



# SINGHAL R. & ASSOCIATES

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Polywood Profiles Private Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Financial Statements of POLYWOOD PROFILES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit and other comprehensive income, changes in equity and cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the standards on auditing as 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 the Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS 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 matter to be communicated in our report:

#### A. Revenue Recognition

##### Key Audit Matter Description

The Company's revenue is principally derived from sale of products of Extruded PVC Profile Sections. Revenue from sale of goods is recognized when the control of the goods has passed, which is usually on dispatch/delivery of the goods.

We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator.

##### Response to Key Audit Matter

We have planned & performed the following procedures :

- Assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable accounting standards;
- Evaluated the process followed by the management for revenue recognition including understanding and testing of key controls related to recognition of revenue in correct period.
- Performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to determine whether revenue has been recognized correctly and timely.



Head Office : 146, MANGAL VIHAR, GOPALPURA BYEPASS ROAD, JAIPUR-302018  
Phone : 0141-2762718, CELL: 94622-21602, 89520-45995  
Email : singhalca@hotmail.com



# SINGHAL R. & ASSOCIATES

Chartered Accountants

## B. Inventory Existence and Valuation

### Key Audit Matter Description

There are complexities and manual process involved in determining inventory quantities on hand and valuation of the same due to the diverse & numerous inventory products and work in progress at different stages of the process. Further, inventory is held at various locations of the Company. Accordingly inventory quantities and valuation is identified as a key audit matter.

### Response to Key Audit Matter

We have planned & performed the following procedures:

- Attended inventory counts, which we selected based on financial significance and risk, observed management's inventory count procedures to assess the effectiveness, selected a sample of inventory products and compared the quantities counted to the quantities recorded and ensured inventory adjustments, if any, are recorded in the books of accounts.
- Assessed whether the management's internal controls relating to inventory's valuation are appropriately designed and implemented.
- Discussed with the management on the management's process of identifying the stages of completion and valuing work in progress stock at the time of book closure process.
- Verification of the correctness of valuation made by the management on a sample basis, with regard to the cost and net realizable value of inventory.

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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report 2018-19 of the Company 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of 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.

## Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian accounting standards) Rules 2015, as amended from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.



Head Office : 146, MANGAL VIHAR, GOPALPURA BYEPASS ROAD, JAIPUR-302018  
Phone : 0141-2762718, CELL: 94622-21602, 89520-45995  
Email : singhalca@hotmail.com





# SINGHAL R. & ASSOCIATES

Chartered Accountants

## Auditor's Responsibility for the audit of Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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, 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.

Head Office : 146, MANGAL VIHAR, GOPALPURA BYEPASS ROAD, JAIPUR-302018  
Phone : 0141-2762718, CELL: 94622-21602, 89520-45999  
Email : singhalca@hotmail.com





# SINGHAL R. & ASSOCIATES

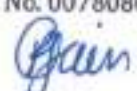
Chartered Accountants

- (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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;
  - The Company did not have any long-term contracts including derivative contracts, hence, the question of any material foreseeable losses does not arise;
  - There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Jaipur, 27<sup>th</sup> May, 2019



For SINGHAL R. & ASSOCIATES  
Chartered Accountants  
(Firm Regn No. 007808C)

  
(RAHUL KUMAR JAIN)  
Partner  
Membership No. 421586





# SINGHAL R. & ASSOCIATES

Chartered Accountants

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

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of **POLYWOOD PROFILES PRIVATE LIMITED** on the Financial Statements for the year ended on 31<sup>st</sup> March 2019, we report that :

- (i) In respect of its Property, plant and equipment :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment) on the basis of available information.
  - b. As explained to us, all the fixed assets (Property, plant and equipment) have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds and lease agreements provided to us, we report that, the title deeds, comprising all the immovable properties of land (freehold and/or leasehold), are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanation given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
  - c. There were no dues pending to be deposited on account of any dispute in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Service Tax, Excise Duty, Cess, Value Added Tax, Goods and Service Tax etc.



Head Office : 146, MANGAL VIHAR, GOPALPURA BYEPASS ROAD, JAIPUR-302018  
Phone : 0141-2762718, CELL: 94622-21602, 89520-45995  
Email : singhalca@hotmail.com



# **SINGHAL R. & ASSOCIATES**

**Chartered Accountants**

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. Company has not taken any loan or borrowing from Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer / further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For **SINGHAL R. & ASSOCIATES**  
**Chartered Accountants**  
(Firm Regn No. 007808C)

**(RAHUL KUMAR JAIN)**

**Partner**

**Membership No. 421586**

**Jaipur, 27<sup>th</sup> May, 2019**





# SINGHAL R. & ASSOCIATES

Chartered Accountants

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of **POLYWOOD PROFILES PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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



Head Office : 146, MANGAL VIHAR, GOPALPURA BYPASS ROAD, JAIPUR-302018  
Phone : 0141-2762718, CELL: 94622-21602, 89520-45995  
Email : singhalca@hotmail.com



# **SINGHAL R. & ASSOCIATES**

**Chartered Accountants**

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.



Jaipur, 27<sup>th</sup> May, 2019

For SINGHAL R. & ASSOCIATES

**Chartered Accountants**

(Firm Regn No. 007808C)



**(RAHUL KUMAR JAIN)**

**Partner**

**Membership No. 421586**

**Head Office : 146, MANGAL VIHAR, GOPALPURA BYEPASS ROAD, JAIPUR-302018**  
**Phone : 0141-2762718, CELL: 94622-21602, 89520-45995**  
**Email : singhalca@hotmail.com**




**POLYWOOD PROFILES PRIVATE LIMITED**

**BALANCE SHEET**  
As at 31st March, 2019

| Particulars  |  | Note    | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|--|--|---------|-------------------------|-------------------------|
| <b>A.</b>  | <b>ASSETS</b>  |         |                         |                         |
| <b>1.</b>  | <b>Non-current Assets</b>                                  |         |                         |                         |
|  | (a) Property, Plant and Equipment                          | 4       | 37212850                | 40618727                |
|  | (b) Capital work-in-progress                               |         | 1253062                 | 0                       |
|  | (c) Other Intangible assets                                |         | 0                       | 0                       |
|  | (d) Financial Assets                                       |         |                         |                         |
|  | (i) Investments  | 5       | 2500                    | 2500                    |
|  | (ii) Loans   | 6       | 2533889                 | 2407083                 |
|  | (iii) Others   |         | 0                       | 0                       |
|  | (e) other non-current assets                               |         | 0                       | 0                       |
|  | <b>Total-Non-current assets</b>                            |         | <b>41002301</b>         | <b>43028290</b>         |
| <b>2.</b>  | <b>Current assets</b>                                      |         |                         |                         |
|  | (a) Inventories  | 7       | 25392989                | 20586774                |
|  | (b) Financial Assets                                       |         |                         |                         |
|  | (i) Trade receivables                                      | 8       | 36586931                | 28122288                |
|  | (ii) Cash and cash equivalents                             | 9       | 390192                  | 237276                  |
|  | (iii) Bank balances other than (ii) above                  |         | 0                       | 0                       |
|  | (iv) Loans   | 10      | 511000                  | 502000                  |
|  | (v) Others   | 11      | 832986                  | 1701405                 |
|  | (c) Other current assets                                   | 12      | 241356                  | 732572                  |
|  | <b>Total Current assets</b>                                |         | <b>63925434</b>         | <b>51882315</b>         |
|  | <b>Total Assets</b>  |         | <b>104927735</b>        | <b>94910605</b>         |
| <b>B.</b>  | <b>EQUITY AND LIABILITIES</b>                              |         |                         |                         |
| <b>1.</b>  | <b>Equity</b>  |         |                         |                         |
|  | (a) Equity Share capital                                   | 13      | 465000                  | 465000                  |
|  | (b) Other Equity   | 14      | 66946292                | 37809024                |
|  | <b>Total Equity</b>  |         | <b>57411292</b>         | <b>38274024</b>         |
| <b>2.</b>  | <b>LIABILITIES</b>   |         |                         |                         |
|  | <b>Non-current Liabilities</b>                             |         |                         |                         |
|  | (a) Financial Liabilities                                  |         |                         |                         |
|  | (i) Borrowings   | 15      | 0                       | 0                       |
|  | (ii) Other financial liabilities                           | 16      | 0                       | 0                       |
|  | (b) Provisions   | 17      | 1549322                 | 1312428                 |
|  | (c) Deferred tax liabilities (net)                         | 18      | 2387186                 | 2238008                 |
|  | (d) Other non-current liabilities                          |         | 0                       | 0                       |
|  | <b>Total Non current liabilities</b>                       |         | <b>3936508</b>          | <b>3550436</b>          |
| <b>3.</b>  | <b>Current Liabilities</b>                                 |         |                         |                         |
|  | (a) Financial Liabilities                                  |         |                         |                         |
|  | (i) Borrowings   | 19      | 19525278                | 26303224                |
|  | (ii) Trade Payables  | 20      |                         |                         |
|  | - Dues to Micro and Small Enterprises                      |         | 2721705                 | 0                       |
|  | - Dues to Creditors other than Micro and Small Enterprises |         | 8334863                 | 13767709                |
|  | (iii) Other financial liabilities                          | 21      | 2587983                 | 3787468                 |
|  | (b) Other current liabilities                              | 22      | 4067672                 | 2033414                 |
|  | (c) Provisions   | 23      | 4615523                 | 4521306                 |
|  | (d) Current tax liabilities (Net)                          | 24      | 1746911                 | 2873026                 |
|  | <b>Total Current liabilities</b>                           |         | <b>43579935</b>         | <b>53086145</b>         |
|  | <b>Total Equity and Liabilities</b>                        |         | <b>104927735</b>        | <b>94910605</b>         |
| See accompanying notes to the financial statements |  | 1 to 41 |                         |                         |

In terms of our report attached,  
For Singhal R & Associates  
Chartered Accountants  
Firm Regn. No. 007808C

  
**RAHUL KUMAR JAIN**  
Partner  
M. No. 421586



For POLYWOOD PROFILES PVT LTD

  
**(ATUL KUMAR JAIN)**  
Director  
Din No. 01862747

  
**(ANITA DHARIYA)**  
Director  
Din No. 00359317

Place : Coimbatore  
Date : 27th May, 2019

**POLYWOOD PROFILES PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS**  
For the year ended on 31st March, 2019

| Sl. No. | Particulars  | Note    | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|---------|--|---------|-----------------------------------|-----------------------------------|
| I       | Revenue  |         |                                   |                                   |
| II      | Revenue from Operations  | 25      | 258846619                         | 234953469                         |
| III     | Other income   | 26      | 206028                            | 212090                            |
| IV      | <b>Total Income (I + II)</b>   |         | <b>259052648</b>                  | <b>235165559</b>                  |
| V       | Expenses   |         |                                   |                                   |
| VI      | (a) Cost of materials consumed   | 27      | 151725824                         | 135018283                         |
| VII     | (b) Purchase of Stock in Trade   | 28      | 6472828                           | 3948319                           |
| VIII    | (c) Changes in inventories of finished goods, WIP and stock-in-trade           | 29      | (3576449)                         | 1683866                           |
| IX      | (d) Excise Duty on Sales   |         | 0                                 | 5869049                           |
| X       | (e) Employee benefits expense  | 30      | 33604741                          | 28212540                          |
| XI      | (f) Finance costs  | 31      | 2819385                           | 3584286                           |
| XII     | (g) Depreciation and amortisation expense                                      | 32      | 5986643                           | 6204775                           |
| XIII    | (h) Other expenses   | 33      | 35323685                          | 31760885                          |
| XIV     | <b>Total Expenses (IV)</b>   |         | <b>232356758</b>                  | <b>216082003</b>                  |
| XV      | <b>Profit before Taxes (III - IV)</b>  |         | <b>26695889</b>                   | <b>19083556</b>                   |
| XVI     | Tax expenses / (credit)  | 24      |                                   |                                   |
| XVII    | (a) Current tax expense for current year                                       |         | 7360000                           | 5300000                           |
| XVIII   | (b) Deferred tax   |         | 91466                             | (219392)                          |
| XIX     | (c) Previous year tax  |         | 256892                            | (6812)                            |
| XX      | <b>Total Tax</b>   |         | <b>7708358</b>                    | <b>5073796</b>                    |
| XXI     | <b>Profit for the period (V - VI)</b>  |         | <b>18987532</b>                   | <b>14009760</b>                   |
| XXII    | Other Comprehensive Income (OCI)   |         |                                   |                                   |
| XXIII   | Item that will not be reclassified to profit or loss                           |         |                                   |                                   |
| XXIV    | - Remeasurements of the defined benefit liabilities                            |         | 207449                            | 0                                 |
| XXV     | - Income tax relating to items that will not be reclassified to profit or loss |         | (57712)                           | 0                                 |
| XXVI    | <b>Other Comprehensive Income for the period After Tax</b>                     |         | <b>149736</b>                     | <b>0</b>                          |
| XXVII   | <b>Total Comprehensive Income for the period After Tax (VII + VIII)</b>        |         | <b>19137268</b>                   | <b>14009760</b>                   |
| XXVIII  | Earnings per share (of Rs.10/- each):  | 32      |                                   |                                   |
| XXIX    | Basic & Diluted  |         | 408.33                            | 301.29                            |
| XXX     | See accompanying notes to the financial statements                             | 1 to 41 |                                   |                                   |

In terms of our report attached.

For Singhal R & Associates  
Chartered Accountants  
Firm Regn. No. 007808C

  
**RAHUL KUMAR JAIN**  
Partner  
M. No. 421598



Place : Coimbatore  
Date : 27th May, 2019

For POLYWOOD PROFILES PVT LTD

  
**(ATUL KUMAR JAIN)**  
Director  
Din No. 01862747

  
**ANITA DHABRIYA**  
Director  
Din No. 00359317



**POLYWOOD PROFILES PRIVATE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended on 31st March, 2019

**A. Equity share capital**

| Particulars                                     | Amount |
|---|--------|
| Balance as at April 1, 2017                     | 465000 |
| Changes in equity share capital during the year | 0      |
| Balance as at 31st March, 2018                  | 465000 |
| Changes in equity share capital during the year | 0      |
| Balance as at 31st March, 2019                  | 465000 |

**B. Other Equity**

| Particulars   | Other Equity        |                          | Amount    |
|---|---------------------|--------------------------|-----------|
|   | Reserve and Surplus |                          |           |
|   | General Reserve     | Retained Earning Account |           |
| Balance as at April 1, 2017                                   | 24779172            | 0                        | 24779172  |
| 1. Profit for the year  | 0                   | 14009760                 | 14009760  |
| 2. Other comprehensive income for the year, net of income tax | 0                   | 0                        | 0         |
| Total Comprehensive Income for the year                       | 0                   | 14009760                 | 14009760  |
| 3. Gratuity Expenses Provisions                               | (1352577)           | 0                        | (1352577) |
| 4. Deferred Tax on Gratuity not provided in earlier           | 372669              |                          | 372669    |
| 5. Transfer to / (from) Retained earnings                     | 14009760            | (14009760)               | 0         |
| Balance as at 31st March, 2018                                | 37809024            | 0                        | 37809024  |
| 1. Profit for the year  | 0                   | 18987532                 | 18987532  |
| 2. Other comprehensive income for the year, net of income tax | 0                   | 149736                   | 149736    |
| Total Comprehensive Income for the year                       | 0                   | 19137268                 | 19137268  |
| 3. Transfer to / (from) Retained Earnings                     | 19137268            | (19137268)               | 0         |
| Balance as at 31st March, 2019                                | 56946292            | 0                        | 56946292  |

In terms of our report attached.

For Singhal R & Associates

Chartered Accountants

Firm Regn. No. 007806C

  
**RAHUL KUMAR JAIN**  
 Partner  
 M. No. 421586



For POLYWOOD PROFILES PVT LTD

  
**(ATUL KUMAR JAIN)**  
 Director  
 Din No. 01862747

  
**(ANITA DHABRIYA)**  
 Director  
 Din No. 00350317

Place : Coimbatore

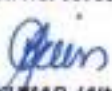
Date : 27th May, 2019

# POLYWOOD PROFILES PRIVATE LIMITED

## CASH FLOW STATEMENT For the year ended on 31st March, 2019

| Particulars  | For the year ended<br>31 March, 2019 |            | For the year ended<br>31 March, 2018 |            |
|--|--------------------------------------|------------|--------------------------------------|------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |                                      |            |                                      |            |
| Net Profit before tax as per Profit & Loss Statement   |                                      | 26685889   |                                      | 19083558   |
| <b>Adjusted for :</b>  |                                      |            |                                      |            |
| Depreciation and amortization expenses   | 5988643                              |            | 6204775                              |            |
| Profit on sales of fixed assets  | (8962)                               |            | 0                                    |            |
| Finance Costs  | 2819385                              |            | 3584286                              |            |
| Interest Income  | (162538)                             |            | (151609)                             |            |
| Operating profit before working capital changes  |                                      | 8834528    |                                      | 9037452    |
| <b>Adjustment for :</b>  |                                      | 35330418   |                                      | 28721008   |
| (Increase) / Decrease in Trade Receivables   | (8464843)                            |            | (1711842)                            |            |
| (Increase) / Decrease in Inventories   | (4806190)                            |            | 3401147                              |            |
| (Increase) / Decrease in Other Assets  | 1223809                              |            | (1840472)                            |            |
| (Decrease) / Increase in Trade Payables  | (2711141)                            |            | (5450913)                            |            |
| (Decrease) / Increase in Provisions  | 331111                               |            | 1809662                              |            |
| (Decrease) / Increase in Other Liabilities   | (1566694)                            |            | (2452496)                            |            |
| Cash generated from / (used in) operations   |                                      | (15995964) |                                      | (8044914)  |
| Direct Taxes paid  |                                      | 19334484   |                                      | 22676094   |
|  |                                      | (5869981)  | (2620162)                            | (2620162)  |
| <b>Net cash generated from/(used in) operating activities - (A)</b>                              |                                      | 13464483   |                                      | 20055932   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |                                      |            |                                      |            |
| Payment for Property, plant and equipment and Capital work in progress and investment properties | (6307178)                            |            | (8576132)                            |            |
| Sale of Tangible Fixed Asset   | 2482312                              |            |                                      |            |
| Interest income  | 162538                               |            | 151609                               |            |
| <b>Net cash generated from/(used in) Investing Activities - (B)</b>                              |                                      | (3862328)  |                                      | (8424523)  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |                                      |            |                                      |            |
| Proceeds from Non-Current borrowings   | 0                                    |            | 0                                    |            |
| Repayment of Non-Current borrowings  | (81908)                              |            | (15813722)                           |            |
| Net Increase/(decrease) in Current borrowings  | (6777946)                            |            | 7183177                              |            |
| Interest paid  | (2819385)                            |            | (3584286)                            |            |
| <b>Net cash generated from/(used in) financing activities - (C)</b>                              |                                      | (9679239)  |                                      | (12234831) |
| <b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>                            |                                      | 122916     |                                      | (603422)   |
| Cash and cash equivalents at the beginning of the year   |                                      | 237276     |                                      | 840698     |
| Cash and cash equivalents at the end of the year   |                                      | 360192     |                                      | 237276     |
| <b>1. Cash and cash equivalents at the end of year comprises :</b>                               |                                      |            |                                      |            |
| Cash on hand   |                                      | 129439     |                                      | 118603     |
| Balances with banks  |                                      |            |                                      |            |
| (i) In current accounts  |                                      | 160603     |                                      | 118473     |
| (ii) In fixed deposit accounts   |                                      | 70150      |                                      | 0          |
| <b>Total</b>   |                                      | 360192     |                                      | 237276     |

In terms of our report attached,  
For Singhal R & Associates  
Chartered Accountants  
Firm Regn. No. 007908C

  
**RAHUL KUMAR JAIN**  
Partner  
M. No. 421586



For POLYWOOD PROFILES PVT LTD

  
**(ATUL KUMAR JAIN)**  
Director  
Din No. 01862747

  
**(ANITA DHABRIYA)**  
Director  
Din No. 00359317

Place : Coimbatore  
Date : 27th May, 2019



**1. GENERAL INFORMATION**

Polywood Profiles Private Limited ('The Company') is a Private Limited Company domiciled and incorporated under the provisions of the erstwhile Companies Act, 1956 in India in 2006. The Company is a wholly owned subsidiary of Dhabriya Polywood Limited, whose equity shares are listed at the Bombay Stock Exchange (BSE). It is headquartered in Coimbatore in Tamilnadu and having its manufacturing unit at Coimbatore. The Company is one of the leading manufacturer & suppliers of Extruded PVC Profile Sections in the Southern India, which all are developed & produced on Save Trees concept as a wood-substitute products for various uses of furniture & furnishing i.e. Doors, windows, partitions, false ceiling, cabinets, furniture units etc.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as applicable.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. 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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia 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 financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This categorization is 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.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**B. REVENUE RECOGNITION**

**Sale of Goods** – Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of returns and allowances, trade discounts and volume rebates. Sales of products is net of Goods and Service Tax (GST).

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales arrangements.



**Income from Services:** Revenue from sale of services are recognized when services are rendered and related costs are incurred. Income from services is also net of Goods and Service Tax (GST).

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

#### C. PROPERTY, PLANT AND EQUIPMENT

On transition to Ind AS the Company has adopted the optional exemption under Ind AS 101 to use the carrying value of the Property, plant and equipment as the deemed cost. Subsequently Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP. Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets. All repair and maintenance costs are recognized in profit or loss as incurred. Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital work-in-progress - Assets which are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

##### Depreciation methods, estimated useful lives and residual value

Depreciation on Property, plant and equipment is provided to the extent of depreciable amount on the Written Down Value (WDV) Method on the basis of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on additions and deletion during the year has been provided on pro rata basis with reference to the date of addition and deletion. The residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income or other expenses, as applicable.

#### D. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised in the Statement of Profit and Loss wherever the carrying amount of an asset exceeds its estimated recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. Provision for impairment will be reviewed periodically and amended depending on changes in circumstances.

#### E. FOREIGN CURRENCY TRANSACTIONS

The functional currency of the Company is Indian rupee. Transactions denominated in foreign currencies are normally recorded on initial recognition at the exchange rate prevailing at the time of transaction. Monetary items (i.e. liabilities and assets etc.) denominated in foreign currency at the year-end are translated at the functional currency closing rate of exchange at the reporting date.





Any income or expenses on account of exchange difference either on settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognized as income / expense in the statement of profit and loss except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**F. CASH AND CASH EQUIVALENTS**

For the purpose of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts, if any, are shown within borrowings in current liabilities in the balance sheet.

**G. TRADE RECEIVABLES**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

**H. INVENTORIES**

Raw materials, Packing Materials, stores, spares & consumables, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials, packing materials comprises cost of purchases, non-refundable purchase taxes and any directly attributable expenses related to inventories. Cost of raw materials, packing materials, stores, spares & consumables is determined on a first in first out method. Cost of work-in-progress and finished goods comprises materials and appropriate proportion of all variable and fixed overhead expenditures, which is allocated on a systematic basis.

Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts, if any. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**I. 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.

**J. BORROWING**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized 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. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**K. BORROWING COST**

Borrowing Costs directly attributable to the acquisition, construction and production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Profit and Loss in the period in which they are incurred.



#### L. EMPLOYEE BENEFITS

##### Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund (PF) and Employee State Insurance (ESI) to the eligible employees. The Company's contribution is recognized as employee benefit expenses in Profit and Loss during the period in which the employee renders the related service.

##### Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan to the employees whoever has completed five years of service with the Company at the time of retirement, death while in employment or on termination of employment or otherwise as per the provisions of The Payment of Gratuity Act, 1972. Company accounts for liability of future gratuity benefits bases on an external actuarial valuation on projected unit credit method carried out annually for assessing liability as at the balance sheet date.

#### M. USE OF ESTIMATES AND JUDGEMENT

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key judgements and estimations concerning the future and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are :

##### (i) Useful lives and residual value of property, plant and equipment and intangible assets :

Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.

##### (ii) Taxation :

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations, if any. Any difference is recognised on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

#### N. FINANCIAL INSTRUMENTS

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





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

#### FINANCIAL ASSETS

##### Initial recognition and measurement:

On initial recognition, a financial asset is recognized at fair value. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) depending on the classification of the financial assets. 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.

##### 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.

##### Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

##### Classification as equity

Equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

All financial liabilities are subsequently measured at amortized cost using the effective interest 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. Interest expense are included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts)



through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Derecognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or 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 de-recognition 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 or loss.

**Offsetting**

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.

**O. INCOME TAXES**

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, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss i.e. in other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. 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 reassessed 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 relating to items recognized outside profit or loss is recognized outside profit or loss i.e. in other comprehensive income.

**P. PROVISIONS AND CONTINGENCIES**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed after evaluation of the facts and legal aspects of the matter involved, in line with the provisions of Ind AS 37. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.





*Notes forming part of Financial Statements*  
for the year ended March 31, 2019

**Q. EARNING PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the current year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for calculating basic earnings per share, and also the weighted average number of shares, which would have been issued on the conversion of all dilutive potential equity shares. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate.

**R. OPERATING CYCLE**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**4. Property, Plant & Equipment and Capital Work-in-progress**

As at 31st March, 2019 and 31st March, 2018

| Particulars                     | Gross Carrying Amount           |                            |                                      | Accumulated Depreciation        |                              |   | Net Carrying Amount     |                         |
|---------------------------------|---------------------------------|----------------------------|--------------------------------------|---------------------------------|------------------------------|---|-------------------------|-------------------------|
|                                 | Balance as at<br>01 April, 2018 | Additions /<br>Adjustments | Disposals /<br>discards of<br>assets | Balance as at<br>01 April, 2018 | Depreciation<br>for the year | Eliminated on<br>Disposals /<br>discards of<br>assets | As at 31 March,<br>2019 | As at 31<br>March, 2018 |
| Leasehold Land                  | 207550                          | 0                          | 0                                    | 0                               | 0                            | 0   | 207550                  | 207550                  |
| Building                        | 3978916                         | 0                          | 0                                    | 562079                          | 244745                       | 0   | 3172062                 | 3416837                 |
| Plant & Equipment               | 47519533                        | 4966559                    | 3647460                              | 11073473                        | 5598356                      | 1381010   | 15290819                | 33347793                |
| Furniture & Fixtures            | 237175                          | 0                          | 0                                    | 142431                          | 29182                        | 0   | 171813                  | 95562                   |
| Vehicles                        | 454016                          | 87577                      | 0                                    | 541593                          | 80896                        | 0   | 171927                  | 360866                  |
| Computers                       | 218318                          | 0                          | 30100                                | 108727                          | 53504                        | 23400   | 138331                  | 342945                  |
| <b>TOTAL</b>                    | <b>52616508</b>                 | <b>6054116</b>             | <b>3677760</b>                       | <b>11997781</b>                 | <b>6680643</b>               | <b>1404410</b>  | <b>37212850</b>         | <b>48618727</b>         |
| <b>Capital Work-in-progress</b> | <b>0</b>                        | <b>1253062</b>             | <b>0</b>                             | <b>0</b>                        | <b>0</b>                     | <b>0</b>  | <b>1253062</b>          | <b>0</b>                |

(i) Property, plant and equipment have been pledged as security against certain borrowings of the Company as at March 31, 2019. Refer note 19.





**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**5. Investments - Non-Current**

| Particulars  | As at 31 March, 2019 |             | As at 31 March, 2018 |             |
|--|----------------------|-------------|----------------------|-------------|
|  | No. of Units         | Amount      | No. of Units         | Amount      |
| A. Investment in Government Securities<br>(Unquoted, valued at amortised cost)<br>- National Saving Certificates | -                    | 2500        | -                    | 2500        |
| <b>Total</b>   |                      | <b>2500</b> |                      | <b>2500</b> |

**6. Loans - Non-Current (Unsecured, Considered Good)**

| Particulars       | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------|----------------------|----------------------|
| Security Deposits | 2533889              | 2407063              |
| <b>Total</b>      | <b>2533889</b>       | <b>2407063</b>       |

**7. Inventories**

| Particulars                                      | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| At Lower of cost or net realisation value :      |                      |                      |
| Raw Materials                                    | 11343881             | 10114143             |
| Stock in Progress and semi finished goods        | 4747234              | 9899719              |
| Finished Goods - Manufactured                    | 3196912              | 3390926              |
| Finished Goods - Traded                          | 5854932              | 1132992              |
| Consumables, Spare Parts, Stores and Spare Parts | 250000               | 250000               |
| <b>Total</b>                                     | <b>25392969</b>      | <b>20566774</b>      |

**8. Trade Receivables**

| Particulars                                       | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| Unsecured, considered good :<br>Trade Receivables | 36586931             | 28122288             |
| <b>Total</b>                                      | <b>36586931</b>      | <b>28122288</b>      |

\* Trade Receivables are expected to realise at least the amount at which they are stated, if realized in the ordinary course of business.

**9. Cash and Cash Equivalents**

| Particulars                    | As at 31 March, 2019 | As at 31 March, 2018 |
|--------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents :    |                      |                      |
| (a) Cash on hand               | 129439               | 118603               |
| (b) Balances with banks        |                      |                      |
| (i) in current accounts        | 180003               | 118473               |
| (ii) in fixed deposit accounts | 70150                | 0                    |
| <b>Total</b>                   | <b>369192</b>        | <b>237276</b>        |

**10. Loans - Current (Unsecured, Considered Good)**

| Particulars               | As at 31 March, 2019 | As at 31 March, 2018 |
|---------------------------|----------------------|----------------------|
| Security & Other Deposits | 511000               | 502000               |
| <b>Total</b>              | <b>511000</b>        | <b>502000</b>        |

**11. Other Current Financial Assets**

| Particulars                         | As at 31 March, 2019 | As at 31 March, 2018 |
|-------------------------------------|----------------------|----------------------|
| Balance With Government Authorities | 54863                | 415108               |
| Other Advances recoverable in cash  | 778123               | 1296297              |
| <b>Total</b>                        | <b>832986</b>        | <b>1701405</b>       |

**12. Other Current Assets**

| Particulars   | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| Advances to Suppliers                               | 26723                | 562931               |
| Prepaid Expenses                                    | 207309               | 163934               |
| Other Advances recoverable for value to be received | 7324                 | 7507                 |
| <b>Total</b>  | <b>241356</b>        | <b>732572</b>        |



**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**13. Equity Share Capital**

| Particulars  | As at 31 March, 2019   |                                   | As at 31 March, 2018  |                                   |
|--|--|-----------------------------------|-----------------------|-----------------------------------|
|  | Number of shares   | Amount in Rs.                     | Number of shares      | Amount in Rs.                     |
| (a) Authorised   |  |                                   |                       |                                   |
| Equity shares of Rs. 10/- each   | 50000  | 500000                            | 50000                 | 500000                            |
| (b) Issued   |  |                                   |                       |                                   |
| Equity shares of Rs. 10/- each   | 46500  | 465000                            | 46500                 | 465000                            |
| (c) Subscribed and fully paid up   |  |                                   |                       |                                   |
| Equity shares of Rs. 10/- each   | 46500  | 465000                            | 46500                 | 465000                            |
| (d) Reconciliation of shares Outstanding at the beginning and at the end of the reporting period                       |  |                                   |                       |                                   |
| At the beginning of the period   | 46500  | 465000                            | 46500                 | 465000                            |
| Outstanding at the end of the period   | 46500  | 465000                            | 46500                 | 465000                            |
| (e) Details of shareholders holding more than 5% equity shares in the Company :  |  |                                   |                       |                                   |
|  | Number of shares held  | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Chabriya Polywood Limited  | 46500  | 100.00%                           | 46500                 | 100.00%                           |
| (f) Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates                                | 46500  | 100.00%                           | 46500                 | 100.00%                           |
| (g) Terms/rights attached to equity shares   | The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- Each holder of equity share is entitled to one vote per share and dividend as and when declared by Company.<br>There are no rights, preferences and restrictions attached to any share. |                                   |                       |                                   |
| (h) There is no share reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. |  |                                   |                       |                                   |

**14. Other Equity**

| Particulars   | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| (A) General Reserves  |                      |                      |
| Balance at the Beginning of the Year                            | 37809024             | 24779172             |
| Less : Gratuity Expenses Provision                              | 0                    | (1952577)            |
| Add : Deferred Tax on Gratuity not provided for earlier         | 0                    | 372869               |
| Add: Transfer from Retained Earnings                            | 19137268             | 14009760             |
| Closing balance   | 56946292             | 37809024             |
| (B) Retained Earning Account                                    |                      |                      |
| Balance at the Beginning of the Year                            | 0                    | 0                    |
| Add: Profit for the year  | 18887532             | 14309760             |
| Add: Other Comprehensive Income for the year, net of income tax | 149736               | 0                    |
| Less : Transfer to General Reserve                              | 19137268             | 14009760             |
| Closing balance   | (19137268)           | (14009760)           |
| Total   | 56946292             | 37809024             |

**15. Borrowings - Non-Current**

| Particulars                                | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| SECURED - At Amortised Cost                |                      |                      |
| Term Loan from Banks                       | 0                    | 0                    |
| Less : Current maturities of term loans    | 0                    | 0                    |
| Vehicle Loans*                             | 0                    | 0                    |
| Less : Current maturities of vehicle loans | 0                    | 81908                |
|  | 0                    | (81908)              |
| UNSECURED - At Amortised Cost              |                      |                      |
| From Directors                             | 0                    | 0                    |
| From Corporates                            | 0                    | 0                    |
| Total                                      | 0                    | 0                    |

\* Car Loan of Rs.2.95 Lakhs was repayable in 36 monthly instalments commencing from December 2015 and last instalment was due in November, 2018. Same was secured by mortgage of respective vehicle against which loan was taken.

**16. Other Financial Liabilities - Non-Current**

| Particulars                       | As at 31 March, 2019 | As at 31 March, 2018 |
|-----------------------------------|----------------------|----------------------|
| Trade/ security deposits received | 0                    | 0                    |
| Total                             | 0                    | 0                    |





**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**17. Provisions - Non-Current**

| Particulars   | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|---|-------------------------|-------------------------|
| Provision for Employee Benefits :<br>Gratuity Provision | 1549322                 | 1312428                 |
| <b>Total</b>  | <b>1549322</b>          | <b>1312428</b>          |

**18. Deferred tax liabilities (net)**

| Particulars   | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|---|-------------------------|-------------------------|
| Tax effect of items constituting deferred tax liability :<br>Property, Plant & Equipments | 2830058                 | 2610677                 |
| Tax effect of items constituting deferred tax assets :<br>Provision for Gratuity          | (442870)                | (372669)                |
| <b>Net Deferred Tax Liability</b>   | <b>2387188</b>          | <b>2237908</b>          |

**19. Borrowings - Current**

| Particulars  | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|--|-------------------------|-------------------------|
| SECURED - At Amortised Cost<br>Working Capital Loans From Banks<br>Cash Credit / Overdraft Facility* | 19525279                | 26303224                |
| <b>Total</b>   | <b>19525279</b>         | <b>26303224</b>         |

\* Cash Credit Limits from HDFC Bank Ltd. is secured against equitable mortgage / hypothecation on all the immovable and movable properties of the Companies, inventory and book debts, both present and future.

**20. Trade Payables**

| Particulars   | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|---|-------------------------|-------------------------|
| Trade payables<br>Total Outstanding dues of Micro and small enterprises<br>Others | 2721706<br>8334863      | 0<br>13767709           |
| <b>Total</b>  | <b>11056569</b>         | <b>13767709</b>         |

**21. Other Financial Liabilities - Current**

| Particulars                          | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|--------------------------------------|-------------------------|-------------------------|
| Current maturities of Term Loans     | 0                       | 0                       |
| Current maturities of Vehicle Loans* | 0                       | 81908                   |
| Statutory Remittances                | 801557                  | 2228490                 |
| Other Payables                       | 1766428                 | 1479002                 |
| <b>Total</b>                         | <b>2567985</b>          | <b>3787466</b>          |

\*Refer notes in Note 15 Borrowings - Non-Current for details of security.

**22. Other Current Liabilities**

| Particulars                    | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|--------------------------------|-------------------------|-------------------------|
| Credit Balances of Receivables | 4067572                 | 2033414                 |
| <b>Total</b>                   | <b>4067572</b>          | <b>2033414</b>          |

**23. Provisions - Current**

| Particulars  | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|--|-------------------------|-------------------------|
| Provision for Expenses<br>Provision for Employee Benefits - Gratuity | 4572034<br>42589        | 4481157<br>40140        |
| <b>Total</b>   | <b>4615523</b>          | <b>4521306</b>          |

**24. Income Taxes**

**a) Income Tax Expenses**

| Particulars   | For the year<br>ended<br>31 March, 2019 | For the year<br>ended<br>31 March, 2018 |
|---|---|---|
| Current Tax :<br>- Current Tax<br>- Tax pertaining to earlier years | 7560000<br>256892                       | 6300000<br>(8612)                       |
| Deferred Tax  | 91466                                   | (219382)                                |
| <b>Total</b>  | <b>7708358</b>                          | <b>6073796</b>                          |



**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

A reconciliation of income tax expenses applicable to accounting profit before tax at the statutory income tax rate to income tax expenses recognized for the year is indicated below :

| Particulars  | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax  | 2695889                              | 19081556                             |
| Enacted tax rate in India including surcharge / cess, if any | 27.820%                              | 27.553%                              |
| Expected income tax expenses at statutory tax rate           | 7426796                              | 5257997                              |
| Tax impact on account of:                                    |                                      |                                      |
| Depreciation under income tax act                            |                                      |                                      |
| Others   | (88045)                              | (87195)                              |
| Tax expenses pertaining to current year                      | 7338751                              | 5170802                              |
| Effective Income Tax Rate                                    | 27.570%                              | 27.773%                              |

**(b) Current Tax Liability (Net)**

| Particulars                  | As at 31 March,<br>2019 | As at 31 March,<br>2018 |
|------------------------------|-------------------------|-------------------------|
| Provision for Income Tax     | 7338751                 | 5170802                 |
| Less : Advance Tax and TDS   | 5613089                 | 2826974                 |
| Net Provision for Income Tax | 1725662                 | 2343828                 |
| <b>Total</b>                 | <b>1725662</b>          | <b>2343828</b>          |

**25. Revenue From Operations**

| Particulars                    | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of Products (A)</b>    |                                      |                                      |
| Sale of Products               | 25998955                             | 229979323                            |
| Add : Excise Duty              | 0                                    | 500048                               |
| <b>Sale of Services (B)</b>    |                                      |                                      |
| Installation and Fixing Income | 1858864                              | 305097                               |
| <b>Total (A+B)</b>             | <b>25998955</b>                      | <b>234483320</b>                     |

**26. Other Income**

| Particulars                  | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|------------------------------|--------------------------------------|--------------------------------------|
| Interest Income              | 162538                               | 151809                               |
| Foreign Exchange Gains (Net) | 34628                                | 60461                                |
| Profit on sales of Machinery | 8962                                 | 0                                    |
| <b>Total</b>                 | <b>206128</b>                        | <b>212270</b>                        |

**27. Cost of Material Consumed**

| Particulars                            | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 10114143                             | 11831423                             |
| Add: Purchases during the year         | 15295573                             | 133301603                            |
| Less: Inventory at the end of the year | 163089710                            | 140132426                            |
| <b>Total</b>                           | <b>15172624</b>                      | <b>13916280</b>                      |

**28. Purchase of Stock in Trade**

| Particulars               | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|---------------------------|--------------------------------------|--------------------------------------|
| Purchase of Trading Goods | 6472928                              | 3948319                              |
| <b>Total</b>              | <b>6472928</b>                       | <b>3948319</b>                       |

**29. Changes in Inventories of Finished Goods, W.I.P. & Stock in Trade**

| Particulars                                      | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| <b>Inventories at the end of the year:</b>       |                                      |                                      |
| Finished Goods - Manufactured                    | 3196912                              | 3390926                              |
| Finished Goods - Trading                         | 5854932                              | 1132992                              |
| Stores & spare Parts                             | 250000                               | 250000                               |
| Stock in Process and Semi Finished goods         | 4747234                              | 5698713                              |
| <b>TOTAL</b>                                     | <b>14049078</b>                      | <b>10472631</b>                      |
| <b>Inventories at the beginning of the year:</b> |                                      |                                      |
| Finished Goods - Manufactured                    | 3380926                              | 6227967                              |
| Finished Goods - Trading                         | 1132992                              | 1125294                              |
| Stores & spare Parts                             | 250000                               | 258149                               |
| Stock in Process and Semi Finished goods         | 5698713                              | 4545147                              |
| <b>TOTAL</b>                                     | <b>10472631</b>                      | <b>12156497</b>                      |
| <b>Net (Increase) / decrease</b>                 | <b>(3576448)</b>                     | <b>1683888</b>                       |





**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**30. Employees Benefit Expense**

| Particulars                              | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| Salary, Wages and Bonus etc to Employees | 26134321                             | 24131821                             |
| Contributions to Provident Fund          | 388161                               | 619978                               |
| Remuneration to Directors                | 5100000                              | 2205000                              |
| Gratuity                                 | 606706                               | 0                                    |
| Staff Welfare Expenses                   | 1377553                              | 1256743                              |
| <b>Total</b>                             | <b>33604741</b>                      | <b>28212540</b>                      |

**31. Finance Cost**

| Particulars                            | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|--|--------------------------------------|--------------------------------------|
| Interest expense                       | 2762017                              | 3419937                              |
| Bank Charges & other financial charges | 56788                                | 184350                               |
| <b>Total</b>                           | <b>2818805</b>                       | <b>3584286</b>                       |

**32. Depreciation and Amortization Expense**

| Particulars                                   | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|---|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant and Equipment | 5988643                              | 6204775                              |
| <b>Total</b>                                  | <b>5988643</b>                       | <b>6204775</b>                       |

**33. Other Expenses**

| Particulars                                 | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>Manufacturing Expenses</b>               |                                      |                                      |
| Power & Fuel Expenses                       | 16025286                             | 15152697                             |
| Factory Expenses                            | 427832                               | 399208                               |
| Carriage Inward                             | 2360284                              | 1761490                              |
| Machine Repair and Maintenance              | 7831230                              | 7530047                              |
| Central Excise Duty Expenses                | 0                                    | 314948                               |
| Electric Repair and Maintenance             | 129752                               | 232868                               |
| Installation Expenses                       | 1838428                              | 1788000                              |
|   | <b>28410612</b>                      | <b>25569257</b>                      |
| <b>Office &amp; Administrative Expenses</b> |                                      |                                      |
| Audit Fee                                   | 35000                                | 30900                                |
| Office and Other expenses                   | 271068                               | 299358                               |
| Telephone & Mobile Expenses                 | 156162                               | 177326                               |
| Vehicle Repair and Maintenance              | 253667                               | 270762                               |
| Legal & Professional charges                | 186343                               | 37540                                |
| Registration and Filing Fees                | 7490                                 | 1227                                 |
| Rates, Rent and taxes                       | 1282243                              | 990114                               |
| Conveyance Expenses                         | 14810                                | 15015                                |
| Insurance expenses                          | 175995                               | 162794                               |
| Building Repair and Maintenance             | 16704                                | 193266                               |
| Postage and Courier Expenses                | 43192                                | 49151                                |
| Printing & Stationery Expenses              | 91526                                | 109226                               |
| Software Expenses                           | 5850                                 | 9654                                 |
| Computer Repair & Maintenance               | 26050                                | 114655                               |
|   | <b>2566093</b>                       | <b>2460298</b>                       |
| <b>Selling &amp; Distribution Expenses</b>  |                                      |                                      |
| Freight Outward                             | 2216914                              | 1148815                              |
| Advertisement & Sales Promotion Expenses    | 507413                               | 790802                               |
| Travelling Expenses                         | 833259                               | 1100145                              |
| Discount & Incentive on sales               | 410554                               | 635568                               |
| Commission of Sales                         | 378540                               | 52000                                |
|   | <b>4346780</b>                       | <b>3731330</b>                       |
| <b>Total</b>                                | <b>35323665</b>                      | <b>31768885</b>                      |



**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**34. Earning Per Share**

| Particulars  | 2018-2019 | 2017-18  |
|--|-----------|----------|
| (a) Net Profit after Tax as per Statement of Profit & Loss | 18987532  | 14009760 |
| (b) Net Profit available to Equity Shareholders            | 18987532  | 14009760 |
| (c) Number of equity shares at year end                    | 46500     | 46500    |
| (d) Weighted Average No. of Equity Shares                  | 46500     | 46500    |
| (e) Basic / Diluted Earning per Share (b)/(d)              | 408.33    | 301.29   |
| (f) Face value per equity share                            | 10.00     | 10.00    |

**35. Employee Benefits**

**a) Contribution to Provident Fund and Employees State Insurance**

Contribution to Defined Contribution Plans, recognized as an expenses for the year is as under :

| Particulars   | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|---|-------------------------------------|-------------------------------------|
| Employer's contribution to provident fund (includes pension fund) | 386161                              | 619976                              |

**b) Gratuity**

The following table summarizes the components of expense recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet according to Actuarial Report :

| Particulars  | 31st March, 2019 | 31st March, 2018 |
|--|------------------|------------------|
| <b>1. Amounts Recognized in Statement of Profit and Loss</b>             |                  |                  |
| a. Current Service Cost  | 501881           | 0                |
| b. Interest on Defined Benefit Obligation                                | 104825           | 0                |
| c. Past Service Cost   | 0                | 0                |
| Total amount included in "Employee Benefit Expense" (Note 30)            | 606706           | 0                |
| <b>2. Amounts Recognized in other comprehensive income (OCI)</b>         |                  |                  |
| a. Net cumulative unrecognized actuarial Losses/ (Gains) opening         | 0                | 0                |
| b. Net Actuarial Losses/ (Gains) Recognized in Year                      | (207449)         | 0                |
| Unrecognized actuarial Losses/ (Gains) for the year                      | (207449)         | 0                |
| <b>3. Amount Recognized in Balance Sheet</b>                             |                  |                  |
| a. Present Value of Unfunded Obligations                                 | 1591911          | 1352577          |
| Net Liability  | 1591911          | 1352577          |
| b. Net Liability is bifurcated as follows:                               |                  |                  |
| Current  | 42589            | 40149            |
| Non Current  | 1549322          | 1312428          |
| Net Liability  | 1591911          | 1352577          |
| <b>4. Reconciliation of present value of defined benefit obligations</b> |                  |                  |
| a. Present value of obligation as at the beginning of the period         | 1352577          | 0                |
| b. Current Service Cost  | 501881           | 0                |
| c. Interest Cost   | 104825           | 0                |
| d. Actuarial Losses/ (Gain)  | (207449)         | 0                |
| e. Past Service Cost - recognized th. Reserve                            | 0                | 1352577          |
| f. Benefits Paid   | (159923)         | 0                |
| g. Present value of obligation as at the end of the period               | 1591911          | 1352577          |
| <b>5. Actuarial Assumptions of the defined benefit obligations</b>       |                  |                  |
| a. Discount Rate (p.a.)  | 7.75%            | 7.75%            |
| b. Salary Escalation Rate (p.a.)   | 6.00%            | 6.00%            |

**36. Segment Reporting**

In accordance with para 4 of Ind AS 108 - Operating Segments, since the company operates in one segment of activity viz. Manufacturing & Sales of Extruded PVC Profile Sections therefore no separate segment reported.

**37. Contingent Liabilities**

| Particulars   | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| a) Performance Bank Guarantees given to third parties for contractual obligations | 280000               | 0                    |





**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**38. Related Party Disclosures**

|  |  |
|--|--|
| <b>a) Related Parties and their relationship</b>   |  |
| <b>I. Holding Company</b>  |  |
| * Dhatriya Polywood Limited  |  |
| <b>II. Key Management Personnel</b>  |  |
| * Mr. Atul Jain, Director  |  |
| * Mr. Shreyansh Dhatriya, Director   |  |
| * Mrs. Anita Dhatriya, Director  |  |
| <b>III. Enterprises over which Key Management Personnel are able to exercise significant influence / control :</b> |  |
| * Dynasty Modular Furnitures Pvt. Ltd.   |  |
| * Polywood India Limited   |  |
| * Polywood Green Building Systems Pvt. Ltd.  |  |

| <b>b) Transactions with related parties for the year ended 31st March, 2019</b> |                        |         |  |          |   |         |
|---|------------------------|---------|--|----------|---|---------|
| <b>Nature of Transactions</b>   | <b>Holding Company</b> |         | <b>Enterprises over which KMP exercise significant influence / control</b> |          | <b>Key Management Personnel and their relatives</b> |         |
|   | 2018-19                | 2017-18 | 2018-19  | 2017-18  | 2018-19   | 2017-18 |
| Remuneration to Key Management Personnel  | 0                      | 0       | 0  | 0        | 5100000   | 2205000 |
| Interest Payment  | 0                      | 0       | 0  | 0        | 415692  | 185865  |
| Sales of Goods  | 11101270               | 9530100 | 10297878   | 18396738 | 0   | 0       |
| Purchase of Goods   | 7802725                | 3954952 | 44924  | 2391790  | 0   | 0       |
| Purchase of Property, plant and equipment                                       | 1135397                | 34281   | 0  | 0        | 0   | 0       |
| Other Expenses  | 1929350                | 1943689 | 0  | 282700   | 0   | 0       |
| <b>Balance as at 31st March</b>   |                        |         |  |          |   |         |
| Non Current Borrowings  | 0                      | 0       | 0  | 0        | 0   | 0       |
| Provisions - Current  | 0                      | 0       | 0  | 0        | 216756  | 662040  |
| Other Financial Assets - Current  | 0                      | 0       | 0  | 0        | 0   | 181531  |
| Other Current Liabilities   |                        |         |  |          | 54325   | 0       |
| Trade Receivables   | 0                      | 0       | 5740852  | 3626055  | 0   | 0       |

**39. Financial Instruments**

**a. Capital Risk Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

The Company monitors its capital using gearing ratio which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents.

| <b>Particulars</b>  | <b>As at March 31, 2019</b> | <b>As at March 31, 2018</b> |
|---|-----------------------------|-----------------------------|
| Long term borrowings                                      | 0                           | 0                           |
| Current maturities of long term debt                      | 0                           | 81908                       |
| Short term borrowings                                     | 19525278                    | 26303224                    |
| Less : Cash and cash equivalents                          | (360192)                    | (237276)                    |
| Less : Bank Balances other than Cash and cash equivalents | 0                           | 0                           |
| <b>Net Debt</b>   | <b>19165087</b>             | <b>26147956</b>             |
| <b>Total Equity</b>                                       | <b>57411292</b>             | <b>36274824</b>             |
| <b>Gearing Ratio</b>                                      | <b>0.33</b>                 | <b>0.68</b>                 |



**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

**b. Categories of financial instruments**

| Particulars   | As at March 31, 2019 |            | As at March 31, 2018 |            |
|---|----------------------|------------|----------------------|------------|
|   | Carrying Value       | Fair Value | Carrying Value       | Fair Value |
| <b>Financial Assets</b>                                       |                      |            |                      |            |
| Measured at amortised cost                                    |                      |            |                      |            |
| Loans   |                      |            |                      |            |
| Other Financial Assets  |                      |            |                      |            |
| Trade Receivables   | 3044889              | 3044889    | 2909063              | 2909063    |
| Cash and Cash equivalents                                     | 832986               | 832986     | 1701405              | 1701405    |
| Non current investment  | 36588931             | 36588931   | 28122288             | 28122288   |
| Total Financial Assets at amortised cost (A)                  | 360192               | 360192     | 237276               | 237276     |
| Measured at Fair Value through other comprehensive income (B) | 2500                 | 2500       | 2500                 | 2500       |
| Measured at fair value through profit and loss (C)            | 40827498             | 40827498   | 32972531             | 32972531   |
| Total Financial Assets (A+B+C)                                | 0                    | 0          | 0                    | 0          |
|   | 40827498             | 40827498   | 32972531             | 32972531   |
| <b>Financial Liabilities</b>                                  |                      |            |                      |            |
| Measured at amortised cost                                    |                      |            |                      |            |
| Long Term Borrowings  |                      |            |                      |            |
| Current Maturities of Long Term Borrowings                    | 0                    | 0          | 0                    | 0          |
| Short Term Borrowings   | 0                    | 0          | 81906                | 81906      |
| Trade Payables  | 19523278             | 19523278   | 26303224             | 26303224   |
| Other Financial Liabilities                                   | 11056568             | 11056568   | 13767709             | 13767709   |
| Total Financial Liabilities carried at amortised cost         | 2567983              | 2567983    | 3705558              | 3705558    |
|   | 33149828             | 33149828   | 43858399             | 43858399   |

**b. Financial Risk Management objects and policies**

In its ordinary operations, the company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchange risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks.

**Market Risk**

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the change in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

**Interest Rate Risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest-bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest-bearing investments will fluctuate because of fluctuations in the interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations.

**Foreign Currency Risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD related to the imports of its raw material and capital assets. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

**Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arise principally from the trade receivables and advances. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to the customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on that credit limit and credit terms are decided. Outstanding customer receivables are regularly monitored. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentrations of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

**Liquidity Risk**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Expected contractual maturity for financial liabilities :





**Notes forming part of Financial Statements  
for the year ended 31 March, 2019**

| Particulars                 | Less Than 1 year | 1 to 5 years | More than 5 years | Total          |
|-----------------------------|------------------|--------------|-------------------|----------------|
| <b>As at March 31, 2019</b> |                  |              |                   |                |
| Borrowings                  |                  |              |                   |                |
| Trade and Other payables    | 19525278         | 0            | 0                 | 19525278       |
| Other Financial Liabilities | 11056568         | 0            | 0                 | 11056568       |
| <b>Total</b>                | <b>2567983</b>   | <b>0</b>     | <b>0</b>          | <b>2567983</b> |
| <b>As at March 31, 2018</b> |                  |              |                   |                |
| Borrowings                  |                  |              |                   |                |
| Trade and Other payables    | 26303224         | 0            | 0                 | 26303224       |
| Other Financial Liabilities | 13787709         | 0            | 0                 | 13787709       |
| <b>Total</b>                | <b>3787466</b>   | <b>0</b>     | <b>0</b>          | <b>3787466</b> |

**40. Details of Dues to Micro Enterprises and Small Enterprises**

Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Particulars   | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| Principal amount due to suppliers as at the end of the year   | 2,721,705            | 0                    |
| Interest accrued and due to suppliers on the above amount as at the end of the year   | 0                    | 0                    |
| The amount of interest paid by the Company in terms of section 18 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year ended March 31, 2019  | 0                    | 0                    |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006  | 0                    | 0                    |
| The amount of interest accrued and remaining unpaid at the end of each accounting year  | 0                    | 0                    |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | 0                    | 0                    |
| <b>Total</b>  | <b>2,721,705</b>     | <b>0</b>             |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected and received by the Management for the respective year. This has been relied upon by the auditors.

**41. Other Notes**

- \* Company does not have any long-term contract including derivative contract for which there are any material foreseeable losses.
- \* There are no amounts which are required to be transferred to the Investor Education and Protection Fund.
- \* Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary.

In terms of our report attached.

For Singhal R & Associates

Chartered Accountants

Firm Regn. No. 007808C

RAHUL KUMAR JAIN

Partner

M. No. 421586

Place : Coimbatore

Date : 27th May, 2019



For POLYWOOD PROFILES PVT LTD

(ATUL KUMAR JAIN)  
Director  
Din No. 01862747

(ANITA DHABRIYA)  
Director  
Din No. 00359317