

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
FERROUS INFRASTRUCTURE PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Ferrous Infrastructure Private Limited** ("*the Company*"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2021 and its statement of profit and loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("*the Act*") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for



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

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. Except for the possible effects of the matter described in Emphasis of Matter paragraphs, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. Except for the possible effects of the matter described in Emphasis of Matter paragraphs, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c. Except for the possible effects of the matter described in Emphasis of Matter paragraphs, the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
- d. Except for the possible effects of the matter described in Emphasis of Matter paragraphs, in our opinion the aforesaid financial statements, comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2021 and 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 Companies Act, 2013;
- f. With respect to the adequacy of the internal financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :-
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – (Refer Note-20 of notes to accounts)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
RAAS & Associates

Chartered Accountants

Firm's Registration Number: 030281N

Rajan Sachdeva
Partner
(M.N.- F093081)

Place : New Delhi

Date : 01/09/21

UDIN: 21093081AAAADM1808



ANNEXURE- "A" TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of Ferrous Infrastructure Private Limited on the financial statements for the year ended March 31, 2021

1. In respect of Fixed Assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and the discrepancies noticed on such verification have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us, the fixed assets are held in the name of the company.

2. The inventory has been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

3. The Company has granted short term Loans and advances to the companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. The term and conditions of the grant of such loans are prejudicial to the interest of the company as no interest has been charged. The repayment terms have not been specified. Since repayment terms have not been specified, the overdue amount, if any, cannot be calculated.

4. In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given to related parties.

5. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has accepted the loans from unrelated parties and the company has followed the provisions of sections 73 to 76 of the Companies Act and the rules framed there under during the year ended 31st March, 2021.

6. According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, in respect of business carried out by the Company. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2021.



7. In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other statutory dues with the appropriate authorities and there is no amount outstanding for more than six months as at 31st March, 2021.
- (b) According to information and explanations given to us, there are no dues pending in respect of central sales tax, service tax, wages under labour law, excise, GST, PF & ESI which have not been deposited by the company on account of appeals for disposal at different forums except for the following income tax demands under dispute:

S. No.	Assessment Year	Disputed Amount
1	2009-10	41,82,921/-
2	2012-13	32,750/-
3	2014-15	8,54,980/-
Total		50,70,651/-

8. According to the records of the Company examined by us, the company has defaulted in repayment of term loan taken from ICICI bank. The default in repayment is for more than three years and the amount of loan (including interest) outstanding as on 31st March, 2021 is Rs. 44,63,28,254/-
9. According to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2021.
10. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported, nor we have been informed of such case by the management during the year ended 31st March, 2021.
11. Based upon the audit procedures performed and the information and explanations given by the management, Ministry of Corporate Affairs, Government of India has exempted Private Limited Companies from the applicability of selected provisions of Section 197 read with Schedule V of Companies Act, 2013. Accordingly, this clause is not applicable on the Company during the year ended 31st March, 2021.
12. The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.

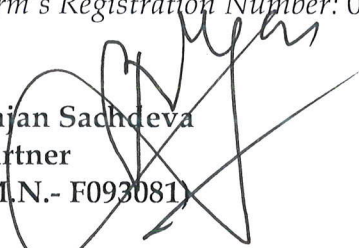


13. According to the information and explanations given to us and on the basis of our examination of the books of account of the company, all transactions with the related parties during the year are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, clause 3(xiv) is not applicable.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him/them and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.

**For and on behalf of
RAAS & Associates.**

Chartered Accountants

Firm's Registration Number: 030281N


Rajan Sachdeva
Partner
(M.N.- F093081)



Place : New Delhi

Date : 01/09/21

Annexure "B" to the Independent Auditor's Report of even date on the Financial Statements of Ferrous Infrastructure Private Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For and on behalf of
RAAS & Associates**

Chartered Accountants

Firm's Registration Number: 030281N


Rajan Sachdeva
Partner

(M.N.- F093081)

Place : New Delhi

Date : 01/09/21



Ferrous Infrastructure Private Limited
Balance sheet as at 31st March 2021
(All amounts in Rupees unless otherwise stated)

	Note No.	As at 31st March 2021	As at 31st March 2020
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,50,00,000	1,50,00,000
(b) Reserves and surplus	2	<u>(72,66,68,722)</u>	<u>(69,59,33,259)</u>
		(71,16,68,722)	(68,09,33,259)
2 Non - current liabilities			
(a) Long term borrowings	3	44,63,28,254	36,65,13,917
(b) Other long term liabilities		<u>53,61,32,259</u>	<u>51,83,18,067</u>
		98,24,60,513	88,48,31,984
3 Current liabilities			
(a) Trade Payable		-	33,40,771
(b) Short term borrowings	4	4,40,19,551	1,61,29,730
(c) Other Current Liability	5	69,83,11,977	70,13,38,528
(d) Short term provisions		-	-
		<u>74,23,31,528</u>	<u>72,08,09,029</u>
TOTAL		<u>1,01,31,23,319</u>	<u>92,47,07,754</u>
II ASSETS			
1 Fixed Assets			
(a) Tangible assets	6	7,24,705	14,20,514
(b) Intangible assets		-	21,873
		<u>7,24,705</u>	<u>14,42,387</u>
2 Non-current assets			
(a) Non-current investments	7	-	1,43,00,000
(c) Other non-current assets		-	-
		<u>-</u>	<u>1,43,00,000</u>
3 Current assets			
(a) Inventories		66,72,76,710	55,49,10,283
(b) Trade Recievable		7,23,64,694	7,23,64,694
(c) Cash and cash equivalents	8	20,29,967	19,65,850
(d) Short term loans and advances	9	27,07,27,243	27,97,24,541
(e) Other current assets		-	-
		<u>1,01,23,98,614</u>	<u>90,89,65,367</u>
TOTAL		<u>1,01,31,23,319</u>	<u>92,47,07,754</u>

The accompanying notes from 1 to 22 form an integral part of the financial statements.

As per our report attached

For **RAAS & Associates**
Chartered Accountants
Firm registration no: 030281N

For and on behalf of the Board of
Ferrous Infrastructure Pvt Ltd

Rajan Sachdeva
Partner
Membership no. : 093081

Sunder Seth
Director

Ashish Seth
Director

Place: New Delhi
Date: 01-09-2021



Ferrous Infrastructure Private Limited
Statement of Profit and Loss for the period ended 31st March 2021
(All amounts in Rupees unless otherwise stated)

	Note No.	For the period ended 31st March 2021	For the period ended 31st March 2020
1 Revenue from operations		-	-
Other Income	10	84,69,536	4,21,855
2 Total Revenue		<u>84,69,536</u>	<u>4,21,855</u>
3 Expenses:			
(a) Cost of land sold		-	-
(b) Employee benefit expenses	11	45,77,673	49,14,633
(c) Finance cost		4,65,960	4,90,713
(d) Other expenses	12	3,40,13,999	54,81,029
(e) Depreciation	6	1,47,367	1,93,502
Total Expenses		<u>3,92,04,999</u>	<u>1,10,79,877</u>
4 Profit/(loss) before tax (3 -4)		(3,07,35,463)	(1,06,58,022)
Current Tax		-	-
Deffered Tax		-	-
5 Profit/(loss) for the year (5-6)		<u>(3,07,35,463)</u>	<u>(1,06,58,022)</u>
6 Earnings per equity share (of Rs. 10 each)			
Basic		(204.90)	(71.05)
Diluted		(204.90)	(71.05)

The accompanying notes from 1 to 22 form an integral part of the financial statements.

As per our report attached to the balance sheet.

For RAAS & Associates
Chartered Accountants
Firm registration no: 030281N

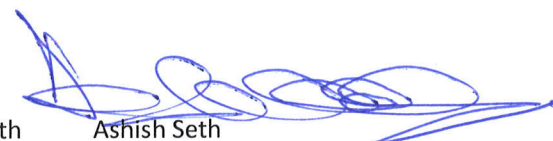
Rajan Sachdeva
Partner
Membership no.: 093081



Place: New Delhi
Date: 01-09-2021

For and on behalf of the Board of
Ferrous Infrastructure Pvt Ltd


Surender Seth
Director


Ashish Seth
Director

Ferrous Infrastructure Private Limited
Notes to financial statements for the period ended 31st March 2021
(All amounts in rupees unless otherwise stated)

Note No. 1 - Share Capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Rupees	Number	Rupees
(a) Authorized				
Equity Shares of Rs. 100/- each with voting rights	1,50,000	1,50,00,000	1,50,000	1,50,00,000
	1,50,000	1,50,00,000	1,50,000	1,50,00,000
(b) Issued, Subscribed and fully Paid up				
Equity Shares of Rs. 100/- each fully paid up with voting rights	1,50,000	1,50,00,000	1,50,000	1,50,00,000
	1,50,000	1,50,00,000	1,50,000	1,50,00,000

Foot notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

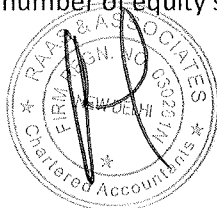
Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of	1,50,000	1,50,00,000	1,50,000	1,50,00,000
Shares Issued during the year/period	-	-	-	-
Shares outstanding at the end of the year	1,50,000	1,50,00,000	1,50,000	1,50,00,000

(ii) Shares in the Company held by each shareholder holding more than 5% shares are as under:-

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Equity Shares of Rs 100/- each fully paid up held by				
- Surender Seth	82,500	55.00%	82,500	55.00%
- Ashish Seth	67,500	45.00%	67,500	45.00%

(iii) Rights and restrictions attached to equity shares

The Company has single class of equity shares, having a par value of Rs. 100 per share. Each shareholder is eligible to one vote per share held. The equity shares are entitled to Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution receive dividend as declared from time to time. In the event of liquidation of the of all preferential amounts, if any. Such amount will be in the proportion to the number of equity shares held by shareholders.



2

Note No. 2 - Reserve and surplus

	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
Surplus/(deficit) in statement of Profit and Loss		
At the commencement of the year	(69,59,33,259)	(68,52,75,237)
Profit/(loss) for the year	(3,07,35,463)	(1,06,58,022)
	<u>(72,66,68,722)</u>	<u>(69,59,33,259)</u>

Note No. 3 - Long Term Borrowings

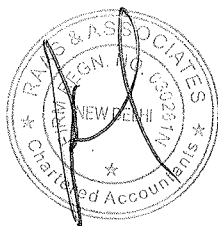
	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
Secured Term Loan - ICICI Bank	44,63,28,254	36,65,13,917
	<u>44,63,28,254</u>	<u>36,65,13,917</u>

Note No. 4 - Short Term Borrowings

	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
Loan from Related Parties	3,49,58,551	1,01,18,730
Loan from Others	90,61,000	60,11,000
	<u>4,40,19,551</u>	<u>1,61,29,730</u>

Note No. 5 - Other Current Liability

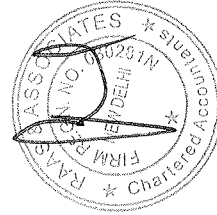
	<u>As at 31st March 2021</u>	<u>As at 31st March 2020</u>
Expenses Payable	26,20,618	23,95,202
Audit Fee Payable	60,000	2,20,000
EDC Charges and Interest Payable	66,35,77,582	66,35,77,582
Security Deposit	-	7,03,417
Statutory Duties Payable	4,53,777	28,42,327
Vashisht Estates Limited	3,16,00,000	3,16,00,000
	<u>69,83,11,977</u>	<u>70,13,38,528</u>



Note No. 6 - Fixed Assets

(Amount in Rs.)

Particulars	Gross Block				Depreciation			Net Block		
	Opening Balance	Addition	Sale/ Written Off	Closing Balance	Accumulated as on 31-03-2020	Charge during the year	Charge on Sale/ Written Off	Accumulated as on 31-03-2021	WDV as on 31-03-2021	WDV as on 31-03-2020
Tangible Assets										
Air Conditioners	4,97,150	-	4,97,150	-	3,84,106	20,461	4,04,567	-	-	1,13,044
Computers	20,76,390	-	20,76,390	-	19,96,720	-	19,96,720	-	-	79,670
Dharuhera Furniture & Fixture	15,754	-	15,754	-	13,604	557	14,161	-	-	2,150
Furniture & Fixtures	1,50,49,678	-	54,48,508	96,01,170	1,44,97,245	-	52,48,508	92,48,737	3,52,433	5,52,433
Lab Equipment (Site Dharuhera)	42,680	-	42,680	-	40,546	-	40,546	-	-	2,134
Machinery (Site Dharuhera)	7,17,714	-	7,17,714	-	6,58,402	10,736	6,69,138	-	-	59,312
Machinery (Site Faridabad - Phase-I)	40,40,118	-	-	40,40,118	36,23,240	75,455	-	36,98,695	3,41,423	4,16,878
Machinery (Site Faridabad - Phase-II)	3,45,954	-	-	3,45,954	3,08,288	6,818	-	3,15,106	30,848	37,666
Motor Car (Vehicle)	69,11,588	-	69,11,588	-	68,44,172	-	68,44,172	-	-	67,416
Office Equipment	11,92,913	-	11,92,913	-	11,21,995	31,963	11,53,958	-	-	70,918
Ph-1 Furniture & Fixture	84,259	-	84,259	-	70,685	-	70,685	-	-	13,574
Ph-2 Furniture & Fixture	75,094	-	75,094	-	69,776	1,377	71,153	-	-	5,318
	3,10,49,292	-	1,70,62,050	1,39,87,242	2,96,28,778	1,47,367		1,32,62,537	7,24,705	14,20,514
Intangible Assets										
Computer Software	6,09,568	-	6,09,568	-	5,87,695	-	5,87,695	-	-	21,873
Total	3,16,58,860	-	1,76,71,618	1,39,87,242	3,02,16,473	1,47,367		1,32,62,537	7,24,705	14,42,387



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Note No 7 - Non current investments

	As at 31st March 2021	As at 31st March 2020
Equity Share - Ferrous Township Pvt Ltd	-	1,43,00,000
	-	1,43,00,000

Note No 8 - Cash and cash equivalents

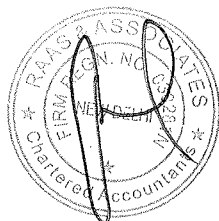
	As at 31st March 2021	As at 31st March 2020
Cash in Hand	28,571	33,641
Balances with banks	1,00,567	1,00,547
Fixed Deposit	19,00,829	18,31,662
	20,29,967	19,65,850

Note No 9 - Short term loans and advances

	As at 31st March 2021	As at 31st March 2020
Imprest to Staff	7,75,239	10,33,054
Security Deposit	-	5,13,768
Loans and Advances to Related Parties	1,17,24,353	2,34,070
GST Recoverable	63,98,858	59,78,932
Other Advances	1,29,95,498	1,28,03,406
Advance against Land	23,10,00,000	23,43,00,000
Advance to Supplier	2,48,950	1,72,84,962
Advance tax & TDS	52,56,873	52,48,877
MAT Credit Entitlement	23,27,472	23,27,472
	27,07,27,243	27,97,24,541

Note No. 10 - Other Income

	For the period ended 31st March 2021	For the period ended 31st March 2020
Interest Received on FD	1,06,603	1,73,939
Sundry Balances Written Back	83,62,933	1,26,229
Prior Period Income	-	1,11,687
Scrap Sale	-	10,000
	84,69,536	4,21,855



Note No. 11 - Employee Benefit Expenses

	For the period ended 31st March 2021	For the period ended 31st March 2020
Salary	45,54,673	49,03,863
Staff Welfare	23,000	10,770
	45,77,673	49,14,633

Note No. 12 - Other expenses

	For the period ended 31st March 2021	For the period ended 31st March 2020
Audit Fees	30,000	30,000
Business Promotion	-	95,432
Interest on TDS	1,462	6,663
Late Filing Fee	180	8,000
Loss on Sale of Shares	1,23,57,500	-
Office Maintenance Expenses	4,77,553	2,51,097
Postage and Courier	-	22,299
Power and Fuel	-	9,73,542
Printing and Stationery	75,665	1,35,589
Rent	8,45,636	4,15,400
Telephone Expenses	29,949	81,505
ROC Filing Fees	-	12,000
Bank Charges	1,66,400	1,90,977
Legal & Professional Charges	20,46,250	23,45,222
Compensation as per Court Order	-	34,615
Misc Expenses	1,97,665	36,964
Travelling & Conveyance	2,93,353	7,45,241
Prior Period Expense	-	96,483
Sundry Balances Written Off	1,74,92,386	-
	3,40,13,999	54,81,029



NOTES TO ACCOUNTS
FOR YEAR ENDED MARCH 31, 2021

Note 13: SIGNIFICANT ACCOUNTING POLICIES

i) The company was incorporated on 2nd February, 2006. The company is doing the business of builders and contractors.

ii) ACCOUNTING CONVENTION

The Financial statements have been prepared in accordance with Indian Generally Accepted Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the Companies Act, 2013 and the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI). These accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy in use, by the company. Management evaluates the effect of accounting standards issued on a going concern basis and ensures they are adopted as mandated by the ICAI.

As required & mandated by relevant guidelines prescribed under Companies Act, 2013, Company has prepared its financials as per Schedule III. 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 the Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets/ services for processing and their realization in cash and cash equivalents, the Company has considered a period of twelve months for the purposes of classification of assets and liabilities as current and non-current.

iii) USE OF ESTIMATES

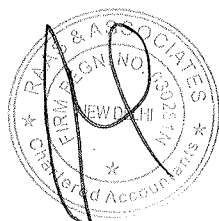
The preparation of the financial statements in conformity with GAAP in India requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known.

iv) REVENUE RECOGNITION

Revenue is being recognized on accrual basis in accordance with the Accounting Standard-9 on 'Revenue Recognition' and Guidance Note on accrual basis of accounting issued by the Institute of Chartered Accountants of India. Further in it

a) Revenue is recognized on percentage of completion method. The stage of completion is determined on the basis of completion of physical proportion of contract work. Extra work and variation in contract (as mutually agreed) to the extent that it is probable that they will result in revenue and can be reliably measured is also covered.

b) Other Income like Interest income is accounted on accrual basis.



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v) **TAXATION**

The current charge for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax act, 1961.

Minimum Alternative Tax ("MAT") paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an Asset if there is convincing evidence that company will pay normal tax in future. MAT Credit entitlement can be carried forward and utilized for a period of ten years from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax asset has not been provided due to uncertainty in virtual profit in future.

vi) **FIXED ASSETS**

Fixed Assets will be stated at their original cost including freight, duties, customs and other incidental expenses relating to acquisition and installation less accumulated depreciation. Acquired Intangible Assets are capitalized at the acquisition price.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet.

vii) **DEPRECIATION**

a) Depreciation will be provided on Written Down Value Method (WDV) on the basis of useful life and in the manner as specified in Schedule II to the Companies Act, 2013.

b) The Company has a policy to charge the depreciation in respect of assets added/disposed off during the year on a pro-rata basis with reference to the date of addition/disposal. In the case of additions, it is charged from the date on which the addition took place & ready for use and in the case of sales up to the date of sale.

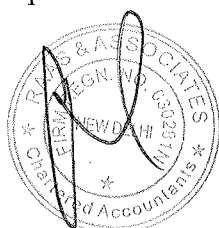
viii) **EMPLOYEE BENEFITS**

a) There were few employees in the company during the previous year. Accordingly no provision has been made during the reporting period as mandated by "Accounting Standard-15 on Employees Benefits", issued by Institute of Chartered Accountants of India.

b) The aforesaid staff benefit schemes will be provided according to respective laws as and when these will be applicable on the Company.

ix) **PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in



respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet.

x) **EARNING PER SHARE**

In determining earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extraordinary /exceptional item. The number of shares used in computing basic earnings per share comprises of the weighted average number of shares outstanding during the period.

xi) **LEASES**

Assets taken on lease under which lessor effectively retains all significant risks & rewards of ownership have been classified as operating lease. Lease payments made under operating lease are recognized as expense in the statement of profit & loss in accordance with the terms of lease agreement.

xii) **GOING CONCERN**

The company is running into losses for some years. The company is liquidating its assets to arrange funds for completion of stalled projects. The management is hopeful to handover the possession to the allottees. Therefore, the financial statements have been prepared on going concern basis.

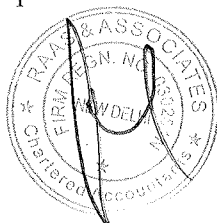
14. **BALANCE CONFIRMATION:**

Account receivables, advances to suppliers, inter corporate deposits, accounts payable, advances from customers, retention and withhold and other loans & advances amounts are valued on realization in the ordinary course of business equal to the amount at which they are stated in the Balance sheet. However, account receivables, advances to suppliers, inter corporate deposits, accounts payable, advances from customers, retention and withhold and other loans & advances amounts are subject to confirmation and reconciliation and have been shown as per values appearing in the books of accounts and have been treated as good for recovery/payment unless specifically provided for.

15. There are no Micro, Small and Medium Enterprises to whom the company owes dues which are outstanding for more than 45 days as on the Balance Sheet date. The information required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company. Accordingly information as required under Micro, Small & Medium Enterprises Development Act, 2006, has not been provided.

16. **BORROWING COST**

Borrowing costs include interest, amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Capitalization of



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borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

17. Segment Reporting does not apply to the Company in view single line of activities.

18. RELATED PARTY TRANSACTIONS

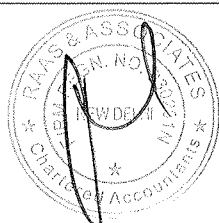
Key Management Personnel (KMP): Mr. Surender Seth
Mr. Ashish Seth

Relatives of KMP : Ms. Meena Seth
Mr. Amit Seth
Ms. Roohi Seth
Ms. Nikita Seth
Ms. Suparna Seth
Mr. Neel Seth

Common Shareholding and Directorship: Ferrous Luxury World Private Limited
Ernest Housing Private Limited
Lavish Housing Private Limited
Ferrous Alloy Forging Private Limited
Prudential Land Base Private Limited
M&S Land Base Private Limited
Ferrous Township private Limited
Ferrous Forgings Limited

**Summary of significant related party transactions during the year ended 31st March, 2021
(As per AS-18 issued by ICAI)**

Nature of Transaction	Year ended 31 st March, 2021	Year ended 31 st March, 2020
1) Surender Seth		
Opening Balance	67,01,933.00(Cr.)	2,12,227.00(Dr.)
Advance given during the year	0.00	0.00
Advance repaid during the year	1,12,000 .00	2,12,227.00
Unsecured Loan taken during the year	0.00	67,01,933.00
Unsecured Loan repaid during the year	0.00	0.00
Sale of Shares	19,42,500.00	0.00
Closing Balance	46,47,433.00 (Cr.)	67,01,933.00(Cr.)
2) Amit Seth		
Opening Balance	3,39,596.00(Cr.)	6,02,366.20(Cr.)
Unsecured Loan taken during the year	0.00	0.00
Unsecured Loan repaid during the year	0.00	2,62,770.00
Closing Balance	3,39,596.00(Cr.)	3,39,596.00(Cr.)
3) Suparna Seth		
Opening Balance	3,33,721.30 (Cr.)	6,22,370.30(Cr.)
Unsecured Loan taken during the year	0.00	0.00
Unsecured Loan repaid during the year	0.00	2,88,649.00
Closing Balance	3,33,721.30(Cr.)	3,33,721.30(Cr.)

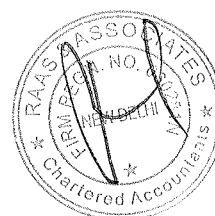


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4) Meena Seth		
Opening Balance	10,95,147.00(Cr.)	0.00(Cr.)
Unsecured Loan taken during the year	0.00	25,95,147.00
Unsecured Loan repaid during the year	2,00,068.00	15,00,000.00
Closing Balance	12,95,215.00(Cr.)	10,95,147.00(Cr.)
5) Ferrous Township Pvt. Ltd.		
Opening Balance	1,08,352.75 (Dr.)	2,62,62,992.75(Dr.)
Advance given during the year	0.00	2,44,02,058.00
Advance repaid during the year	1,08,352.75.00	5,05,54,4698.00
Unsecured Loan taken during the year	2,65,97,025.25	0.00
Closing Balance	2,65,97,025.25.00(Cr.)	1,08,352.75(Dr.)
6) Ferrous Forgings Limited		
Opening Balance	84,062.92(Cr.)	84,062.92(Cr.)
Amount Transferred during the year	59,19,000.00	0.00
Unsecured Loan repaid during the year	0.00	0.00
Closing Balance	58,34,937.08(Dr.)	84,062.92(Cr.)
7) Prudential Landbase Pvt. Ltd.		
Opening Balance	1,25,717.00(Dr.)	35,707.00(Dr.)
Advance given during the year	0.00	1,12,000.00
Advance repaid during the year	1,12,000.00	21,990.00
Closing Balance	13,717.00(Dr.)	1,25,717.00(Dr.)
8) M&S Landbase Pvt. Ltd.		
Opening Balance	0.00(Dr.)	0.00(Dr.)
Amount Recoverable against booking of flats	58,75,699.00	0.00
Advance repaid during the year	0.00	0.00
Closing Balance	58,75,699.00(Dr.)	0.00(Dr.)
9) Lavish Housing Pvt. Ltd.		
Opening Balance	15,64,270.00(Cr.)	0.00(Cr.)
Unsecured Loan taken during the year	1,81,290.00	16,04,270.00
Unsecured Loan repaid during the year	0.00	40,000.00
Closing Balance	17,45,560.00(Cr.)	15,64,270.00(Cr.)
10) Neel Seth		
Remuneration Paid	2,45,000.00	0.00

19. Earnings per Share (EPS):

	Year Ended 31.03.2021	Year ended 31.03.2020
(a) Net Profit for the year attributable to Equity Shares (In Rs.)	(3,07,35,463)	(1,06,58,022)
(b) Weighted average number of shares outstanding during the year	1,50,000	1,50,000
(c) Nominal value of each equity shares	100	100
(d) Earning per share - Basic (Rs.)	(204.90)	(71.05)
(e) Earning per share - Diluted (Rs.)	(204.90)	(71.05)



20. Contingent liabilities and commitments (to the extent not provided for)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
1) Claims filed in court seeking possession of flats/plots	6,94,80,574.00	6,94,80,574.00
2) Claims filed in court seeking refund of flat/plot registration money	6,14,50,891.00	6,14,50,891.00
3) Income Tax Demand	50,70,651.00	50,50,651.00

21. During the year, the company has sold all its shares of Ferrous Township Private limited which was held as an investment and due to a diminution in the value of the investments. The sale price of each share was more than the Net Realizable Value as per the valuation report obtained for the investment.

22. Comparative figures:

The figures of the previous year have been reclassified wherever deems necessary to correspond with the current year's classification / disclosure.

As per our report of even date
Attached to the balance sheet
For RAAS & Associates
Chartered Accountants

For and on behalf of the Board
FERROUS INFRASTRUCTURE PVT. LTD.

(Rajan Sachdeva)
Partner
M.No:-093081



Surendra Seth
Director

Ashish Seth
Director

Place : New Delhi
Date : 01-09-2021