steel Cluster Private Ltd	U02710KA2004PTC033200	Sicagen India Limited	L74900TN2004PLC053467	100%
Layer -3	Wilson Cables Private Ltd	NA	Sicagen India Limited	L74900TN2004PLC053467	100%
	Wilson Far East Private Ltd	NA	Wilson Cables Private Ltd	NA	100%

**(g) Utilisation of Borrowed funds and share premium**
**(i) Details of Borrowed Funds**

(₹ in Lakhs)

Sl.NO	Bank/Institutions	Nature	Borrowing Limit	2021 - 2022	Borrowing Limit	2020 - 2021
1	Union Bank of India	OCC	1500	356	1500	911
2	Union Bank of India	COVID Term Loan	150	0	150	100
3	Axis Bank -Tata Steel	Channel Finance	1500	1469	1500	1242
4	Axis Bank -Finolex	Channel Finance	500	329	500	214
5	Tata Capital Ltd	Channel Finance	1000	974	1000	558
6	MayBank -Wilson Singapore	Import Finance	7492	4875	5113	3367
		<b>Total</b>	<b>12142</b>	<b>8003</b>	<b>9763</b>	<b>6392</b>

# Sicagen India Limited

- (h) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (i) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (j) The company has applied for merger with its wholly owned subsidiary company named M/s.Danish Steel Cluster Private Limited before the National Company Law Tribunal, Chennai on 05.05.2022 vide application No 3305118009722022. The application for Merger has been admitted at the NCLT Chennai bench.
- (k) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

	(₹ in Lakhs)	
(l) Disclosure regarding Corporate Social Responsibility	2021-2022	2020 - 2021
(i) amount required to be spent by the company during the year,	<b>12.21</b>	5.69
(ii) amount of expenditure incurred,	<b>12.22</b>	5.90
(iii) shortfall at the end of the year,	<b>(0.01)</b>	(0.21)
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	<b>NA</b>	NA
(vi) nature of CSR activities,	<b>Sanitation Projects</b>	Sanitation Projects
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	<b>NA</b>	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	<b>NA</b>	NA

(m) Details of change in the Ratio by more than 25% as compared to the preceding year.

Particulars	2021-22	2020-21	% Change	Remarks
Current ratio (in times)	<b>1.99</b>	2.53	-21%	Change is less than 25%
Debt-Equity ratio (in times)	<b>0.19</b>	0.16	17%	Change is less than 25%
Debt Service Coverage ratio (in times)	<b>5.18</b>	3.08	68%	Utilisation of Channel finance & Borrowings increased
Return on Equity ratio (in %)	<b>1.19%</b>	0.36%	225%	Increase in Other Comprehensive income
Inventory turnover ratio (in days)	<b>7</b>	4	82%	Faster rotation of goods.
Trade Receivables turnover ratio (in days)	<b>4</b>	3	40%	Collection of receivables is better and efficient.
Trade payables turnover ratio (in days)	<b>4</b>	3	17%	Change is less than 25%
Net capital turnover ratio (in days)	<b>2</b>	1	49%	Increase in Sales
Net profit ratio (in %)	<b>-0.07%</b>	-0.59%	-88%	Due to reduction in losses in current year
Return on Capital employed (in %)	<b>5.17%</b>	4.27%	21%	Change is less than 25%
Return on investment (in %)	<b>7.14%</b>	3.85%	86%	Due to reduction in losses in current year

#### **48. 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.



# Sicagen India Limited

(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	31.03.2022	31.03.2021
Opening Balance	291	343
Loss Allowance based on ECL	149	196
Reversal of ECL Loss Allowance	(7)	(92)
Write off as Bad Debts	-	(159)
Translation Exchange Difference	2	3
Provision for Doubtful Debts (as per Note 9)	435	291

(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	31.03.2022	31.03.2021
Trade receivables	24620	17058
Cash and cash equivalents	589	804
Bank Balance Other than Cash Equivalents	2168	2696
Other Financial Assets-Loans	1	1

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

#### Investment in Equity Instruments (Quoted)

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Investment in Equity Instruments	5834	2561

## 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	31.03.2022	31.03.2021
Working Capital Facility	356	911
Channel Financing Facility	2772	2015
Term Loan- Current & Non Current	4875	3466
Total	8003	6392

## 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-22	Currency	Gross Exposure	Particulars Exposure hedged using derivatives	Net Exposure
Assets	DKK	36,42,195	-	<b>36,42,195</b>
Liabilities	NA	-	-	-

As at 31-Mar-21	Currency	Gross Exposure	Particulars Exposure hedged using derivatives	Net Exposure
Assets	DKK	15,20,225	-	15,20,225
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.

**49.** The Subsidiary Company- Danish Steel Cluster Private Limited has incurred huge losses in the current year as well as in the previous years. The Subsidiary company has incurred losses for more than three continuous years and the net worth of the Company is eroded. In view of the fact that existing operations have ceased and now new orders forthcoming inspite of best efforts made by the management, the Board of Directors of the Subsidiary Company have taken a decision to permanently discontinue the operations from this year. The Management has applied for a merger with subsidiary company after ceasing its operations and completing the existing pending export orders. The Merger application is still pending before the National Company Law Tribunal, Chennai. Thus, it is decided not to treat the Subsidiary Company as a going concern and hence prepared the accounts treating the Company as "not a going concern".

- 50.** (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Director of the Holding Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- (c) The subsidiaries have not declared or paid any Dividend during the year

**51.** 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 2022

(₹ 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
<b>Parent</b>								
Sicagen India Limited	96%	40658	-166%	101	69%	1,849	73%	1950
<b>Subsidiaries</b>								
<b>Indian</b>								
South India House Estates and Properties Limited	3%	1,365	48%	(29)	32%	876	32%	847
Danish Steel Cluster Private Limited	-2%	(729)	334%	(204)	-	-	-8%	(204)
<b>Foreign Subsidiary</b>								
Wilson Cables Private Limited*	2%	940	-116%	71	-	-	3%	71
<b>Associates (Investment as per the equity method)</b>								
Indian	NA	-	NA	-	NA	-	NA	-
<b>Joint Ventures (as per proportionate consolidation/ investment as per the equity method)</b>	NA	-	NA	-	NA	-	NA	-
<b>TOTAL</b>	100%	42234	100%	(61)	100%	2725	100%	2664

\* The Figures includes the consolidation of its 100% subsidiary Wilson Far East Private Ltd.

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: 25th May 2022

**M.O. AYYAPPAN**  
Chief Financial Officer

**ANKITA SHARMA S**  
Company Secretary

**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**
3	Share Capital	1000	708	6886216	3860
4	Reserves and Surplus	1365	(1029)	13346273	7481
5	Total Assets	7272	125	50127305	28098
6	Total Liabilities	7272	125	50127305	28098
7	Investments	1838	-	-	-
8	Turnover	13	607	70256201	39115
9	Profit before taxation	(29)	(863)	208009	115
10	Provision for taxation		(211)	80063	44
11	Profit after taxation	(29)	(652)	127946	71
12	Proposed Dividend	-	-	-	-
13	% of Shareholding	100%	100%		100%

\* The Figures includes the consolidation of its 100% subsidiary Wilson Far East Private Ltd.

\*\* 1 Singapore dollar = Rs.56.0534 (Closing rate for Balance Sheet).

1 Singapore dollar = Rs.55.1363 (Average rate for Profit & Loss account).

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: 25th May 2022

**M.O. AYYAPPAN**  
Chief Financial Officer

**ANKITA SHARMA S**  
Company Secretary

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*If undelivered, please return to:*

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