



INDEPENDENT AUDITORS' REPORT

The Members of **NIPPON CRYO PRIVATE LIMITED**

Report on the Ind AS financial statements

Opinion

We have audited the accompanying financial statements of **Nippon Cryo Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income) and cash flow statement and the statement of the changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date "Ind AS financial statements".

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

Basis for opinion

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

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

Key audit matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





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

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

Management's responsibility for the financial statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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





Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is





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less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and

(g) 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;

- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Ankit Nahata

Ankit Nahata
Proprietor
Membership No. 311657



Place: Kolkata
Date: 30th June, 2021

UDIN:



Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of **Nippon Cryo Private Limited** of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records, wherever applicable, showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company were physically verified, wherever applicable, in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us, we report that, wherever applicable, the title deeds of immovable properties are held in the name of the company.
2. The inventory has been physically verified by the management, wherever applicable, during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7. In respect of statutory dues:
 - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable
 - (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.





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9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Ankit Nahata

Ankit Nahata
Proprietor
Membership No. 311657



Place: Kolkata
Date: 30th June, 2021

UDIN:

Nippon Cryo Private Limited
Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|--|----------|------------------------|------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 5 | 463.11 | 527.50 |
| (b) Capital Work-in-Progress | | 8.92 | 8.92 |
| (c) Financial Assets | | | |
| (i) Other Financial Assets | 6 | 15.01 | 15.01 |
| (d) Deferred Tax Assets (Net) | 18 | 31.90 | - |
| Total Non-Current Assets | | 518.94 | 551.43 |
| Current Assets | | | |
| (a) Inventories | 7 | 220.19 | 214.51 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 8 | 224.02 | 277.35 |
| (ii) Cash and Cash Equivalents | 9 | 21.84 | 19.43 |
| (iii) Loans | 10 | 15.02 | 15.00 |
| (c) Other Current Assets | 11 | 539.05 | 632.75 |
| (d) Current Tax Assets (Net) | 12 | 65.64 | 97.16 |
| Total Current Assets | | 1,085.76 | 1,256.20 |
| TOTAL ASSETS | | 1,604.70 | 1,807.63 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 13 | 88.50 | 88.50 |
| (b) Other Equity | 14 | (67.24) | 20.02 |
| TOTAL EQUITY | | 21.26 | 108.52 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 234.93 | 302.74 |
| (ii) Other Financial Liabilities | 16 | 24.62 | 22.08 |
| (b) Provisions | 17 | 28.28 | 25.02 |
| (c) Deferred Tax Liabilities (Net) | 18 | - | 65.68 |
| Total Non-Current Liabilities | | 287.83 | 415.52 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 500.00 | 726.19 |
| (ii) Trade Payables | | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | | - | - |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 20 | 718.95 | 512.73 |
| (iii) Other Financial Liabilities | 21 | 22.49 | 22.95 |
| (b) Other Current Liabilities | 22 | 54.17 | 21.37 |
| (c) Provisions | 23 | - | 0.35 |
| Total Current Liabilities | | 1,295.61 | 1,283.59 |
| TOTAL LIABILITIES | | 1,583.44 | 1,699.12 |
| TOTAL EQUITY AND LIABILITIES | | 1,604.70 | 1,807.64 |

Accompanying notes to the financial statements
These notes form an integral part of the financial statements

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As per our report of even date

For Nahata & Co.

Chartered Accountants

Firm's Registration No.: 329958E

Ankit Nahata

CA Ankit Nahata

Proprietor

Membership No.: 311657



For and on behalf of the Board of Directors

Partha Ghosh

Partha Ghosh

Director

DIN - 01575617

Abhishek Agarwal

Abhishek Agarwal

Director

DIN - 06517531

Place: Kolkata

Date: 30th June, 2021

Nippon Cryo Private Limited
Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

| Sl. No. | Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------|---|----------|--|--|
| I | Revenue from Operations | 24 | 2,095.50 | 2,272.40 |
| II | Other Income | 25 | 2.89 | 9.66 |
| III | Total Income (I + II) | | 2,098.39 | 2,282.06 |
| | Expenses | | | |
| (a) | Employee Benefits Expense | 26 | 113.95 | 153.53 |
| (b) | Finance costs | 27 | 38.35 | 30.82 |
| (c) | Depreciation and amortisation expense | 28 | 64.39 | 64.39 |
| (d) | Other Expenses | 29 | 2,068.17 | 2,297.52 |
| IV | Total Expenses (IV) | | 2,284.86 | 2,546.26 |
| V | Loss before tax (III - IV) | | (186.47) | (264.20) |
| VI | Tax expense | | | |
| | Current Tax | | - | - |
| | Deferred Tax - charge/(credit) | 30 | (97.99) | (2.59) |
| VII | Loss for the year | | (88.48) | (261.61) |
| VIII | Other Comprehensive Income | | | |
| | (i) Items that will not reclassified to Profit or Loss | | 1.63 | - |
| | (ii) Income tax relating to above | 30.2 | (0.41) | - |
| | Other Comprehensive Income for the year, net of taxes (i + ii) | 31 | 1.22 | - |
| IX | Total Comprehensive Income for the year (VII + VIII) | | (87.26) | (261.61) |
| X | Earnings per equity share of Rs. 100 each | | | |
| | Basic and Diluted (₹) | 32 | (99.98) | (295.61) |

Accompanying notes to the financial statements
These notes form an integral part of the financial statements

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

Ankit Nahata
CA Ankit Nahata
Proprietor
Membership No.: 311657



For and on behalf of the Board of Directors

Partha Ghosh
Partha Ghosh
Director
DIN - 01575617

Abhishek Agarwal
Abhishek Agarwal
Director
DIN - 06517531

Place: Kolkata
Date: 30th June, 2021

Nippon Cryo Private Limited
Statement of Changes in Equity for the year ended 31st March, 2021

A Equity Share Capital

| Particulars | (₹ in Lakhs) |
|--------------------------|--------------|
| As at 31st March, 2019 | 88.50 |
| Movement during the year | - |
| As at 31st March, 2020 | 88.50 |
| Movement during the year | - |
| As at 31st March, 2021 | 88.50 |

B Other equity

| Particulars | Reserves and Surplus | | Total |
|--|----------------------|-------------------|-----------------|
| | Securities Premium | Retained Earnings | |
| As at 31st March, 2019 | 211.50 | 70.13 | 281.63 |
| Profit for the year | - | (261.61) | (261.61) |
| Other Comprehensive Income for the year | - | - | - |
| Total Comprehensive Income for the year | - | (261.61) | (261.61) |
| As at 31st March, 2020 | 211.50 | (191.48) | 20.02 |
| Profit for the year | - | (88.48) | (88.48) |
| Other comprehensive income for the year | - | 1.22 | 1.22 |
| Total comprehensive income for the year | - | (87.26) | (87.26) |
| As at 31st March, 2021 | 211.50 | (278.74) | (67.24) |

Refer Note No. 14 for nature and purpose of reserves

Accompanying notes to the financial statements
These notes form an integral part of the financial statements

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

Ankit Nahata

CA Ankit Nahata
Proprietor
Membership No.: 311657



For and on behalf of the Board of Directors

Partha Ghosh

Partha Ghosh
Director
DIN - 01575617

Abhishek Agarwal

Abhishek Agarwal

Abhishek Agarwal
Director
DIN - 06517531

Place: Kolkata
Date: 30th June, 2021

Nippon Cryo Private Limited
Cash Flow Statement for the year ended 31st March, 2021

| | (₹ in Lakhs) | |
|---|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| (A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax | (186.47) | (264.20) |
| Adjustments for: | | |
| Depreciation and Amortisation | 64.39 | 64.39 |
| Interest expense | 38.35 | 30.82 |
| Interest Income on financial instruments measured at amortised cost | (0.64) | (9.66) |
| Bad debts written off | 7.57 | 4.92 |
| Operating Profit/(Loss) before Working Capital Changes | 109.67 | 90.48 |
| Movement in Working Capital: | (76.80) | (173.72) |
| (Increase)/Decrease in Inventories | (5.68) | (147.43) |
| (Increase)/Decrease in Trade and other receivables | 45.77 | 131.45 |
| (Increase)/Decrease in Loans and advances | 93.68 | 70.27 |
| Increase/(Decrease) in Trade, other payables and provisions | 243.09 | 367.15 |
| Cash generated from operations | 300.06 | 247.72 |
| Direct Taxes paid, net of refund | 31.52 | (37.10) |
| Net Cash generated from Operating Activities (A) | 331.58 | 210.62 |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest received | 0.64 | 9.66 |
| Net Cash generated from Investing Activities (B) | 0.64 | 9.66 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from/(Repayment) of borrowings | (295.79) | (175.94) |
| Interest paid | (34.02) | (28.11) |
| Net Cash utilised in Financing Activities (C) | (329.81) | (204.05) |
| Net changes in Cash and Cash Equivalents (A + B + C) | 2.41 | 16.22 |
| Cash and Cash equivalents as at the beginning of the year | 19.43 | 3.21 |
| Cash and Cash equivalents as at the end of the year | 21.84 | 19.43 |

Notes:

- (1) The above Cash Flow Statement has been prepared by the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
(2) Cash and cash equivalents as at the Balance Sheet date consists of:

| | (₹ in Lakhs) | |
|---|------------------------|------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Balances with Banks in Current Accounts | 19.45 | 17.21 |
| Cash on hand | 2.39 | 2.22 |
| Total | 21.84 | 19.43 |

(3) Reconciliation of Company's liabilities arising from Financing Activities:

| | (₹ in Lakhs) | | | |
|---|------------------------|-----------------|----------------|------------------------|
| Particulars | As at 31st March, 2020 | Cash Flows (*) | Non Cash Flows | As at 31st March, 2021 |
| Borrowings - Non Current (Refer Note 15) | | | | |
| Term Loan from non banking financial company | 302.74 | (69.60) | 1.79 | 234.93 |
| Borrowings - Current (Refer Note 19) | | | | |
| Cash Credit from Bank | 65.08 | (65.08) | - | 0.00 |
| Unsecured loan from bodies corporate | 661.11 | (161.11) | - | 500.00 |
| Total | 1,028.93 | (295.79) | 1.79 | 734.93 |

Accompanying notes to the financial statements
These notes form an integral part of the financial statements

1 - 39

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

Ankit Nahata

CA Ankit Nahata
Proprietor
Membership No.: 311657



Place: Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Partha Ghosh
Director
DIN - 01575617

Abhishek Agarwal

Abhishek Agarwal
Director
DIN - 06517531

Nippon Cryo Private Limited
Notes to the Financial Statements as at 31st March, 2021

5 Property, Plant and Equipment

As at 31st March, 2021

| Particulars | Land - Right of Use | Buildings | Plant and Equipment | Furniture and Fixtures | Total |
|---|---------------------|---------------|---------------------|------------------------|---------------|
| Gross block | | | | | |
| As at 31st March, 2020 | 37.68 | 207.78 | 408.01 | 0.60 | 654.07 |
| Additions during the year | - | - | - | - | - |
| Disposal/adjustments during the year | - | - | - | - | - |
| As at 31st March, 2021 | 37.68 | 207.78 | 408.01 | 0.60 | 654.07 |
| Accumulated depreciation | | | | | |
| As at 31st March, 2020 | 2.22 | 25.42 | 98.75 | 0.18 | 126.57 |
| Charge during the year | 2.22 | 12.71 | 49.37 | 0.09 | 64.39 |
| Disposal/adjustments during the year | - | - | - | - | - |
| As at 31st March, 2021 | 4.44 | 38.13 | 148.12 | 0.27 | 190.96 |
| Net block as at 31st March, 2021 | 33.24 | 169.65 | 259.89 | 0.33 | 463.11 |

As at 31st March, 2020

| Particulars | Land - Right of Use | Buildings | Plant & Equipment | Furniture & Fixtures | Total |
|---|---------------------|---------------|-------------------|----------------------|---------------|
| Gross block | | | | | |
| As at 31st March, 2019 | - | 207.78 | 408.01 | 0.60 | 616.39 |
| Additions during the year | 37.68 | - | - | - | 37.68 |
| Disposal/adjustments during the year | - | - | - | - | - |
| As at 31st March, 2020 | 37.68 | 207.78 | 408.01 | 0.60 | 654.07 |
| Accumulated depreciation | | | | | |
| As at 31st March, 2019 | - | 12.71 | 49.38 | 0.09 | 62.18 |
| Charge during the year | 2.22 | 12.71 | 49.37 | 0.09 | 64.39 |
| Disposal/adjustments during the year | - | - | - | - | - |
| As at 31st March, 2020 | 2.22 | 25.42 | 98.75 | 0.18 | 126.57 |
| Net block as at 31st March, 2020 | 35.46 | 182.36 | 309.26 | 0.42 | 527.50 |



Nippon Cryo Private Limited
Notes to the Financial Statements as at 31st March, 2021

6 Other Financial Assets - Non Current

| (₹ in Lakhs) | | | |
|-------------------|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | | |
| Security Deposits | | 15.01 | 15.01 |
| Total | | 15.01 | 15.01 |

7 Inventories (Valued at lower of cost or Net Realisable Value)
(As taken, valued and certified by the management)

| (₹ in Lakhs) | | | |
|-------------------|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| Raw Materials | | 133.82 | 129.06 |
| Stores and Spares | | 86.37 | 85.45 |
| Total | | 220.19 | 214.51 |

8 Trade Receivables

| (₹ in Lakhs) | | | |
|---|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | | |
| Unsecured, considered good (Refer Note No. 8.1) | | 224.02 | 277.35 |
| Total | | 224.02 | 277.35 |

8.1 Trade Receivables are non interest bearing and are generally realised on credit terms of 90 days. The ageing of Trade Receivables are as follows:

| (₹ in Lakhs) | | | |
|-----------------------------|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| Within the credit period | | | |
| 1-180 days past due | | 224.02 | 277.35 |
| More than 180 days past due | | - | - |
| Total | | 224.02 | 277.35 |

9 Cash and Cash Equivalents

| (₹ in Lakhs) | | | |
|---------------------|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| Balances with banks | | | |
| In Current accounts | | 19.45 | 17.21 |
| Cash on hand | | 2.39 | 2.22 |
| Total | | 21.84 | 19.43 |

10 Loans - Current

| (₹ in Lakhs) | | | |
|---------------------------------|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | | |
| Loans and advances to employees | | 15.02 | 15.00 |
| Total | | 15.02 | 15.00 |



Nippon Cryo Private Limited
Notes to the Financial Statements as at 31st March, 2021

11 Other Current Assets

| Particulars | (₹ in Lakhs) | |
|--------------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Advances against goods and services | 356.87 | 558.83 |
| Balances with Government Authorities | 182.02 | 73.62 |
| Prepaid Expenses | 0.16 | 0.30 |
| Total | 539.05 | 632.75 |

12 Current Tax Assets (Net)

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Advance Income Tax, including Tax deducted at source (Net of Provision for tax of ₹ 35.25 Lakhs (31st March, 2020 - ₹ 35.25 Lakhs) | 65.64 | 97.16 |
| Total | 65.64 | 97.16 |

13 Equity Share Capital

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Authorised | | |
| 1,00,000 (31st March, 2020 - 1,00,000) Equity Shares of ₹ 100 each | 100.00 | 100.00 |
| Total | 100.00 | 100.00 |
| Issued, Subscribed and fully paid up | | |
| 88,500 (31st March, 2020 - 88,500) Equity Shares of ₹ 100 each | 88.50 | 88.50 |
| Total | 88.50 | 88.50 |

13.1 The Company has only one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

13.2 There is no movement in the number of shares as at the beginning and at the end of the reporting period.

13.3 Details of shareholders holding more than 5% of the aggregate equity shares in the Company:

| Name of Equity Shareholders | Number of Equity Shares held | |
|---|------------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Fairplan Vintrade Private Limited | | |
| Number of equity shares held | 45,500 | 45,500 |
| Percentage shareholding | 51.41% | 51.41% |
| Sri Hari Vincom Private Limited | | |
| Number of equity shares held | 20,000 | 20,000 |
| Percentage shareholding | 22.60% | 22.60% |
| Perfect Investment Consultancy Private Limited | | |
| Number of equity shares held | 16,800 | 16,800 |
| Percentage shareholding | 18.98% | 18.98% |
| Siddhivinayak Commosales Private Limited | | |
| Number of equity shares held | 6,200 | 6,200 |
| Percentage shareholding | 7.01% | 7.01% |

Nippon Cryo Private Limited ("NCPL") is a step down subsidiary of BMW industries Limited ("BMWIL"). All shares of NCPL are being held by 100% subsidiaries of BMWIL and as a result BMWIL is the "Ultimate Holding Company".



Nippon Cryo Private Limited
Notes to the Financial Statements as at 31st March, 2021

14 Other Equity

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Securities Premium (Refer Note No. 14.2) | 211.50 | 211.50 |
| Retained Earnings (Refer Note No. 14.3) | (278.74) | (191.48) |
| Total | (67.24) | 20.02 |

14.1 Refer Statement of Changes in Equity for movement in balances of Reserves.

Nature and purpose of reserves :

14.2 Securities Premium

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

14.3 Retained Earnings

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

15 Borrowings - Non Current

| Particulars | (₹ in Lakhs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | |
| Secured | | |
| Term Loan | | |
| From Non Banking Financial Company (Refer Note No. 15.1 and 15.2) | 234.93 | 302.74 |
| Total | 234.93 | 302.74 |

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

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

| Financial Year | (₹ in Lakhs) | |
|----------------|---------------------------|---------------|
| | As at 31st March, 2021 | |
| FY 2021-2022 | | 69.60 |
| FY 2022-2023 | | 69.60 |
| FY 2023-2024 | | 69.60 |
| FY 2024-2025 | | 29.00 |
| Total | | 237.80 |

16 Other Financial Liabilities - Non Current

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | |
| Lease Liabilities (Refer Note No. 35.2, 35.3 and 35.4) | 24.62 | 22.08 |
| Total | 24.62 | 22.08 |

17 Provisions - Non Current

| Particulars | (₹ in Lakhs) | |
|---------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Provision for Employee Benefits | | |
| Gratuity (Refer Note No. 26.1) | 28.28 | 25.02 |
| Total | 28.28 | 25.02 |



18 Deferred Tax Liabilities/(Assets)

| Particulars | (₹ in Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Deferred Tax Liabilities (Refer Note No. 18.1) | 40.71 | 66.73 |
| Deferred Tax Assets (Refer Note No. 18.1) | 72.61 | 1.05 |
| Deferred Tax Liabilities/(Assets) (Net) | (31.90) | 65.68 |

18.1 Components of Deferred Tax (Assets)/Liabilities are given below:
As at 31st March, 2021

| Particulars | (₹ in Lakhs) | | | |
|---|------------------------|---|--|------------------------|
| | As at 31st March, 2020 | Charge/(Credit) recognised in the Profit and Loss | Charge/(Credit) recognised in the Other comprehensive income | As at 31st March, 2021 |
| Deferred Tax Liabilities | | | | |
| Timing difference with respect to Property, Plant and Equipment | 65.43 | (24.72) | - | 40.71 |
| Fair valuation of financial liabilities | 1.30 | (1.30) | - | (0.00) |
| Total Deferred Tax Liabilities | 66.73 | (26.02) | - | 40.71 |
| Deferred Tax Assets | | | | |
| Provision for gratuity | - | (7.76) | 0.41 | 7.35 |
| Unabsorbed business losses | - | (65.26) | - | 65.26 |
| Impact of implementation of Ind AS 116 | 1.05 | 1.05 | - | (0.00) |
| Total Deferred Tax Assets | 1.05 | (71.97) | 0.41 | 72.61 |
| DEFERRED TAX LIABILITIES/(ASSETS) (NET) | 65.68 | (97.99) | 0.41 | (31.90) |

| Particulars | (₹ in Lakhs) | | | |
|---|------------------------|---|--|------------------------|
| | As at 31st March, 2019 | Charge/(Credit) recognised in the Profit and Loss | Charge/(Credit) recognised in the Other comprehensive income | As at 31st March, 2020 |
| Deferred Tax Liabilities | | | | |
| Timing difference with respect to Property, Plant and Equipment | 68.27 | (2.84) | - | 65.43 |
| Fair valuation of financial liabilities | - | 1.30 | - | 1.30 |
| Total Deferred Tax Liabilities | 68.27 | (1.54) | - | 66.73 |
| Deferred Tax Assets | | | | |
| Impact of implementation of Ind AS 116 | - | (1.05) | - | 1.05 |
| Total Deferred Tax Assets | - | (1.05) | - | 1.05 |
| DEFERRED TAX LIABILITIES (NET) | 68.27 | (2.59) | - | 65.68 |



Nippon Cryo Private Limited
Notes to the Financial Statements as at 31st March, 2021

19 Borrowings - Current

| Particulars | (₹ in Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | |
| Secured | | |
| From Bank | | |
| Cash credit/ Working capital facilities repayable on demand (Refer Note No. 19.1) | - | 65.08 |
| Unsecured | | |
| From Bodies Corporate | | |
| Total | 500.00 | 661.11 |
| | 500.00 | 726.19 |

19.1 Secured by hypothecation of current assets including inventories and book debts of the Company.

20 Trade Payables

| Particulars | (₹ in Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | |
| Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 20.1) | - | - |
| Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note No. 20.2) | 718.95 | 512.73 |
| Total | 718.95 | 512.73 |

20.1 There are no dues to Micro and Small enterprises as at 31st March, 2021 and 31st March, 2020 respectively. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

20.2 Trade Payables are non-interest bearing and are normally settled on 60 days terms.

21 Other Financial Liabilities - Current

| Particulars | (₹ in Lakhs) | |
|--------------------------|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| At Amortised Cost | | |
| Payable to Employees | 22.49 | 22.95 |
| Total | 22.49 | 22.95 |



Nippon Cryo Private Limited

Notes to the Financial Statements as at 31st March, 2021

22 Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Advance received from customers | 10.00 | 10.00 |
| Statutory Dues (includes TDS, PF, ESI, etc) | 44.17 | 11.37 |
| Total | 54.17 | 21.37 |

23 Provisions - Current

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Provision for employee benefits | | |
| Gratuity (Refer Note No. 26.1) | - | 0.35 |
| Total | - | 0.35 |



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

24 Revenue from Operations

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-------------------------|--|--|
| Sale of Services | | |
| Conversion Income | 2,093.98 | 2,271.54 |
| Sale of Products | | |
| Trading Sales | 1.52 | 0.86 |
| Total | 2,095.50 | 2,272.40 |

25 Other Income

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Interest Income on financial assets measured at amortised cost | 0.64 | 9.66 |
| Miscellaneous Income | 2.25 | - |
| Total | 2.89 | 9.66 |

26 Employee Benefits Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Salaries and Wages | 100.12 | 114.50 |
| Contribution to Provident and Other Funds (Refer Note 27.1) | 13.63 | 38.86 |
| Staff Welfare Expense | 0.20 | 0.17 |
| Total | 113.95 | 153.53 |



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

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

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

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

(A) **Defined Contribution Scheme**

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

| Particulars | (₹ in Lakhs) | |
|---|--|--|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Employer's contribution to Provident Fund | 6.91 | 7.09 |
| Total | 6.91 | 7.09 |

(B) **Defined Benefit Scheme**

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

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

| Particulars | (₹ in Lakhs) | |
|--|--|--|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Gratuity (Unfunded) | | |
| Liability at the beginning of the year | 25.37 | N.A |
| Interest Cost | 1.73 | - |
| Current Service Cost | 2.82 | 2.41 |
| Past Service Cost | - | 26.73 |
| Components of actuarial (gain)/loss on obligation | | |
| Due to Change in financial obligations | 0.19 | - |
| Due to experience adjustments | (1.82) | - |
| Benefits paid | - | (3.77) |
| Liability at the end of the year | 28.28 | 25.37 |

(ii) **Amount recognised in the Balance Sheet**

| Particulars | (₹ in Lakhs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Gratuity (Unfunded) | | |
| Liability at the end of the year | 28.28 | 25.37 |
| Fair value of Plan Assets at the end of the year | - | - |
| Liability recognised in the Balance Sheet | 28.28 | 25.37 |



Nippon Cryo Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

(iii) Components of Defined Benefit Cost

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Gratuity (Unfunded) | | |
| Current Service Cost | 2.82 | 2.41 |
| Past Service Cost | - | 26.73 |
| Interest Cost | 1.73 | - |
| Total Defined Benefit Cost recognised in Profit and Loss | 4.55 | 29.14 |

(iv) Components of Other comprehensive income

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Components of actuarial (gain)/loss on obligations | | |
| Due to Change in financial obligations | 0.19 | - |
| Due to experience adjustments | (1.82) | - |
| Amount recognised in other comprehensive income | (1.63) | - |

(v) Balance Sheet Reconciliation

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Gratuity (Unfunded) | | |
| Opening Net Liability | 25.37 | N.A |
| Expenses as above | 2.92 | 29.14 |
| Acquisition Cost | - | - |
| Benefits paid | - | (3.77) |
| Amount recognized in Balance Sheet | 28.28 | 25.37 |

(vi) Principal Actuarial assumptions as at the Balance Sheet date

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------|---------------------------|---------------------------|
| Discount Rate | 6.80% p.a | 6.85% p.a |
| Salary Increase | 6.00% p.a. | 6.00% p.a. |
| Withdrawal Rates | 1.00% p.a. at all ages | 1.00% p.a. at all ages |
| Rate of Return on Plan Assets | N.A. | N.A. |

(vii) Current and Non Current bifurcation as at the Balance Sheet date

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|---------------------------|---------------------------|
| Gratuity (Unfunded) | | |
| Current Liability | 0.39 | 0.35 |
| Non Current Liability | 27.89 | 25.02 |
| Total | 28.28 | 25.37 |



Nippon Cryo Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

(viii) Sensitivity analysis

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|---------------------------|---------------------------|
| Gratuity (Unfunded) | | |
| Discount Rate | | |
| +0.50% | 26.45 | 23.67 |
| -0.50% | 30.29 | 27.23 |
| Salary growth Rate | | |
| +0.50% | 30.30 | 27.24 |
| -0.50% | 26.43 | 23.65 |
| Withdrawal Rate | | |
| +10% | 28.31 | 25.40 |
| -10% | 28.24 | 25.33 |

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

(ix) Estimate of expected benefit payments (undiscounted)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|---------------------------|---------------------------|
| Gratuity (Unfunded) | | |
| Within 1 year | 0.39 | 0.35 |
| 1-2 years | 0.42 | 0.38 |
| 2-3 years | 0.46 | 0.41 |
| 3-4 years | 0.50 | 0.44 |
| 4-5 years | 1.81 | 0.48 |
| 5-10 years | 17.21 | 13.78 |

(x) Weighted average duration of defined benefit obligation

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|---------------------------|---------------------------|
| Gratuity (Unfunded) | | |
| Duration (in years) | 14.39 | 14.90 |

(xi) Number of people employed

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| Number of people employed | 45 | 45 |

27 Finance Costs

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Interest expense on financial liabilities measured at amortised cost | 35.81 | 28.46 |
| Interest expense on Lease Liabilities | 2.54 | 2.36 |
| Total | 38.35 | 30.82 |



Nippon Cryo Private Limited

Notes to the Financial Statements for the year ended 31st March, 2021

28 Depreciation and Amortization Expense

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Depreciation on Property, Plant and Equipment (Refer Note No. 5) | 64.39 | 64.39 |
| Total | 64.39 | 64.39 |

29 Other Expenses

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Stores and consumables | 751.99 | 597.36 |
| Electricity charges | 34.79 | 34.00 |
| Insurance charges | 0.72 | 0.16 |
| Auditor's Remuneration (Refer Note No. 29.1) | 0.40 | 0.15 |
| Carriage Inward | 1.38 | 1.11 |
| Legal and professional charges | 885.24 | 1,210.72 |
| Conversion charges | 328.30 | 359.80 |
| Bank charges | 0.01 | 2.61 |
| Repairs and Maintenance expense | 10.29 | 15.84 |
| Bad debts | 7.57 | 4.92 |
| Miscellaneous expense | 47.48 | 70.85 |
| Total | 2,068.17 | 2,297.52 |

29.1 Auditors' Remuneration includes :

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|----------------------|--|--|
| Statutory Audit Fees | 0.30 | 0.10 |
| Tax Audit Fees | 0.10 | 0.05 |
| Total | 0.40 | 0.15 |



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

30 Components of Tax Expense:

| (₹ in Lakhs) | | | |
|---|--|--|--|
| Particulars | | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Current tax | | | |
| In respect of the current year | | - | - |
| Total Current tax expense recognised in the current year | | - | - |
| Deferred tax | | | |
| In respect of the current year | | (97.99) | (2.59) |
| Total Deferred tax expense/(credit) recognised in the current year | | (97.99) | (2.59) |
| Total Tax expense/(credit) recognised in the current year | | (97.99) | (2.59) |

30.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:

In the absence of taxable profits during the year ended 31st March, 2021 and 31st March, 2020, reconciliation of income tax expense has not been provided for the same.

30.1.1 In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of accumulated MAT credit. The Company has not exercised this option and continues to recognise the taxes on income for the year ended 31st March, 2021 as per the existing provisions.



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

30.2 Income tax recognised in other comprehensive income

| (₹ in Lakhs) | | | |
|--|--|--|--|
| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | |
| Deferred tax | | | |
| Arising on income and expenses recognised in other comprehensive income: | | | |
| Remeasurement of defined benefit plan | (0.41) | - | |
| Total Income tax recognised in other comprehensive income | (0.41) | - | |
| Bifurcation of the income tax recognised in Other Comprehensive Income into: | | | |
| Items that will not be reclassified to profit or loss | (0.41) | - | |
| Items that will be reclassified to profit or loss | - | - | |

31 Components of Other Comprehensive Income

| (₹ in Lakhs) | | | |
|---|--|--|--|
| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plan (net of tax) | 1.22 | - | |
| Total | 1.22 | - | |

32 Earnings per share

| (₹ in Lakhs) | | | |
|---|--|--|--|
| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | |
| (a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss | (88.48) | (261.61) | |
| (b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 100 per share) | 88,500 | 88,500 | |
| (c) Earnings per equity share (a/b) | | | |
| Basic and Diluted (in ₹) | (99.98) | (295.61) | |

33 Details of Related Party transactions in accordance with Indian Accounting Standard 24 "Related Party Disclosures"

(A) Name of Related Parties and their relationship with the Company:

| Name of the Related Parties | Relationship with the Company |
|-----------------------------------|-------------------------------|
| BMW Industries Limited | Ultimate Holding Company |
| Fairplan Vintrade Private Limited | Holding Company |

(B) Details of Transactions with Related Parties during the year and the Balances outstanding thereof as at the Balance Sheet date are as follows:

The Company has not entered into transactions with the related parties during the reporting period.

Note:

The above Related Party information is as identified by the Management and relied upon by the auditor.



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

34 Segment Reporting

- (i) As required under Ind AS 108 "Operating Segments", the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments.
The Company has one operating business segment viz, processing of steel and all other activities are incidental to the same.
- (ii) The Company's operations are situated entirely within India.
- (iii) **Information about major customers:**
Revenue from conversion income of steel and steel products include sale of service to one Public Company pertaining to the Steel sector which account for more than 10% and amounting to ₹ 2,093.98 Lakhs (31st March, 2020 - ₹ 2,271.54 Lakhs) in aggregate of the total revenue of the Company.

35 Disclosure as per Ind AS 116 "Leases"

Company as a Lessee

Pursuant to adoption of Ind AS 116 "Leases" by the Company w.e.f., 1st April 2019, the leased asset, consisting of land, had been reclassified as "Right of Use Assets" and have been depreciated over the term of lease. Depreciation charge for Right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

- 35.1 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

| Particulars | (₹ in Lakhs) | |
|--|--------------|--------------|
| | Land | |
| As at 1st April, 2019 | | - |
| Reclassified on account of adoption of Ind AS 116 "Leases" | | 17.15 |
| Additions during the year | | 20.53 |
| Deletions during the year | | - |
| Depreciation charged during the year | | (2.22) |
| As at 31st March, 2020 | | 35.46 |
| Additions during the year | | - |
| Deletions during the year | | - |
| Depreciation charged during the year | | (2.22) |
| As at 31st March, 2021 | | 33.24 |

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

| Particulars | (₹ in Lakhs) | |
|-------------------------------|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Current lease liabilities | 0.81 | 0.81 |
| Non-current lease liabilities | 24.62 | 22.08 |
| Total | 25.43 | 22.89 |

- 35.3 The following is the movement in lease liabilities:

| Particulars | (₹ in Lakhs) | |
|--|--------------|--------------|
| | Land | |
| As at 1st April, 2019 | | - |
| Additions during the year | | 20.53 |
| Finance cost accrued during the year | | 2.36 |
| Deletions during the year | | - |
| Payment of lease liabilities during the year | | - |
| As at 31st March, 2020 | | 22.89 |
| Additions during the year | | - |
| Finance cost accrued during the year | | 2.54 |
| Deletions during the year | | - |
| Payment of lease liabilities during the year | | - |
| As at 31st March, 2021 | | 25.43 |

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

| Particulars | (₹ in Lakhs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Not later than one year | 2.43 | 1.62 |
| Later than one year and not more than five years | 6.49 | 5.68 |
| Later than five years | 64.87 | 66.49 |



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

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|------------|------------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets (Non Current and Current) | | | | |
| Financial Assets measured at Amortised Cost | | | | |
| Other Financial Assets | 15.01 | 15.01 | 15.01 | 15.01 |
| Trade Receivables | 224.02 | 224.02 | 277.35 | 277.35 |
| Cash and Cash Equivalents | 21.84 | 21.84 | 19.43 | 19.43 |
| Loans | 15.02 | 15.02 | 15.00 | 15.00 |
| Financial Liabilities (Non Current and Current) | | | | |
| Financial Liabilities measured at Amortised Cost | | | | |
| Borrowings | 734.93 | 734.93 | 1,028.94 | 1,028.94 |
| Trade Payables | 718.95 | 718.95 | 512.73 | 512.73 |
| Other Financial Liabilities | 47.11 | 47.11 | 45.03 | 45.03 |

Fair Valuation Techniques

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

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

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

Fair value of long term debt approximates their carrying value subject to adjustments made for transaction cost.

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

Financial Risk Factors

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

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, this however, does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note No. 37.

Market Risk

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, trade payables and trade receivables.

Foreign Currency Risk

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

Interest rate risk

The Company's debt exposure includes term loan from non banking financial company, unsecured loan from bodies corporate and cash credit facility from bank. Term loan from non banking financial company is subject to fixed interest rate. Unsecured loan from bodies corporate is short term in nature and does not carry any interest component. Further, interest payable on cash credit facility is contracted at fixed rate. Hence, the Company does not have any significant exposure to interest rate risk.



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

Credit Risk

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

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

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

Financial assets that are neither past due nor impaired

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund based working capital loan from bank. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

Maturity Analysis of Unamortised Financial Liabilities

As at 31st March, 2021

| Particulars | Unamortised amount | On Demand | Less than 6 months | | | 6 to 12 months | > 1 year | Total |
|-----------------------------|--------------------|-----------|--------------------|----------------|----------|----------------|----------|-------|
| | | | Less than 6 months | 6 to 12 months | > 1 year | | | |
| Borrowings | 737.80 | - | 29.00 | 540.60 | 168.20 | | 737.80 | |
| Trade Payables | 718.95 | - | 718.95 | - | - | | 718.95 | |
| Other Financial Liabilities | 96.28 | - | 22.49 | 2.43 | 71.36 | | 96.28 | |

As at 31st March, 2020

| Particulars | Unamortised amount | On Demand | Less than 6 months | | | 6 to 12 months | > 1 year | Total |
|-----------------------------|--------------------|-----------|--------------------|----------------|----------|----------------|----------|-------|
| | | | Less than 6 months | 6 to 12 months | > 1 year | | | |
| Borrowings | 1,033.59 | 65.08 | 29.00 | 701.71 | 237.80 | | 1,033.59 | |
| Trade Payables | 512.73 | - | 512.73 | - | - | | 512.73 | |
| Other Financial Liabilities | 96.74 | - | 22.95 | 1.62 | 72.17 | | 96.74 | |

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses. The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

Capital Management

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

The gearing ratio is as follows:

| Particulars | (₹ in Lakhs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Borrowings | 734.93 | 1,028.94 |
| Less : Cash and Cash Equivalents | 21.84 | 19.43 |
| Net Debt | 713.09 | 1,009.51 |
| Total equity attributable to the equity shareholders of the Company | 21.26 | 108.52 |
| Total Equity and Net Debt. | 734.35 | 1,118.04 |
| Gearing Ratio | 0.97 | 0.90 |



Nippon Cryo Private Limited
Notes to the Financial Statements for the year ended 31st March, 2021

37 The Company, consequent to the outbreak of COVID-19 has considered internal and external information while finalising various estimates and making assumptions pertaining to its financial statements and the carrying value of current and non-current assets including property, plant and equipment, inventories, trade receivables, etc and no material impact on financial results are expected to arise. The actual impact of global health pandemic is dependent upon future development, including policies and measures announced by the Government. The Company will continue to closely monitor the variations in the circumstances, and the same will be taken into consideration when it crystallizes.

38 Previous year's figures have been regrouped/rearranged wherever considered necessary to confirm with financial statements of the current year.

39 These financial statements have been approved by Board of Directors of the Company in their meeting dated 30th June, 2021 for issue to the shareholders for their adoption.

As per our report of even date

For Nahata & Co.

Chartered Accountants

Firm's Registration No.: 329958E



Ankit Nahata

CA Ankit Nahata

Proprietor

Membership No.: 311657

Place: Kolkata

Date: 30th June, 2021

For and on behalf of the Board of Directors

Partha Ghosh
Partha Ghosh
Director
DIN - 01575617

Abhishek Agarwal
Abhishek Agarwal
Director
DIN - 06517531

NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

Note 1 – Corporate Information

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

Note 2 – Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

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

2.2 Application of new and revised standards

The accounting policies are applied consistently to all the periods presented in the financial statements except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

Effective 1st April, 2020, there were certain amendments in Ind AS vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 ‘Presentation of Financial Statements’, Ind AS 8 ‘Accounting Policies, Changes in Estimates and Errors’, Ind AS 10 ‘Events after the Reporting Period’, Ind AS 34 ‘Interim Financial Reporting’, Ind AS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’, Ind AS 103 ‘Business Combinations’, Ind AS 107 ‘Financial Instruments: Disclosures’, Ind AS 109 ‘Financial Instruments’, Ind AS 116 ‘Leases’.

Ind AS 1 has been modified to redefine the term ‘Material’ and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

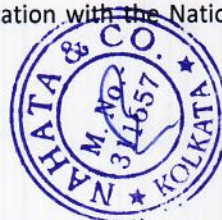
Ind AS 103 dealing with ‘Business Combination’ has defined the term ‘Business’ to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with ‘Leases’ permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

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

2.3 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 in consultation with the National Financial Reporting



NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

Authority (NFRA). The notification states that these rules shall be applicable with immediate effect from the date of the notification.

- a. **Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors** – In order to maintain consistency with the amendments made in Ind AS 114 and to substitute the word 'Framework' with the 'Conceptual Framework of Financial Reporting (Conceptual Framework) under Indian Accounting Standard (Ind AS) issued by the Institute of Chartered Accountants of India (ICAI), respective changes have been made in the standard.
- b. **Ind AS 16 | Property, Plant and Equipment** –The amendment has been made by substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".
- c. **Ind AS 37 | Provisions, Contingent Liabilities and Contingent Assets** – The amendment substitutes the definition of the term 'Liability' as provided in the Conceptual Framework under Ind AS issued by ICAI.
- d. **Ind AS 38 | Intangible Assets** – The amendment substitutes the definition of the term 'Asset' as provided in the Conceptual Framework under Ind AS issued by ICAI.
- e. **Ind AS 107 | Financial Instruments: Recognition, Presentation and Disclosure** – The amendment clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform like
- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
 - the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.
- f. **Ind AS 109 | Financial Instruments** – The amendment provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortised cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
- g. **Ind AS 115 | Revenue from Contracts with Customers** – Certain amendments have been made in order to maintain consistency with number of paragraphs of IFRS 15.
- h. **Ind AS 116 | Leases** – The amendments extend the benefits of the COVID 19 related rent concession that were introduced last year (which allowed lessees to recognize COVID 19 related rent concessions as income rather than as lease modification) from 30th June, 2021 to 30th June, 2022.

Note 3 – Significant Accounting Policies

3.1 Basis of preparation

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

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



NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

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

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

3.2 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

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

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

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

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

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

3.3 Property, Plant and Equipment and Capital Work in Progress

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

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

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period more than twelve months and meets the recognition criteria of Plant, Property and Equipment. The cost of replacing part of an item of property, plant and equipment is recognised



NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss in which they are incurred.

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

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

Depreciation

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

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

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

| Category of PPE | Useful life (in years) |
|------------------------|-------------------------------|
| Building | 3 – 30 |
| Plant and Equipment | 3 – 20 |
| Furniture and Fixture | 10 |

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

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

3.4 Derecognition of Tangible Assets

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

3.5 Leases

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



NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

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

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

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

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

3.6 Impairment of Tangible Assets

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

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

3.7 Financial Instruments – Financial assets and Financial liabilities

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

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



NIPPON CRYO PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March, 2021

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

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (referred to as "FVTPL") or at Fair Value through Other Comprehensive Income (referred to as "FVTOCI") depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

(i) Cash and Cash equivalents

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

(ii) Financial Assets and Financial Liabilities measured at amortised cost

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

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (referred to as "EIR") method whenever time value of money is significant less impairment in case of financial assets, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

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

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



NIPPON CRYO PRIVATE LIMITED

Notes to the financial statements for the year ended 31st March, 2021

(v) Financial Assets or Liabilities at Fair value through profit and loss (FVTPL)

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

(vi) Impairment of financial assets

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

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

(vii) Derecognition of financial instruments

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

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

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

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

3.10 Inventories

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

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

Scrap generated is valued at net realisable value.

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



NIPPON CRYO PRIVATE LIMITED
Notes to the financial statements for the year ended 31st March, 2021

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

3.11 Equity Share Capital

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

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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

3.13 Employee Benefits

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

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

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

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



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3.14 Revenue Recognition

Revenue from Operations

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and /or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer has either accepted the products in accordance with contract or the company has sufficient evidence that all the criteria for acceptance have been satisfied. Returns, discounts and rebates collected, if any, are deducted there from sales.

Other Income

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

3.15 Borrowing Cost

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

3.16 Taxes on income

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

Current Tax

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

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

Deferred Tax

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



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

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

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

3.17 Earnings per share

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

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

3.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.19 Segment Reporting

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

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

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

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



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between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

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

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

Property, plant and equipment and ROU Assets are depreciated on Straight-Line Basis over the estimated useful lives (or lease term if shorter) in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and residual value, wherever applicable.

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

4.2 Arrangements containing leases

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

4.3 Impairment loss on trade receivables

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

4.4 Current Tax and Deferred Tax

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

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



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based on the likely timing and level of profitability in future and expected utilisation of deferred tax there against.

4.5 Defined benefit obligations (DBO)

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

4.6 Provisions and Contingencies

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

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

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

