

XICON INTERNATIONAL LIMITED

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**



INDEPENDENT AUDITORS' REPORT

To,
The Members of
Xicon International Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Xicon International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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



P Y S & Co (a partnership firm) converted into P Y S & Co LLP (a Limited Liability Partnership with LLP Identification No AAG-9715) w.e.f. 20th July 2016.

Mumbai Office : Saraswati Bhuvan, Sahakar Road, Tejpal Scheme Road No. 5, Vile Parle (East), Mumbai - 400 057.

Tel : 9987068582 / 8286051811 Email: emails@pys.ind.in

Registered Office : No. 777/D, New Bridge Corporate Centre, 100 Feet Road, Indiranagar, Bengaluru – 560 038.

Other Offices: New Delhi-NCR and Surat

Emphasis of Matter

We draw attention to

- a) Note no. 49 to the financial statements regarding receivable and payable balances of Rs. 142.61 Lakhs and Rs. 45.63 Lakhs, respectively from / to overseas parties which are outstanding for recovery / payment for a period of more than 9 months / 6 months as at 31 March 2021, and have not been received / paid within the time lines stipulated under Foreign Exchange Management Act, ('FEMA'). The Company shall make application to Authorized Dealer (AD)/ Reserve Bank of India (RBI) under the FEMA regulations for the extension of the time limits for the repayment/adjustment of said dues.
- b) Note no. 50 of the financial statements, which describe the management's assessment of the impact of the COVID-19 pandemic on the financial results of the Company and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p>Assessment of receivables and allowance for Expected Credit Loss (Note 10 to the financial statements)</p> <p>The Company determines the allowance for expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to the allowance for expected credit losses for trade receivables and unbilled revenue included the following among others:</p> <p>We tested the effectiveness of controls over the:</p> <ol style="list-style-type: none"> (1) development of the methodology for the allowance for expected credit losses, including consideration of the current and estimated future economic conditions. (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for expected credit losses. <p>For a sample of customers, we have tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information.</p> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis and Board's Report etc. 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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, 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.

Auditors' Responsibility for the audit of 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal controls system over financial reporting and the operative 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.

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

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

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

From the matters communicated with the directors, 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.



Other Matter

Due to the COVID-19 related lockdown, we were unable to observe the Management's year-end physical verification of inventory which was conducted on 8 April 2021. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items", which includes obtaining results of physical count performed by the Management on the above dates. Further, the management confirmed that there were no transactions of purchases / receipts and sales / issues, took place for the period from 01 April 2021 to 8 April 2021 and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

Our opinion is not modified in respect of this matter.

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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - (e) The matter described under the Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on 31 March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) As the Company fulfils the conditions of paragraph 9A of the notification No. GSR 464(E) dated 5 June 2015 as amended, reporting under Section 143(3)(i) of the Act with respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls is not applicable for the year;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided the remuneration to its directors during the year.



- (i) 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, 2015, as amended, in our opinion and to the best of our information and according to the explanations given to us;
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR PYS & CO. LLP
Chartered Accountants
Firm's Reg. No. 012388S/S200048



G. D. Joglekar
Partner
Membership No.: 039407
UDIN: 21039407AAAAJM5181



Place: Mumbai
Date: 28 June 2021

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, the Company has a regular program of periodical verification of its fixed assets by which all the fixed assets are verified in a phased manner, which is reasonable having regard to the size of the Company and the nature of its fixed assets. However, during the year, the management of the Company has not conducted physical verification of fixed assets. The discrepancies if any between fixed assets register and physical verification will be dealt in the books of account as and when ascertained.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the company.
- (ii) In our opinion and according to information and explanations given to us, physical verification of inventory has been conducted by the management after the period of financial statements due to the reason mentioned in Note 55 to the financial statements. In our opinion, keeping in mind nature & size of business of the Company, we have relied upon the management process of conducting physical verification of inventories.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has not granted loan or provided any guarantee or security in respect of any loans to any party covered under Section 185 & 186 of the Companies Act, 2013 and therefore, the provision of clause 3(iv) of the order is not applicable. However, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to investment made.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act are not applicable to the Company during the year.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax (GST), cess and any other statutory dues with the appropriate authorities except delays in the range of 12-30 days on certain occasion except for GST. There are no arrears of outstanding statutory dues as at the 31 March 2021 for a period of more than six months from the date they became payable except for service tax amounting to Rs. 27,124.
- b) According to information and explanations given to us, there are no dues on account of income tax, goods and service tax, cess which have not been deposited with the appropriate authorities on account of any dispute.





- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from banks. The Company does not have any borrowing from financial institutions, government or by way of debentures.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to information and explanations given to us, the term loan has been applied for the purpose for which it was raised.
- (x) To the best of knowledge and 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 have been noticed or reported during the year.
- (xi) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided managerial remuneration to its directors. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, the paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors, or any persons connected with him as referred to in section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

FOR PYS & CO. LLP
Chartered Accountants
Firm's Reg. No. 012388S/S200048

G. D. Joglekar
Partner
Membership No.: 039407
UDIN: 21039407AAAAJM5181



Place: Mumbai
Date: 28 June 2021

XICON INTERNATIONAL LIMITED
Balance Sheet as at 31 March 2021

(Amount in Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	185.46	207.41
(b) Other intangible assets	4	1.25	2.45
(c) Financial assets			
(i) Investments	5	11.11	10.55
(ii) Other	6	-	16.69
(d) Deferred tax assets (net)	7	42.87	-
(e) Income tax assets (net)		-	6.84
(f) Other non-current assets	8	14.17	12.42
Total non-current assets		254.86	256.36
Current Assets			
(a) Inventories	9	204.87	223.00
(b) Financial assets			
(i) Trade receivables	10	1,893.41	906.50
(ii) Cash and cash equivalents	11	7.73	1.51
(iii) Bank balances other than (ii) above	12	63.75	55.95
(iv) Others	13	42.69	26.11
(c) Other current assets	14	173.24	165.02
Total current assets		2,385.69	1,378.09
TOTAL ASSETS		2,640.55	1,634.45
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	309.16	309.16
(b) Other equity	16	385.08	208.59
Total equity		694.24	517.75
LIABILITIES			
Non-current Liabilities			
(a) Provisions	17	4.14	5.12
Total non-current liabilities		4.14	5.12
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	747.01	607.29
(ii) Trade payables	19		
-Outstanding dues of Micro Enterprises and Small Enterprises		42.68	1.00
-Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,066.83	436.84
(iii) Other financial liabilities	20	41.76	39.20
(b) Other current liabilities	21	16.94	17.79
(c) Provisions	22	10.77	9.46
(d) Current tax liabilities(Net)		16.18	-
Total current liabilities		1,942.17	1,111.58
TOTAL LIABILITIES		1,946.31	1,116.70
TOTAL EQUITY AND LIABILITIES		2,640.55	1,634.45

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

FOR PYS & Co. LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048

G. B. Joglekar
Partner
Membership No. 039407

Place : Mumbai
Date : 28 June 2021

For and on behalf of the Board of Directors
Xicon International Limited

Hemant K Talapadatur
Director
DIN No : 02741651

V. G. Mukund
Director
DIN No : 02738633

Place : Mumbai
Date : 28 June 2021

XICON INTERNATIONAL LIMITED

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

(Amount in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
	INCOME			
I	Revenue from operations	23	2,313.42	1,541.47
II	Other income	24	7.56	63.68
III	Total Income (I+II)		2,320.98	1,605.15
	EXPENSES			
IV	(a) Cost of materials consumed	25	683.60	251.64
	(b) Purchases of stock-in-trade	26	382.47	507.05
	(c) Changes in inventories of stock-in-trade and work-in-progress	27	5.35	(53.35)
	(d) Manufacturing costs	28	644.89	392.24
	(e) Employee benefits expense	29	141.43	192.69
	(f) Finance costs	30	78.88	64.42
	(g) Depreciation and amortisation expenses		23.43	28.15
	(h) Other expenses	31	199.32	350.85
	Total expenses		2,159.37	1,733.69
V	Profit/(loss) before exceptional items and tax (III-IV)		161.61	(128.54)
VI	Exceptional Items		-	1.31
VII	Profit/(loss) before tax		161.61	(129.85)
VIII	Tax expense			
	Current tax		49.85	-
	Deferred tax		(42.56)	-
	Tax adjustment of earlier years		0.02	0.01
	- Current tax		(23.02)	-
	- Mat credit			
	Total tax expense		(15.71)	0.01
IX	Profit/(loss) for the year (A)		177.32	(129.86)
X	Other comprehensive income	32		
	Items that will not be reclassified subsequently to profit or loss :			
	(i) Remeasurement [gain/(loss)] of net defined benefit liability		(1.70)	3.87
	(ii) Effect [gain/(loss)] of measuring equity instruments at fair value through other comprehensive income (FVTOCI)		0.56	(1.20)
	(iii) Income tax on above		0.31	-
	Total other comprehensive income (B)		(0.83)	2.67
	Total comprehensive income for the year (A)+(B)		176.49	(127.19)
	Earnings per equity share (face value of Rs. 10 each)			
	Basic (in ₹)	41	5.74	(4.20)
	Diluted (in ₹)		5.74	(4.20)
	Summary of significant accounting policies	2		
	The accompanying notes form an integral part of the financial statements			
	As per our report of even date attached			
	FOR PYS & Co. LLP Chartered Accountants Firm's Reg. No.: 012388S/S200048			
	G.D. Joglekar Partner Membership No. 039407			
	Place : Mumbai Date : 28 June 2021			
	For and on behalf of the Board of Directors Xicon International Limited			
	Hemant K Talapadatur Director DIN No : 02741651			
	V. G. Mukund Director DIN No : 02738633			
	Place : Mumbai Date : 28 June 2021			

XICON INTERNATIONAL LIMITED

Statement of Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital

Particulars	(Amount in Lakhs)
Balance as at 1 April 2019	309.16
Changes in equity share capital during the year	-
Balance as at 31 March 2020	309.16
Add: Changes in Equity Share Capital during the year	-
Balance as at 31 March 2021	309.16

B. Other Equity

(Amount in Lakhs)

Particulars	Reserves and surplus			Items of OCI		Total
	Retained Earnings	General Reserve	Capital Reserve	Equity Instruments through OCI	Remeasurement on defined Benefit Plan	
Balance as at 01 April 2019	255.37	70.01	7.15	(0.16)	3.41	335.78
Profit for the year	(129.86)	-	-	-	-	(129.86)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	(1.20)	3.87	2.67
Balance as at 31 March 2020	125.51	70.01	7.15	(1.36)	7.28	208.59
Balance as at 1 April 2020	125.51	70.01	7.15	(1.36)	7.28	208.59
Profit for the period	177.32	-	-	0.40	(1.23)	177.32
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-	(0.83)
Balances as at 31 March 2021	302.83	70.01	7.15	(0.96)	6.05	385.08

Summary of significant accounting policies - see note 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For PYS & CO. LLP

Chartered Accountants

Firm's Reg. No.: 012388S/S200048



G. D. Joglekar

G. D. Joglekar

Partner

Membership No. 039407

Place : Mumbai

Date : 28 June 2021

For and on behalf of the Board of Directors
Xicon International Limited



Hemant K Talapadatur

Hemant K Talapadatur

Director

DIN No : 02741651

Place : Mumbai

Date : 28 June 2021

V. G. Mukund

Director

DIN No : 02738633

XICON INTERNATIONAL LIMITED
Statement of Cash Flows for the year ended 31 March 2021

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	161.61	(129.85)
Adjustment for :		
Interest income	(3.45)	(7.40)
Interest expense	73.47	62.32
Depreciation and amortization expense	23.43	28.15
Loss/(Profit) on sale of property, plant and equipment (net)	(0.08)	(0.19)
Profit on sale of investments	-	(0.87)
Bad debts / advances written off	-	3.37
Provision for doubtful debts	23.91	120.45
Trade payable/sundry balances written back	-	(5.77)
Excess provision written back	(0.67)	(6.02)
Unrealised foreign exchange difference	4.72	(1.72)
Operating profit before working capital changes	282.94	62.47
Movements in working capital:		
Decrease/(increase) in trade receivables and other receivables	(1,025.60)	598.91
Decrease/(increase) in inventories	18.13	(48.15)
Decrease/(increase) in trade payables and other payables	753.60	(594.02)
Cash generated from operations	29.07	19.21
Direct taxes paid (net of refunds)	(3.83)	(31.76)
Net cash flow from operating activities [A]	25.24	(12.55)
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work in progress and capital advance)	(0.28)	(6.82)
Proceeds from sale of property, plant and equipment	0.08	1.20
Purchase of investments	-	1.74
Proceeds from sale of investments	-	13.06
Proceeds from fixed deposit (having original maturity of less than 12 months)	(7.80)	(3.13)
Interest income	3.69	6.95
Net cash flow used in investing activities [B]	(4.31)	13.00
Cash flows from financing activities		
Interest expenses	(154.43)	(101.52)
Proceeds from/(Repayment of) borrowings (net)	139.72	92.04
Net cash flow from / (used in) financing activities [C]	(14.71)	(9.48)
Net increase in cash and cash equivalents (A+B+C)	6.22	(9.03)
Cash and cash equivalents - Opening balance (refer note 13)	1.51	10.54
Cash and cash equivalents - Closing balance (refer note 13)	7.73	1.51
Net increase/(decrease) as disclosed above	6.22	(9.03)

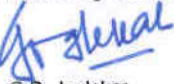
Notes:

- All figures in bracket are outflow.
- Above Cash flow statement has been prepared under 'Indirect method' as set out in the Ind AS - 7 on 'Cash Flow Statements'.

Summary of significant accounting policies - Refer note 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
FOR PYS & Co. LLP
Chartered Accountants
Firm's Reg. No.: 012388S/S200048


G.D. Joglekar
Partner
Membership No. 39407

Mumbai
Date: 28 June 2021



For and on behalf of the Board of directors of
Xicon International Limited


Hemant K Talapadatur
Director
DIN No : 02741651

Mumbai
Date: 28 June 2021


V. G. Mukund
Director
DIN No : 02738633

XICON INTERNATIONAL LIMITED

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

1 CORPORATE INFORMATION

Xicon International Limited ("the Company") is a public limited Company incorporated and domiciled in India and has its registered office in 283-287, F wing, Solaris - I, Saki vihar road, Andheri (East) Mumbai - 400 072. The company is engaged in the business of providing products and services to infrastructure projects in the field of electric heat tracing and turnkey mechanical and electrical projects for captive power plants and oil based industries. It covers Balance Plant Equipment for DG sets. It also carries out thermal insulation works and executes electrical distribution jobs.

The Financial Statement for the year ended March 31, 2021 are approved for issue by the Company Board of Directors on 28 June 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 a Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis and on the basis of accounting principle of a going concern in accordance with generally accepted accounting principles (GAAP) except for certain instruments which are measured at fair values.

The Ind AS are presented under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments Rules issued thereafter.

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

The financial statements are presented in Indian Rupee and all values are stated in Rs. Lakhs or decimal thereof, except when otherwise indicated. Wherever the amount represents '0' (zero), value construes less than Rupees five hundred.

b Functional and presentation currency

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

2.2 Use of estimates:

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments
Useful life of property, plant and equipment
Actuarial gain/loss on employee benefit plans
Provisions

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Division II of Schedule III of The Companies Act, 2013. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



XICON INTERNATIONAL LIMITED

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

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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



XICON INTERNATIONAL LIMITED

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

2.5 Property, plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses if any. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied with these will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized and charged to the statement of Profit and Loss. All other costs are recognized in the Statement of Profit and Loss as and when incurred.

Depreciation:

Depreciation on property plant & equipments is calculated on Written Down Value method over the useful life as specified by Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

2.6 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

Intangible assets being computer software is amortised over a period of three years for which the company expect the benefits to accrue.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognized.

2.7 Revenue recognition:

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

Ind AS 115 "Revenue from contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- A) Identify the contract(s) with customer;
- B) Identify the performance obligations;
- C) Determine the transaction price;
- D) Allocate the transaction price to the performance obligations;
- E) Recognise revenue when or as an entity satisfies performance obligation.



XICON INTERNATIONAL LIMITED

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

Revenue from operations

Sale of goods

Revenue from sale of goods is recognised net of indirect taxes.

Erection and commissioning, Claims including escalation charges and Contractual liquidated damages

Revenue on erection and commissioning of contracts is recognised on the 'Percentage of completion method'. Claims including escalation are recognised as revenue on client's acceptance or evidence of acceptance. Contractual liquidated damages payable for delays in completion of contract work or for other causes are accounted for at costs when deducted, and/or when such delays and causes are attributable to the Company.

2.8 Other income:

Other income is comprised primarily of interest income on fixed deposit and rent income. Interest income is recognized using the effective interest method. Rental income arising from operating lease on investment property is accounted for on a straight-line basis over the lease term..

2.9 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials valued at lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity.

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

2.10 Retirement benefits:

Employee benefits include Provident Fund, , Employee State Insurance Scheme, Gratuity Fund and Compensated Absences.

Defined Contribution Plans

The Company contributes on a defined contribution basis to Employee's Provident Fund and Employee State Insurance Scheme, towards post employment benefits, which is administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

Defined Benefit Plans

The Company has a defined benefit plan namely Gratuity for all its employees in the form of Group Gratuity -cum- Life Assurance Scheme. The liability for the defined benefit is determined on the basis of valuation made under the scheme at year end, which is calculated using the projected unit credit method.

Gains and losses through remeasurement of the defined benefits obligations is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. For Defined Benefit Plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Short-term and other long-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as a related service provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Leave encashment

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



XICON INTERNATIONAL LIMITED

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

2.11 Accounting for taxes on income:

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

a Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period in the countries where the Company operates and generates taxable income.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

b Deferred income tax

Deferred income tax assets and liabilities are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax loss can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- c The Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.12 Lease:

As a lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") 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.



XICON INTERNATIONAL LIMITED

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

As a lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease receipts to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an income in line with the contractual terms.

2.13 Impairment of assets:

Financial assets

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

Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

A contingent assets, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in Ind AS 10.

2.15 Financial Instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

Financial Assets

Amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.



XICON INTERNATIONAL LIMITED

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

Fair value through profit and loss (FVTPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade Receivables and Loans:

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. All financial liabilities are recognised initially at fair value and in the case of borrowings trade payables and other financial liabilities, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade payables and other financial liabilities.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(a) Borrowings: Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(b) Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.



XICON INTERNATIONAL LIMITED

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.16 Investments in Associates

The Company accounts for its investments in associates at cost less accumulated impairment, if any.

2.17 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

2.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.19 Foreign currency

Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees and all values are rounded to the Rupee in lacs, unless otherwise stated.

Transactions and translations

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Effective April 1, 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.20 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year including potential equity shares, if any.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.21 Segment Reporting:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.



XICON INTERNATIONAL LIMITED

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

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Recent pronouncements

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

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

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

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



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

3 Property, Plant and Equipment										(Amount in Lakhs)	
Particulars	Leasehold Land	Buildings	Office Premises	Elec. Inst. Fact. Bldg.	Plant and Machinery	Office Equipments	Furniture and fixtures	Vehicles	Total		
(I) Gross Carrying Value											
Balance as at April 1, 2019	19.08	135.89	52.77	9.20	78.85	12.87	7.65	1.56	317.87		
Additions during the year	-	-	-	-	1.00	2.45	-	0.04	3.49		
Deductions/Adjustments during the year*	-	-	-	-	0.00	0.24	-	-	0.24		
Balance as at March 31, 2020	19.08	135.89	52.77	9.20	79.85	15.08	7.65	1.60	321.12		
Balance as at April 1, 2020											
Additions during the year	19.08	135.89	52.77	9.20	79.85	15.08	7.65	1.60	321.12		
Deductions/Adjustments during the year	-	-	-	-	0.19	-	-	0.10	0.29		
Balance as at March 31, 2021	19.08	135.89	52.77	9.20	80.04	13.67	7.65	1.70	320.00		
(II) Accumulated Depreciation											
Balance as at April 1, 2019	-	35.38	7.32	6.11	26.11	6.83	3.88	1.19	86.82		
Depreciation expense for the year	-	9.69	2.21	0.87	9.90	3.42	0.92	0.10	27.11		
Deductions/Adjustments during the year**	-	-	-	-	0.00	0.24	-	-	0.24		
Balance as at March 31, 2020	-	45.07	9.53	6.98	36.01	10.01	4.80	1.29	113.69		
Balance as at April 1, 2020											
Depreciation expense for the year	-	45.07	9.53	6.98	36.02	10.01	4.81	1.30	113.72		
Deductions/Adjustments during the year	-	8.76	2.10	0.26	8.12	2.23	0.68	0.08	22.23		
Balance as at March 31, 2021	-	53.83	11.63	7.24	44.14	10.83	5.49	1.38	134.54		
Net balance as at March 31, 2020	19.08	90.82	43.24	2.22	43.84	5.07	2.85	0.31	207.43		
Net balance as at March 31, 2021	19.08	82.06	41.14	1.96	35.90	2.84	2.16	0.32	185.46		

* Deductions/Adjustments during the year is Rs. 330

**Deductions/Adjustments during the year is Rs. 84

4 Other Intangible Assets

(Amount in Lakhs)		
Particulars	Computer Software	Total
(I) Gross Carrying Value		
Balance as at April 1, 2019	4.46	4.46
Additions during the year	2.34	2.34
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2020	6.80	6.80
Balance as at April 1, 2020		
Additions during the year	6.80	6.80
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2021	6.80	6.80
(II) Accumulated Depreciation		
Balance as at April 1, 2019	3.31	3.31
Depreciation expense for the year	1.04	1.04
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2020	4.35	4.35
Balance as at April 1, 2020		
Depreciation expense for the year	4.35	4.35
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2021	5.55	5.55
Balance as at March 31, 2020	2.45	2.45
Balance as at March 31, 2021	1.25	1.25



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

5 Non-current investments

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in equity instruments		
Unquoted investments		
Investment in other entities - At fair value through profit and loss 500(Previous Years 500) equity shares of Rs. 10 each fully paid up in new india co-operative bank limited	0.05	0.05
Investment in other entities - At fair value through other comprehensive income 117,000 (Previous Years 117,000) equity shares of Heat Trace Xicon Limited of Rs. 10 each fully paid up*	11.06	10.50
Total	11.11	10.55
Aggregate amount of unquoted investments	11.11	10.55

*Fair value has been estimated by the management based on the unaudited financial statements of the investee company.

6 Other financial assets

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money accounts* (with maturity more than 12 months from balance sheet date)	-	16.69
Total	-	16.69

*Fixed deposits are under lien with banks towards working capital facilities

7 Deferred tax assets (Net)

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets on account of:		
Disallowance expenses		
Provision for leave encashment	1.52	-
Estimated credit loss	40.16	-
Provision for gratuity	2.63	-
Total (A)	44.31	-
Deferred tax liability on account of:		
Depreciation	1.44	-
Total (B)	1.44	-
Deferred tax assets / (liability) [Net]: [A - B]	42.87	-

8 Other non-current assets

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
(Unsecured considered good unless stated otherwise)		
Capital advances	5.00	-
Balances with government authorities	8.66	10.91
Prepaid expenses	0.51	1.51
Total	14.17	12.42

9 Inventories

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	115.35	128.13
Work-in-progress	26.44	16.09
Stock in trade	63.08	78.78
Total	204.87	223.00



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

10 Trade receivables

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	1,893.41	906.50
Considered doubtful (Refer note 31 with*)	144.36	120.45
	2,037.77	1,026.95
Less :- Allowances for expected credit loss (Refer note 44 (c))	144.36	120.45
Total	1,893.41	906.50

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

11 Cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.08	0.72
Balances with Banks		
in current accounts	7.65	0.79
Total	7.73	1.51

12 Bank balances other than cash and cash equivalents

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money accounts (with maturity period of within 12 months from balance sheet date)	63.75	55.95
Total	63.75	55.95

*Fixed deposits are under lien with banks towards working capital facilities

13 Other financial assets

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured considered good		
Security deposits	31.88	17.70
Advance to staff	3.41	0.93
Others receivables	6.83	6.67
Interest accrued on fixed deposit with original maturity of less than 12 months	0.57	0.81
Total	42.69	26.11



XICON INTERNATIONAL LIMITED

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

14 Other current assets

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured considered good		
Advance to suppliers	28.73	15.17
Other advance	1.83	-
Prepaid expenses	3.41	7.90
Unbilled revenue	-	35.97
Balances with government authorities	139.27	105.98
Total	173.24	165.02

15 Equity share capital

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
6,000,000, equity shares of Rs.10 each	600.00	600.00
	600.00	600.00
Issued, subscribed & paid Up		
3,091,586, equity shares of Rs.10 each	309.16	309.16
Total issued, subscribed and paid up share capital	309.16	309.16

a. Reconciliation of number and amount of shares outstanding:

(Amount in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	30,91,586	309.16	30,91,586	309.16
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,91,586	309.16	30,91,586	309.16

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining asset of the company, which will be in proportion to the number of equity shares held by the each shareholders.

c. Equity shares held by the Holding Company

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.	% of holdings	No.	% of holdings
Kaiser Corporation Limited :1,708,000 equity Shares of Rs.10 each fully paid up	17,08,000	55.25	17,08,000	55.25

d. Shares in the Company held by each shareholders holding more than 5 percent shares:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No.	% of holdings	No.	% of holdings
Equity shares of Rs.10 each fully paid up				
Kaiser Corporation Limited	17,08,000	55.25	17,08,000	55.25
Lorance Investments & Trading Ltd.	8,52,000	27.56	8,52,000	27.56
Oxcamb Investments Limited. U.K	2,25,000	7.28	2,25,000	7.28
REPL Global HC Ltd. U.A.E	2,91,986	9.45	2,91,986	9.45



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31st March 2021

16 Other Equity

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital reserve	7.15	7.15
General reserve	70.01	70.01
Retained Earnings		
Retained earnings through profit and loss	302.83	125.51
Other Comprehensive Income for the year, net of income tax		
Equity instruments through other comprehensive income	(0.96)	(1.36)
Remeasurements of the net defined benefit Plans	6.05	7.28
Total	385.08	208.59

17 Non-current provisions

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Leave encashment	4.14	5.12
Total	4.14	5.12

18 Borrowings

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Financial liabilities at amortised cost		
Secured		
From Banks		
Cash credit*	512.32	417.76
Overdraft**	174.69	189.53
MSME term loan***	60.00	-
Total	747.01	607.29

1 *Cash credit facility are secured against:

A) Primary

First and exclusive hypothecation charge on all existing and future receivables / current assets/ moveable assets/ moveable fixed assets of the Borrower .

B) Collateral

i) First and exclusive charge on immoveable properties being land and building situated at Office premises at Gala No 282 to 287 at Solaris - 1, Saki Vihar Road, Opp L& T Gate No 7, Powai owned by Xicon international limited

ii) First and exclusive charge on Factory at Plot No D-13, MIDC Murbad, Near Ambe Ferro Metal Processor, Murbad, Talika Murbad, District Thane owned by Xicon international Limited.

iii) Title search report of the property to be found satisfactory to the Bank.

C) Guarantee

i) Corporate guarantee/s of Kaiser Corporation Limited and Lorance Investments and Trading Limited.

Cash credit facility carries interest at 6 M MCLR +1.70% and repayable on demand

2 **Overdraft facility (110% backed by standby letter of credit)

Overdraft facility is backed by standby letter of credit issued by REPL International Ltd. Bank i.e. HSBC BANK UK PLC.

Overdraft facility carries interest at 6 M MCLR +1.70% and repayable on demand

3 *SME term Loan**

Second charge on all existing and future receivables / current assets/ moveable assets/ moveable fixed assets of the Borrower .

SME term loan carries interest rate @8% pa and payable in 48 months including moratorium period of 12 Months



XICON INTERNATIONAL LIMITED

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

19 Trade payables

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No 46)	42.68	1.00
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,066.83	436.84
Total	1,109.51	437.84

20 Other financial liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued and due on MSME creditors	1.54	0.93
Interest accrued and not due on borrowings	0.14	-
Salary payable	29.02	26.98
Other payables	11.06	11.29
Total	41.76	39.20

21 Other current liabilities

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	3.36	3.40
Advances from customers	2.61	14.39
Deferred revenue	10.97	-
Total	16.94	17.79

22 Provisions

(Amount in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits :		
Provision for gratuity (Refer Note 36)	9.46	7.83
Provision for leave encashment	1.31	1.63
Total	10.77	9.46



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

23 Revenue from operations

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
- Local	940.76	737.71
- Exports	792.77	301.20
Sale of services		
- Local	228.68	142.36
- Exports	343.90	347.73
Other operating revenues		
Sale of scrap	3.02	0.16
Duty draw back	4.29	12.31
Total Revenue From Operations	2,313.42	1,541.47

24 Other income

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
On fixed deposit	3.07	3.68
On others	0.38	3.72
Exchange gain (net)	-	4.24
Dividend from unquoted investment	-	0.01
Excess provisions / sundry balances written back	0.67	6.02
Freight recovered	0.55	42.95
Profit on sales of property, plant & equipment	0.08	0.19
Rent received	2.40	2.40
Miscellaneous income	0.41	0.02
Profit on sale of shares	-	0.45
Total	7.56	63.68

25 Cost of materials consumed

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials		
Opening stock	128.13	133.33
Add: purchases	670.82	246.44
Less: closing stock	(115.35)	(128.13)
Total Cost of materials consumed	683.60	251.64



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

26 Purchases of stock-in-trade

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Electrical heat tracers	382.47	507.05
Total	382.47	507.05

27 Changes in inventories of stock-in-trade and work-in-progress

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Stocks at the end		
Work-in-progress	26.44	16.09
Stock-in-trade	63.08	78.78
	89.52	94.87
Less: Stocks at the beginning		
Work-in-progress	16.09	19.29
Stock-in-trade	78.78	22.23
	94.87	41.52
Total	5.35	(53.35)



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

28 Manufacturing costs

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Payments to subcontractors	250.77	231.05
Consultancy charges	253.48	9.60
Conveyance expenses at site	6.00	2.19
Inspection charges	0.27	3.80
Equipment hire charges	13.64	5.75
Freight charges	18.33	21.64
Insurance	3.21	5.28
P.F./ ESIC contractors	6.18	10.87
Packing expenses	4.97	10.31
Power charges	9.49	7.21
Site office expenses	9.04	9.96
Medical expenses for labour	0.09	0.06
Profession tax /LWF	0.02	0.07
Testing fees	4.78	10.72
Stores and spares	42.57	41.10
Staff welfare - site	3.32	2.28
Travelling expenses	18.73	20.35
TOTAL	644.89	392.24

29 Employee benefits expense

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and incentives	132.92	175.07
Contributions to provident and other funds	7.45	13.29
Staff welfare expenses	1.06	4.33
Total	141.43	192.69

30 Finance costs

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
Bank loans	66.29	60.70
Others	7.18	1.62
Interest on short fall in payment of advance tax	1.35	-
Other borrowing costs	4.06	2.10
Total	78.88	64.42



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

31 Other expenses

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Electricity charges	6.47	10.03
Rent including lease rentals	2.10	0.42
Bad debts written off	-	3.37
Provision for doubtful debts*	23.91	120.45
Price discount	6.35	-
Liquidated damages	1.07	14.79
Repairs and maintenance - buildings	9.79	11.28
Repairs and maintenance - machinery	1.33	2.05
Exchange gain (net)	5.98	-
Rates and taxes	5.38	8.27
Selling expenses	20.66	4.58
Bank charges	8.57	10.36
Printing & stationery	1.12	3.74
Freight outward	41.59	19.39
Security charges	5.13	5.14
Travelling and conveyance	18.71	76.39
Payments to auditors (Refer note below)	3.90	3.54
Legal & professional fees	28.94	44.69
Miscellaneous expenses	8.32	12.36
Total	199.32	350.85
Note :		
Payment to the auditors comprises		
Statutory audit	2.50	2.05
Tax audit	0.40	0.25
Other services	1.00	1.24
Total	3.90	3.54

***Breakup of provision for doubtful debts**

Opening balance	120.45	-
Add: Provision made during the year	23.91	120.45
Closing balance	144.36	120.45

32 Other comprehensive income

(Amount in Lakhs)

Particulars	Equity instrument through other comprehensive	Other item of comprehensive income	Total
For the year ended 31 March 2021			
Items that will not be reclassified to profit or loss			
(i) Equity instruments through other comprehensive income	0.56	-	0.56
(ii) Remeasurement gain/(loss) of defined benefits obligations		(1.70)	(1.70)
Less: Income tax relating to items that will not be reclassified to profit or loss	(0.16)	0.47	0.31
Total	0.40	(1.23)	(0.83)
For the year ended 31 March 2020			
Items that will not be reclassified to profit or loss			
(i) Equity instruments through other comprehensive income	(1.20)	-	(1.20)
(ii) Remeasurement gain/(loss) of defined benefits obligations	-	3.87	3.87
Less: Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Total	(1.20)	3.87	2.67



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

(Amount in Lakhs)

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

PARTICULARS	As at 31 March 2021	As at 31 March 2020
A. Contingent Liabilities		
Outstanding bank guarantees issued by bankers on behalf of the company.	418.83	492.27
Letters of credit	-	22.28
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of Rs. 500,000; Previous Year Rs. Nil)	20.00	-

34 Segmental Information

The Board of Directors of the Company collectively has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The Company's has only one reportable business segment of Infrastructure Projects. Therefore, there is no other significant classes of operating segment.

The geographic information is based on business sources from that geographic region and on individual customer invoices or in relation to which the revenue is otherwise recognized.

Geographic information

(Amount in Lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Segment revenue		
Within india	1,169.44	880.07
Outside india	1,136.67	648.93
Total	2,306.11	1,529.00

Major customers

The following table gives details in respect of revenue generated from top customer and top 5 customers:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from top customer	769.01	627.35
Revenue from top 5 customers	2,127.04	1,206.06

Three customer accounted for 33.32%, 27.71% and 21.26% of the revenue for the year ended 31 March 2021 and four customer accounted for 19.69%, 16.25%, 14.83% and 14.28% for the year ended 31 March 2020. However, none of the other customers accounted for more than 10% of the revenue for the year ended 31 March 2021 and 31 March 2020.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

35 Disclosure pursuant to Ind AS - 11 'Construction Contracts'

(Amount in Lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Amount	Amount
Details of contract revenue		
Contract revenue recognised during the year	1,338.57	534.89
Aggregate amount of contract cost recognised during the year	1,027.37	452.97
Amount received for contracts in progress	790.99	469.57
Retention money for contracts in progress	46.20	-
Gross amount due from customers for contract work (asset)	547.58	65.32

36 Employee benefits obligations

- a) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- b) The Company provides for earned leave benefit (including compensated absences) to the employees of the company which accrue annually. As per the rules of Company, the earned leave is en-cashable during the service and on retirement. The liability for the same is recognized on the basis of actuarial valuation.
- c)

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. The Company has classified the various benefits provided to employees as under:

i. Defined contribution plans:

(Amount in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to provident Fund	6.86	8.23
TOTAL	6.86	8.23

ii. Defined benefit plan:

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is payable on death whilst in service or withdrawal from service due to resignation, termination or early retirement and on retirement from service at normal retirement age.

The following table sets out the amounts recognized in the Company's financial statements as at 31 March 2021 and 31 March 2020.

Particulars	Valuation as at	
	31-Mar-21	31-Mar-20
Discount rate (per annum)	6.32%	6.55%
Rate of increase in compensation levels (per annum)	7.00%	7.00%
Expected rate of return on assets	-	-
Attrition rate	10.00%	10.00%
Retirement age	58 Years	58 Years



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

(Amount in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity Funded	
i. Changes in Present value of Obligation		
Present value of defined benefit obligation at the beginning of the year	22.72	27.33
Current service cost	3.27	3.46
Interest cost	1.27	1.83
Actuarial (Gains)/Loss		
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumption*	0.36	1.34
Actuarial (gains)/ losses arising from changes in experience adjustment	1.25	(5.46)
Past service cost - vested benefits	-	-
Benefits paid	(6.63)	(5.78)
Present value of defined benefit obligation at the end of the year	22.24	22.72
ii. Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	14.89	19.14
Interest income	0.88	1.23
Return on plan assets excl. interest income**	(0.09)	(0.25)
Actuarial Gain/(Loss)	-	-
Employer's contributions	3.73	0.55
Benefits paid	(6.63)	(5.78)
Fair value of plan assets at the end of the year	12.78	14.89
iii. Amount to be recognised in the Balance Sheet and Statement of Profit and Loss Account		
PVO at end of period	22.24	22.72
Fair value of plan assets at end of period	12.78	14.89
Funded status	(9.46)	(7.83)
Net assets/(liability) recognised in the balance sheet	(9.46)	(7.83)
iv. Expenses recognised in the Statement of Profit and Loss		
Current service cost	3.27	3.46
Interest cost on benefit obligation (net)	0.39	0.60
Total expenses recognised in the statement of profit and loss	3.66	4.06
v. Remeasurement Effects Recognised in Other Comprehensive Income for the year		
Actuarial (gains)/ losses recognised for period	1.61	(4.12)
Actuarial (gains)/ losses arising from changes in financial assumption	-	-
Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
Return on plan asset	0.09	0.25
Recognised in other comprehensive income	1.70	(3.87)
vi. Movements in the Liability recognised in Balance Sheet		
Opening net liability	7.83	8.19
Adjustment to opening balance	-	-
Expenses as above	3.66	4.06
Contribution paid	(3.73)	(0.55)
Other comprehensive income (OCI)	1.70	(3.87)
Closing net liability	9.46	7.83

*Actuarial (gains)/ losses arising from changes in financial assumption is Rs. 360 for F. Y. 2020-21

**Return on plan assets excl. interest income is Rs. (88) For F.Y 2020-21 and Rs. (247) for 2019-20



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

(Amount in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity Funded	
vii. The expected maturity analysis of undiscounted gratuity is as follows:		
Year 1	2.01	2.07
Year 2	2.02	2.09
Year 3	3.20	2.14
Year 4	1.89	3.16
Year 5	1.83	3.00
Years 6 To 10	9.66	9.04
viii. Sensitivity Analysis		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
Discount rate (1% movement)	20.75	21.26
Discount rate (-1% movement)	23.94	24.36
Salary escalation rate (1% movement)	23.83	24.26
Salary escalation rate (-1% movement)	20.83	21.33
ix. The major categories of plan assets as a percentage of total		
Insurer managed funds	100%	100%

Note on Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be tested.

There is no change in the method from the previous period and the points /percentage by which the assumptions are tested are same to that in the previous year.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

(Amount in Lakhs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity Funded	
x. The expected maturity analysis of undiscounted gratuity is as follows:		
Year 1	2.01	2.07
Year 2	2.02	2.09
Year 3	3.20	2.14
Year 4	1.89	3.16
Year 5	1.83	3.00
Years 6 To 10	9.66	9.04
xi. Sensitivity Analysis		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
Discount rate (1% movement)	20.75	21.26
Discount rate (-1% movement)	23.94	24.36
Salary escalation rate (1% movement)	23.83	24.26
Salary escalation rate (-1% movement)	20.83	21.33
xii. The major categories of plan assets as a percentage of total		
Insurer managed funds	100%	100%

Note on Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be tested.

There is no change in the method from the previous period and the points /percentage by which the assumptions are tested are same to that in the previous year.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

37 Income Taxes

Income tax expense in the statement of profit and loss consists of:

(Amount in Lakhs)		
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current income tax	49.85	-
Deferred tax	(42.56)	-
Tax adjustment related earlier years	-	-
Current tax	0.02	0.01
Mat Credit	(23.02)	-
Income tax expense reported in the statement of profit or loss	(15.71)	0.01

Income tax relating to other comprehensive income

(Amount in Lakhs)		
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net (Loss)/Gain on remeasurements of defined benefit plans	0.31	-
Income tax expense charged to OCI	0.31	-

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Amount in Lakhs)		
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	161.61	(129.85)
Applicable tax rate	27.82%	26.00%
Computed tax expenses	44.96	(33.76)
Tax adjustment of earlier years	(0.02)	(0.01)
Tax effect of :		
Expenses disallowed	37.67	(33.76)
MAT credit adjustment	23.02	-
Income tax expense recognised in the statement of profit and loss	(15.71)	0.01

The tax rates under Indian Income Tax Act, for the year ended 31 March 2021 and 31 March 2020 is 27.82% and 26.00% respectively.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

38 Related party disclosures

a) Related party relationship:

Holding Company
Kaiser Corporation Limited

Associates Enterprises
Heat Trace Xicon Ltd. (upto 28 September 2019)

Enterprises in which key management personnel or their relatives have significant influence
Heat Trace Xicon Ltd. (w.e.f. 29 September 2019)
Oxcamb Investments Limited -UK
Kaiser Arts Pvt. Ltd.

Key management Personnel (KMP)

Hemant K Talapadatur	- Director
V.G. Mukund	- Director
Lyla Mehta	- Director

Notes:

- i) No amounts in respect of related parties have been written off/back during the year.
- ii) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year.
- iii) Related party relationships have been determined on the basis of the requirement of the Indian Accounting Standard (Ind AS)-24 "Related Party Disclosure" and the same have been identified by the management relied upon by the auditors.

b) Transactions during the year with related parties:

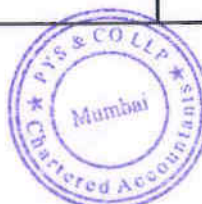
(Amount in Lakhs)

Sr. No.	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(i)	Rent received		
	Heat trace Xicon Ltd. (upto 27.09.2019)	-	1.18
	Heat Trace Xicon Ltd. (From 28.09.2019)	2.40	1.22
(ii)	Purchase of stock-in-trade		
	Heat Trace Xicon Ltd. (upto 27.09.2019)		60.12
	Heat Trace Xicon Ltd. (From 28.09.2019)	118.67	64.54
	Kaiser Arts Pvt. Ltd.	-	0.40
	Kaiser Corporation Limited	0.13	-
(iii)	Consultancy paid to holding company		
	Kaiser Corporation Limited	5.30	4.00
(iv)	Consultancy paid to director (KMP)		
	V G Mukund	7.88	8.61
(v)	Loan taken from director (KMP)		
	Hemant K Talapadatur	10.00	25.00
(vi)	Loan repaid to director (KMP)		
	Hemant K Talapadatur	10.00	25.00
(vii)	Expenses incurred on their behalf		
	Heat Trace Xicon Ltd. (upto 27.09.2019)	-	1.48
	Heat Trace Xicon Ltd. (From 28.09.2019)	2.96	1.53
(viii)	Recovery of consultancy from		
	Heat Trace Xicon Ltd. (upto 27.09.2019)	-	5.83
	Heat Trace Xicon Ltd. (From 28.09.2019)		6.03

Outstanding as on 31st March 2021

(Amount in Lakhs)

Sr. No.	PARTICULARS	As at March 31, 2021	As at March 31, 2020
(i)	Trade payables		
	Heat Trace Xicon Ltd. (Upto 27.09.2019)	-	-
	Heat Trace Xicon Ltd. (From 28.09.2019)	127.53	62.49
	Kaiser Arts Pvt. Ltd.	-	0.14
(ii)	Trade payables		
	Kaiser Corporation Limited	0.10	-
(iii)	Investments		
	Heat Trace Xicon Ltd. (Upto 27.09.2019)	11.06	10.50
(iii)	Others		
	V G Mukund	1.39	1.01
	Hemant K Talapadatur	0.24	0.24



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

39 Impairment of Assets

(Amount in Lakhs)

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS)-36 'Impairment of Assets'.

40 Lease

a) Company as lessee

The Company has entered into short term lease for premises under Leave and License agreements. There is no specific obligation for renewal.

From 01 April 2019, the Indian Accounting Standard i.e. IND-AS 116 "Leases" became effective, the Company has adopted the standard with modified retrospective approach as per Para C8 (c) (ii) of IND AS 116. However, based on the assessment done by management, there is no material impact of the such amendment, hence "Right of use asset", (representing its right of use the leased asset over the lease term) and also liability towards the present value of the balance of future lease payments for the leases has not been recognised.

The cash outflow of lease payments with respect to the above lease recognised in the statement of profit and loss for the financial year is Rs. 2.1 Lakhs (31 March 2020: Rs. 0.42 Lakhs).

b) Company as lessor

The company has given Premises on Leave & License basis which is renewable on mutual basis. The amount of minimum lease income with respect to operating lease recognized in the statement of profit and loss for the year is Rs. 2.4 Lakhs (31 March 2020: Rs.2.4 Lakhs).

41 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit after tax as per statement of profit and loss attributable to equity shareholders (Amount in Lakhs)	177.32	(129.86)
Weighted average number of equity shares used as denominator for calculating basic EPS (in nos.)	30,91,586.00	30,91,586.00
Add: weighted average potential equity shares	-	-
Total weighted average number of equity shares used as denominator for calculating diluted EPS	30,91,586.00	30,91,586.00
Face value per equity share	10.00	10.00
Basic earnings per share	5.74	(4.20)
Diluted earnings per share	5.74	(4.20)



XICON INTERNATIONAL LIMITED

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

42. Financial Instruments- Fair values and risk management

The following table shows the carrying amount and fair values of financial assets and financial liabilities

As at 31 March 2021	Carrying Amount						(Amount in Lakhs)
	Other financial assets- Amortised cost	Designated at Fair Value through profit and loss upon initial recognitions		FVOCI- Equity Instruments (Designated)	Other financial liabilities- Amortised cost	Total Carrying Amount	Fair Value Total
		Mandatory	Designated				
Financial assets measured at fair value	-	-	0.05	11.06	-	11.11	11.11
Investment in equity instruments of other entities	-	-	0.05	11.06	-	11.11	11.11
Financial assets not measured at fair value	1,893.41	-	-	-	-	1,893.41	1,893.41
Trade receivables	7.73	-	-	-	-	7.73	7.73
Cash and cash equivalents	63.75	-	-	-	-	63.75	63.75
Bank balance other than cash and cash equivalents	42.69	-	-	-	-	42.69	42.69
Other financial assets	2,007.58	-	-	-	-	2,007.58	2,007.58
Financial liabilities not measured at fair value	-	-	-	-	-	-	-
borrowing	-	-	-	-	747.01	747.01	747.01
Loan from bank	-	-	-	-	1,109.51	1,109.51	1,109.51
Trade payables	-	-	-	-	41.76	41.76	41.76
Other financial liability	-	-	-	-	1,898.28	1,898.28	1,898.28
As at 31 March 2020	Carrying Amount						(Amount in Lakhs)
Financial Assets measured at Fair value	Other financial assets- Amortised cost	Designated at Fair Value through profit and loss upon initial recognitions		FVOCI- Equity Instruments (Designated)	Other financial liabilities- Amortised cost	Total Carrying Amount	Fair Value Total
		Mandatory	Designated				
Investment in equity instruments of other entities	-	-	0.05	10.50	-	10.55	10.55
	-	-	0.05	10.50	-	10.55	10.55
Financial Assets not measured at Fair value	906.50	-	-	-	-	906.50	906.50
Trade receivables	1.51	-	-	-	-	1.51	1.51
Cash and cash equivalents	55.95	-	-	-	-	55.95	55.95
Bank balance other than cash and cash equivalents	42.80	-	-	-	-	42.80	42.80
Other financial assets	1,006.76	-	-	-	-	1,006.76	1,006.76
Financial Liabilities not measured at fair value	-	-	-	-	-	-	-
Borrowing	-	-	-	-	607.29	607.29	607.29
Loan from bank and directors	-	-	-	-	437.84	437.84	437.84
Trade payables	-	-	-	-	39.20	39.20	39.20
Other financial liabilities	-	-	-	-	1,084.33	1,084.33	1,084.33

The fair values of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

43 Fair value hierarchy

Level 1 - 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 for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities as of 31 March 2021 and 31 March 2020:

Particulars	As at March 31, 2021	Fair Value			As at March 31, 2020	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
a) Assets measured at FVOCI								
Unquoted investments	11.06			11.06	10.50			10.50
Investment in equity instruments of other entities								
b) Assets measured at FVTPL								
Unquoted investments	0.05			0.05	0.05			0.05
Investment in equity instruments of other entities								
	11.11	-	-	11.11	10.55	-	-	10.55

There have been no transfers between Level 1, Level 2 and Level 3 in the period ended 31 March 2021 and 31 March 2020

The management assessed that cash and cash equivalents, trade receivable and other financial asset, trade payables and other financial liabilities approximate their carrying amount largely due to short term maturity of these instruments.

Description of valuation technique used and key inputs

Investments in equity instruments those valued at fair value are based on the arithmetic calculation using unobservable inputs.



XICON INTERNATIONAL LIMITED

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

44 Financial Risk Management and Policies

A. Capital Management

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the respective entity's Board/Board's Committee. The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc.

Particulars	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
All current and non-current borrowings	747.01	607.29
Trade payables	1,109.51	437.84
Other financial liabilities	41.76	39.20
Less cash and cash equivalents	7.73	1.51
Net debts [A]	1,890.55	1,082.82
Equity share capital	309.16	309.16
Other equity	385.08	208.59
Total Equity [B]	694.24	517.75
Capital and Net Debt [C = A+B]	2,584.79	1,600.57
Debt-to-adjusted capital ratio (%) [A/C]	73.14	67.65

B. Market Risk

Market risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument. The value of the financial instrument may change as a result of a change in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company has 100% of its debt in form of fixed rate instruments and the management of the Company has concluded that the Company is not exposed to significant interest rate risk as at the respective reporting dates.

i. Foreign Currency Risk:

Foreign currency risk (foreign currency revenues and expenses-primarily US dollars) is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar, Euro Singapore Dollars and Great Britain Pound.

Foreign currency exposures as at the year end not hedged are:

Particulars	Currency Type	As at 31 March 2021		As at 31 March 2020	
		Amount in Foreign currency	Amounts	Amount in Foreign currency	Amounts
Trade receivable	USD	5,29,466.00	388.44	1,17,000.00	87.61
Trade receivable	Euro	3,08,415.28	265.38	1,84,900.00	152.39
Other financial assets	KWD	2,810.00	6.83	2,810.00	6.67
Other current assets	KWD	2,700.00	6.57	2,700.00	6.41
Trade payable	GBP	9,720.00	9.80	9,720.00	8.99
Trade payable	USD	3,42,000.00	250.45	50,000.00	37.37
Trade payable*	XAF	1,975.00	0.00	5,215.00	0.01
Advance from customer	USD	1,666.00	1.22	1,666.00	1.25
Advance Received	EURO	-	-	13,450.00	11.08

*Trade payable for the year ended 31 March 2021 - Rs. 258.82



XICON INTERNATIONAL LIMITED

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

Foreign currency sensitivity:

The following table demonstrates the sensitivity to a 10% increase/decrease in foreign currencies exchange rates, with all other variables held constant

Foreign currency sensitivity analysis (impact on profit before tax)

(Amount in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	10% increase	10% decrease	10% increase	10% decrease
Impact on Profit and Loss				
Trade receivable	38.84	(38.84)	8.76	(8.76)
Trade receivable	26.54	(26.54)	15.24	(15.24)
Other financial assets	0.68	(0.68)	0.67	(0.67)
Other current assets	0.66	(0.66)	0.64	(0.64)
Trade payable	0.98	(0.98)	0.90	(0.90)
Trade payable	25.05	(25.05)	3.74	(3.74)
Trade payable*	0.00	(0.00)	0.00	(0.00)
Advance from customer	0.12	(0.12)	0.13	(0.13)
Advance from customer	-	-	1.11	(1.11)
Total	92.87	(92.87)	31.18	(31.18)

* Trade payables for the year ended 31 March 2021 and 31 March 2020 - Rs. 25.88 and Rs. 65.36

C. Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. The carrying amounts of financial assets represent maximum credit exposure. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model:

(Amount in Lakhs)

Particulars	Balance as at	
	31 March 2021	31 March 2020
Financial year		
Investments	11.11	10.55
Trade receivables	1,893.41	906.50
Cash and cash equivalents	7.73	1.51
Bank balance other than cash and cash equivalent	63.75	55.95
Other financial assets	42.69	42.80
At end of the year	2,018.69	1,017.31

Revenue / Trade receivable

Credit risk is the risk of financial loss arising from counterparty failure to repay according to the contractual terms. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

The Company needs to strengthen its process and document credit policy for evaluating credit risk, setting and reviewing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. The management is in the process of strengthening comprehensive credit risk management policy for the Company. As a part of this process, the Company has taken following steps during the year:

- Authorisation of Credit limits by directors for all significant receivables
- Review and enhancement of expected credit loss provision
- Creation of credit risk reserve to provide for unexpected contingencies

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 - 90 days for all customers. The Company's bulk customers are government parties and have been transacting with them for over significant period of time.



XICON INTERNATIONAL LIMITED

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

Ageing analysis of the age of trade receivable at the end of reporting year:

Age of receivables:	(Amount in Lakhs)	
	As at 31-Mar-21	As at 31-Mar-20
Within the credit period	318.12	23.13
1-90 days past due	624.05	60.93
91-180 days past due	186.23	358.46
181-360 days past due	288.93	117.82
More than 360 days past due	620.44	466.61
Total	2,037.77	1,026.95

The Company has used a practical expedient for computing expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

(Amount in Lakhs)		
Particulars	As at 31 March 21	As at 31 March 20
Note due	2.84	1.43
Past due by:		
0 - 90 Days	2.33	4.20
91 - 180 days	8.07	10.99
181-360 Days	7.08	5.69
Above 360 Days	124.04	98.14
Total	144.36	120.45

Balances with Banks, mutual funds and other financial assets:

For banks only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

Reconciliation of loss allowance provision - Trade receivables

Particulars	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Opening provision	120.45	-
Additional provision made	23.91	120.45
Bad debts written off	-	-
Excess provision written back	-	-
Closing provisions	144.36	120.45



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

D. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well settlement management. The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The working capital position of the Company is given below:

(Amount in Lakhs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Cash and cash equivalents	7.73	1.51
Bank balance other than cash and cash equivalent	63.75	55.95
Trade and other receivables	1,893.41	906.50
Inventory	204.87	223.00
Other financial assets	42.69	42.80
Total	2,212.45	1,229.76

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020.

(Amount in Lakhs)

Particulars	Less than 1 Year/ On Demand	1-5 years	More than 5 years	Total
As at March 31, 2021				
Non-derivative financial liabilities				
Borrowings	747.01	-	-	747.01
Trade payables	1,109.51	-	-	1,109.51
Other financial liabilities	41.76	-	-	41.76
	1,898.28	-	-	1,898.28
As at March 31, 2020				
Non-derivative financial liabilities				
Borrowings	607.29	-	-	607.29
Trade payables	437.84	-	-	437.84
Other financial liabilities	39.20	-	-	39.20
	1,084.33	-	-	1,084.33



XICON INTERNATIONAL LIMITED

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

45 Critical accounting judgements and sources of estimation uncertainties

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures including the disclosure of contingent liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Detailed information about each of these estimates, assumptions and judgements is included in relevant notes together with information about the basis of calculation for each affected line item of financial statements. However, the following are the key assumptions and other key sources of estimation uncertainty concerning the future, at the end of the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years.

(i) Useful lives of property, plant and equipment:

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting year. The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is an increase/decrease the depreciation expense in the current financial year and future years.

(ii) Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company uses appropriate valuation techniques for valuation. Their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value.

(iii) Estimation of defined benefit obligation:

The cost of defined benefits plan including other post employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iv) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

v) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi) Lease

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

(Amount in Lakhs)

46 Additional information to the financial statements

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
	Amount	Amount
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	42.68	1.00
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.05	0.38
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	0.30	0.38
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.23	0.93
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1.23	0.93

Note: Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

47 Balances of certain trade receivables, trade payables and other financial assets are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

48 In the opinion of management, trade receivables, loans and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

49 The Company has not collected / paid from / to overseas parties aggregating to Rs. 142.61 Lakhs and Rs. 45.63 Lakhs respectively as at 31 March 2021. These amounts have remained outstanding beyond the period stipulated by FEMA Guidelines. The Management is of the opinion that no penalty on such delay in receivables / payables would be leviable upon the Company and as such, no adjustments are made in the financial statements.

50 COVID-19 has caused disruptions in each and every sector of the economy and the Infrastructure /construction sector is the most affected segment. There are many reports of delays in infrastructure projects, due to supply chain disruptions and low availability and mobility of manpower. In addition, uncertainties regarding project completion, project financing, and future pipelines amidst lockdowns are surfacing, analysis shows that the sector as a whole remains the worst affected at the moment.

In the financial year 2019-20, in the month of March -2020 due to COVID-19, the Company is not able to procure material and execute the project (Gabon project) which resulted in loss of significant turnover.

Whilst we can be hopeful that infrastructure activity will bounce back based on Government support to the infrastructure projects to boost the economy, there are uncertainties facing the sector. It all depends on how the epidemic pan's in the near future with more infections, lockdowns, etc. In case of a protracted economic downturn, EPC contractors could face more problems in the form of non-payments, contract cancellations, and liquidity crunch.

As on date, the Company have a good order booking and the management are confident that will be able to overcome the present situation and achieve good turnover in the financial year 2021-22.

51 Code on Social Security, 2020:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



XICON INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2021

- 52 In accordance with the Ind AS-12 "Income taxes", the deferred tax assets (net) on account of timing difference up to 31 March 2020 of Rs. 33.59 Lakhs have been determined. However, as there was no virtual certainty supported by convincing evidence that future taxable income will be available against which deferred tax assets can be realised, deferred tax assets had not been recognised in the Statement of Profit and Loss.

Major components of deferred tax assets arising as at 31 March 2020 was as under:

Particulars	As at 31 March 2020
Deferred tax assets on account of:	
Disallowance expenses	
Provision for leave encashment	1.76
Estimated credit loss	31.32
Provision for gratuity	2.03
Total (A)	35.11
Deferred tax liability on account of:	
Depreciation	1.52
Total (B)	1.52
Deferred tax assets / (liability) [Net]: [A - B]	33.59

- 53 Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial

Particulars	As at 31 March 2020	Non-cash change Acquisition / (Repayment)	As at 31 March 2021
Short term borrowings	607.29	139.72	747.01

Particulars	As at 31 March 2019	Non-cash change Acquisition / (Repayment)	As at 31 March 2020
Short term borrowings	515.25	92.04	607.29

- 54 During, the year, the management is unable to conduct the physical verification of inventories as on the date of financial statements due to various restrictions imposed by the Government as a result of outbreak of Covid 19. However, Management has conducted the physical verification of Inventories as on 8 April 2021 and since there is no receipt & issues during the period 1 April 2021 to 8 April 2021, the inventories held on 8 April 2021 is having the same value as on 31 March 2021.

- 55 Trade receivables include an amount of Rs. 51.87 Lakhs and Rs. 30.92 Lakhs, respectively from NCC Ltd. and Punj Llyod Ltd. As Covid-19 pandemic has caused disruption in each and every sector of economy in terms of Cash flow, the Infrastructure and construction sector is the most affected segment including the NCC Ltd. Management believes that post COVID-19, Infrastructure and construction sectors are bounced back, based on Government support to the Infrastructure sectors to boost the economy. In case of Punj Llyod Ltd., the Company is in liquidation process and the matter is pending with National Company Law Tribunal (NCLT).

Hence, amount due from NCC Ltd. and Punj Llyod Ltd. are good and recoverable in due course of time and no additional provisions for doubtful debts (apart from provision for expected credit loss) has been considered necessary in the books of account at this stage.

- 56 No subsequent event has been observed which may required an adjustment to the statement of financial position.

- 57 Amounts for the year ended and as at 31 March 2020 were audited by previous auditors Manek & Associates.

- 58 Previous years' figures have been regrouped / rearranged, wherever necessary to conform to the current year's presentation.

Signatures to note 1 to 58

In terms of our report attached.

For PYS & CO. LLP
CHARTERED ACCOUNTANTS
Firm's Reg. No.: 012388S/S200048

G.D. Jojlekar
Partner
Membership No. 039407

Place : Mumbai
Date : 28 June 2021

For and on behalf of the Board of Directors
Xicon International Limited

HEMANT K TALAPADATUR
Director
DIN: 02741651

V.G. MUKUND
Director
DIN: 02738633

Place : Mumbai
Date : 28 June 2021

